BACK ON THE GROWTH TRACK

ANNUAL REPORT 2003

Corporate Information

Headquarters
Ellipsiz Ltd.
29 Woodlands Industrial Park E1 #04-01/06
NorthTech Lobby 1
Singapore 757716
Tel: (65) 6311 8500
Fax: (65) 6269 2628

Stock listing
Ellipsiz ordinary shares are traded on the Singapore Exchange Securities Trading Limited or SGX-ST since 6 July 2000 under the symbol "Ellipsiz"

Independent Auditor
KPMG
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581
Tel: (65) 6213 3388
Partner-in-charge: Mr. David Leaver
(appointed on 17 March 2000)

Registrar and Share Transfer Office
M&C Services Pte. Ltd.
138 Robinson Road
#17-00 The Corporate Office
Singapore 068906
Tel: (65) 6227 6660

Joint Company Secretaries
Chan Yuen Leng, LL.B. (Hons)
Anne Choo, LL.B. (Hons)

Principal Bankers
Malayan Banking Bhd.
2 Battery Road
Maybank Tower
Singapore 049514

Oversea-Chinese Banking Corporation Ltd.
65 Chulia Street
#06-00 OCBC Centre
Singapore 049513

Contents

Asia's leading integrated solutions provider for the semiconductor industry:

- **Engineering Solutions**
- **Advanced Packaging Solutions**

The Ellipsiz Group is a leading engineering and advanced packaging solutions provider to the semiconductor industry in Asia. The holding company, Ellipsiz Ltd., was listed on SGX in July 2000.

It is a services foundry for wafer fabs. It also licenses its proprietary electroplating wafer bumping technology to fabs and advanced packaging houses which require this service for their flip-chip products. Among its offerings as a wafer fab service foundry are lithography applications, total facility management, total chemicals management, failure analysis and reliability laboratories, pump refurbishment, and wafer reclaim. Ellipsiz also serves fabless customers in the test-engineering and other design-to-silicon services.

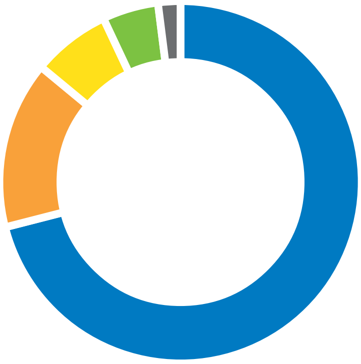
The Group has operations in Singapore, Malaysia, Taiwan and China.

More information on the Group is posted on its website at www.ellipsiz.com.

Our Mission

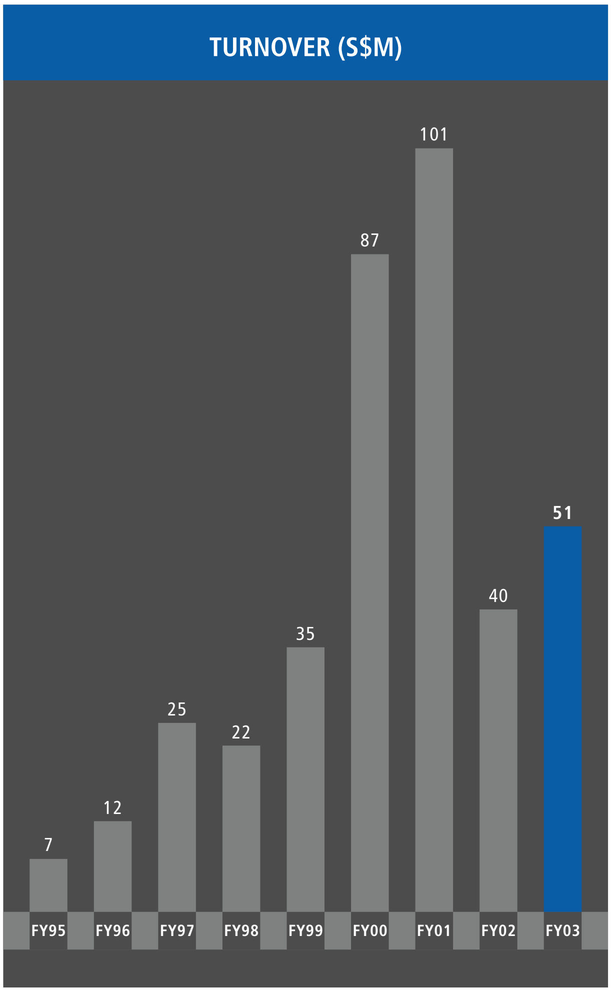
To offer innovative and integrated solutions which will enable our customers and partners to achieve their goals optimally

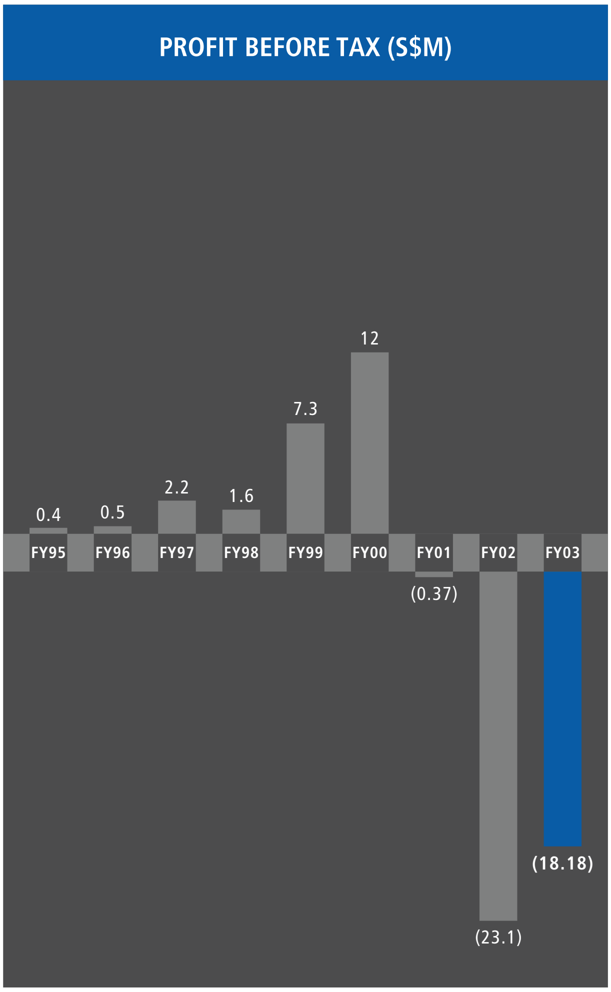
Financial Highlights



Turnover
Composition of sales by **geographic regions**

	FY2002	FY2003
Singapore	75%	**55%**
Other Asean Countries	16%	**22%**
China	5%	**11%**
Taiwan	3%	**5%**
Others	1%	**7%**





Financial Highlights

EPS, NTA AND CASH	FY01	FY02	FY03
EPS before extraordinary gain (cents)	(1.84)	(11.79)	(7.97)
EPS after extraordinary gain (cents)	(1.84)	(11.79)	(7.97)
NTA backing per ordinary share (cents)	36.87	27.38	19.30
Cash and cash equivalents (S$'000)	59,403	44,015	33,372

FINANCIAL RATIOS (GROUP)	FY01	FY02	FY03
Net profit/(loss) before tax margin (%)	(0.40)	(58.30)	(35.51)
Debtors turnover (days)	83	167	73
Debt/equity ratio (%)	12	6	3
Interest coverage ratio	2	(70)	(71)
Working capital ratio	2.56	2.83	3.27
Quick ratio	2.44	2.64	3.05

CONTRIBUTION BY BUSINESS SEGMENT (%)

		FY01	FY02	FY03
Revenues	Engineering Solutions	98.27%	94.30%	93.48%
	Advanced Packaging Solutions	1.73%	5.51%	6.50%
	Supply Chain Solutions*	0.00%	0.19%	0.02%
	Corporate	0.00%	0.00%	0.00%
		100.00%	100.00%	100.00%
Gross profit/(loss) margin	Engineering Solutions	120.28%	348.23%	180.43%
	Advanced Packaging Solutions	(20.28%)	(243.80%)	(80.73%)
	Supply Chain Solutions*	0.00%	(4.43%)	0.30%
	Corporate	0.00%	0.00%	0.00%
		100.00%	100.00%	100.00%
Cash and cash equivalents	Engineering Solutions	53.32%	56.55%	46.83%
	Advanced Packaging Solutions	0.89%	2.85%	1.17%
	Supply Chain Solutions*	1.11%	0.22%	0.07%
	Corporate	44.68%	40.38%	51.93%
		100.00%	100.00%	100.00%

SALES CONTRIBUTION FROM TOP 5 CUSTOMERS AND PRINCIPALS/SUPPLIERS

		FY01	FY02	FY03
From Top 5 Customers	Engineering Solutions	40.90%	38.60%	50.54%
	Advanced Packaging Solutions	89.00%	71.00%	78.00%
From Top 5 Principals/ Suppliers	Engineering Solutions	42.36%	41.16%	32.66%
	Advanced Packaging Solutions	70.00%	28.00%	62.00%

* *The division ceased operations during FY03.*

Calendar of Events

MicroFab achieves QS9000.

Factech Semiconductors achieves ISO 9002 qualification.

Ellipsiz and Shenzhen National IC Design Industrial Base sign Letter of Intent to set up the Shenzhen Test Engineering Centre.

Ong Puay Han
President
Engineering Solutions Division

July 1, 2002 To consolidate operations, companies within the Engineering Solutions Group - Antech Instruments Pte. Ltd., Excellent Scientific Instruments Pte. Ltd., Factech Pte. Ltd. and Tezt Pulse Pte. Ltd. - were transferred to Ellipsiz Singapore Pte. Ltd.

August 6, 2002 Ellipsiz's Advanced Packaging subsidiary, MicroFab, achieved QS9000 qualification.

September 16-18, 2002 Ellipsiz exhibited in Semicon Taiwan.

December 16, 2002 Ellipsiz partnered with its principal, Bede PLC, a leading designer and manufacturer of X-ray analytical tools, to integrate leading edge X-ray metrology equipment for Chartered's SiGe process.

February 11, 2003 Ellipsiz's Total Chemicals Management (TCM) subsidiary, Factech Semiconductors, achieved ISO 9002 qualification.

February 27, 2003 Ong Puay Han was confirmed in the position of President of Engineering Solutions. Roger Li was appointed Engineering Solutions' Country Manager for China.

March 12-14, 2003 Ellipsiz exhibited in Semicon China.

April 21, 2003 Ellipsiz signed Letter of Intent with a China government agency, Shenzhen's National IC Design Industrial Base, to jointly set up the Shenzhen Test Engineering Centre.

May 23, 2003 Ellipsiz won a project to integrate process tools for Advanced Semiconductor Manufacturing Corporation (ASMC)'s eight-inch fab, Fab 3, in China.

June 12, 2003 Ellipsiz Taiwan Second Source Inc. was incorporated to provide pump refurbishment services.

June 30, 2003 Ellipsiz completed the restructuring of its Advanced Packaging subsidiary, Microfab.

Xavier Chong Foo See Liang

To Our Shareholders

We believe that the Company has largely recovered from its bad stumble in the last two years. We have rediscovered our entrepreneurial spirit, and identified and put in place new engines of growth.

Dear Shareholders

After a year of intensive restructuring, the Group is poised to return to the black, and to a new phase of growth. For the financial year ending 30 June 2003, we had increased our revenues by 29% to $51.19m despite an adverse economic climate. However, we still suffered a full-year loss of $18.18m, largely from the final phase of restructuring at our Advanced Packaging Solutions (APS) Division, which comprises our wafer bumping subsidiary, MicroFab. More than 73% of the loss was due to MicroFab's retrenchment costs and provisions for potential asset impairment. We expect that with the completion of restructuring, and new business initiatives, we should be in a good position to ride the incoming tide of economic recovery that is powered by growth in the US.

Outcome of APS Restructuring

We adopted a two-pronged approach to restructure our advanced packaging business, with the goals of protecting the upside potential for our shareholders, while at the same time capping the losses at this manufacturing arm.

Firstly, the business was rebuilt around a licensing concept that we term "integrate-operate-transfer" (IOT). We now focus on offering our proprietary, high-yielding wafer bumping technology to partners - who may be wafer fabrication plants (fabs) or test and assembly houses in the region - through a process whereby we integrate the equipment into a bump line, provide training, operationalise the line and then transfer it to the licensee.

The other key plank of our restructuring is the outsourcing of operations to a team of ex-employees who believed passionately enough in the competitiveness of MicroFab's technology and production capability, to become our operations contractors on a profit-sharing basis. This outsourcing arrangement, which caps our operational loss at $1.5m for FY 2004, enables us to continue to serve the hi-tech customers who had qualified us, and extends the window for the selection of the right strategic partner to co-invest in the restructured business. Business at this Division should improve significantly, with the growing demand for flip-chip* and system-in-package (SIP) applications. These advanced packaging methodologies, which require wafer bumping, are increasingly applied in the new generation of lightweight, mobile, networked communications, consumer and computer products. Electronics manufacturers, encouraged by a brighter economic outlook and no longer hobbled by excess inventory in the supply chain, have finally opened the floodgates on new product releases, after a two-year drought. Gartner Dataquest has predicted, in July this year, total SIP units will jump to 5.7 billion by 2004, from just 3.7 billion this year.

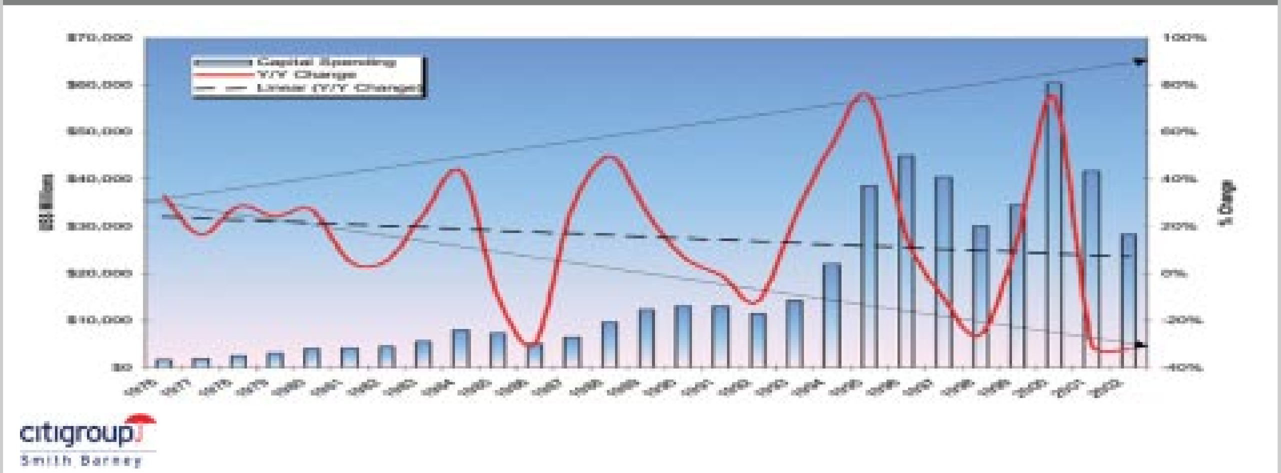
To Our Shareholders

Strengthening of Core Competencies at Engineering Solutions

The pace of change has accelerated in the semiconductor industry; cycles are getting shorter, and the peaks and troughs steeper than ever before (see chart below).

This trend is going to be exacerbated with the establishment of 300mm wafer fabrication plants, which adds chip manufacturing capacity in mega-chunks. A number of these gigantic US$3b plants, which only a handful of global players can afford, are coming onstream, and offering unmatchable economies of scale. Coupled with the exponential rise in the cost of producing transistors at sub-micron line-widths below 130 nanometers, semiconductor companies are increasingly forced to adopt the fabless model, outsourcing manufacturing to merchant foundries such as TSMC, UMC, IBM and CSM. This disaggregation of the supply chain, with its consequent disruption and consolidation of players is transmitted to equipment and materials manufacturers further upstream. They face a shrinking pool of wafer fab customers, which are increasingly dominated by a handful of powerful companies. The consolidation is somewhat balanced by new players attracted by the foundry model, especially in more low-cost countries with established electronics manufacturing bases, such as China.

CYCLICAL AMPLITUDE IS GROWING



For Ellipsiz' Engineering Solutions Division, if we were to remain as middlemen between front-end equipment and materials vendors and the fabs, and not reinvent ourselves to add unique value to our principals and customers, we would face heavy and growing margin pressure from both ends, as well as competition from other hi-tech equipment distributors, as a result of ongoing industry dynamics. Like a canoe, our sales might be lifted by the tide of demand and be profitable in an up cycle, but we might not be able to steer clear of whirlpools and rocks, as the tide reverses. Because we are passionate about steadily guiding and growing the Company into a significant regional player in the years ahead, we believe in proactively building engines of growth to meet evolving market needs, rather than react to circumstances.

We have been diligently remodelling our business to convert the canoe into a streamlined speedboat, with several integrated solutions to power us to the next level of competitive strength. These are built around our core competencies, which include lithography, quality and reliability assurance (QRA), and facilities and sub-fab management. Some of the building blocks are now in place. We will be able to offer an increasing number of turnkey integrated engineering solutions to complement our current offerings, such as Total Chemicals Management (TCM-Plus) - which integrates equipment, laboratory services and logistics to deliver chemicals on tap at the point of use within a plant - and customized state-of-the-art failure analysis laboratories. Besides becoming a more valuable partner to our customers as a hi-tech service provider for their outsourcing needs, some of our solutions would also earn fee-based income, which are recurrent in nature, and which would ameliorate the effects of the cyclical volatility that characterizes our industry.

New Business Division: Design-To-Silicon (DTS) Solutions

The incubation process to find and develop the "stars" that will lead the Group's growth in the years ahead is an ongoing journey. Beyond the restructuring and development initiatives undertaken at our current divisions, Ellipsiz will be extending our engineering services model to IC designers in the fabless arena.

Ellipsiz has been invited by the Shenzhen arm of China's Bureau of Science and Technology to be its partner in developing the infrastructure for incubating and supporting the fabless industry in Shenzhen and the surrounding areas. A keystone of this cooperation is the establishment and management of the Shenzhen Test Engineering Centre (SZTEC), which will serve the test engineering and related training needs of semiconductor companies, institutions of higher learning, equipment suppliers, and IC design engineers, in the areas of design, production, test and packaging.

To Our Shareholders

While we do not expect significant contributions in the early stages of this new division, this group should become an important complement for other Ellipsiz business units in Shenzhen and other semiconductor centers in China, as we add and launch solutions beyond test engineering domain.

In our last annual report, we had indicated that as the momentum of migration of semiconductor manufacturing from the West to Asia continues, especially to China, this country would be an important target market for Ellipsiz. We are starting to gain traction in facilities services and equipment sales to Chinese foundries such as ASMC and SMIC. In FY 2002, about 5% of our revenues were derived from China. This has increased to about 11% in FY 2003. We are confident that this trend will accelerate in the forseeable future, not just from our wafer fab engineering solutions and potential licensors of our wafer bumping technology, but also from engineering solutions for the fast-growing fabless industry in China.

In Summary

We believe that the Company has largely recovered from its bad stumble in the last two years. We have rediscovered our entrepreneurial spirit, and identified and put in place new engines of growth. But much remains to be done in execution. We will keep our focus on the fundamentals of management – customer orientation; adding value; staying lean, but making the appropriate investments to ensure future growth; and last but certainly not least, to recognise and reward our most important asset, our employees. We want to take this opportunity to thank all our employees - including the MicroFab Team which has become a valued partner - for their loyalty and sacrifices in the past year, and their faith in our leadership, as we gritted our teeth, tightened our belts, and rolled up our sleeves to do the hard work of repositioning the Company for future profitability and growth. Without their unwavering support, we could never have reached this point as quickly.

And we certainly want to thank you, our shareholders, for believing in us and for staying with us through a very bad time in our history. We look forward to your continuing strong support as we move back into the race again, in the new year ahead.

XAVIER CHONG
Chairman and Chief Executive Officer

DR FOO SEE LIANG
Co-Chairman

* *A chip packaging technique in which the active area of the chip is "flipped over" facing downward. Instead of facing up and bonded to the package leads with wires from the outside edges of the chip, any surface area of the flip chip can be used for interconnection, which is typically done through metal bumps of solder, copper or nickel/gold. These "bumps" or "balls" are soldered onto the package substrate or the circuit board itself and underfilled with epoxy. The flip chip allows for a large number of interconnects with shorter distances than wire, which greatly reduces inductance.*

Xavier Chong Fook Choy

Mr. Chong founded the Group in 1992 at age 30, with the establishment of its first company, ESI, to distribute QRA (Quality, Reliability and Assurance) instruments and services to wafer manufacturing plants (commonly known as "fabs") in Singapore. Prior to becoming an entrepreneur, Mr. Chong was the Service & Sales Manager of Leica Pte. Ltd.

He soon extended his reach into the distribution of wafer fab process equipment, and materials and facility management for the industry, both in Singapore and the S.E.Asian region. In 1996, with the distribution services business achieving its own momentum, he ventured into manufacturing services, investing in a wafer reclaim-and-polish plant to serve the region. He then embarked on developing a wafer bumping service, which is an integral process for advanced IC packaging, through a subsidiary, MicroFab.

In 1999, the Group, then known as SingaTrust, was recognized as a winner in Singapore's prestigious Enterprise 50 Awards. In July 2000, Mr. Chong listed the holding company on the main board of the Singapore Exchange, and subsequently effected a name change to Ellipsiz Ltd. In 2001, he decided to take a one-year sabbatical from his Executive Chairman position to pursue his own interests, but returned in May 2002 at the request of the Board of Directors to helm the Group as Chairman and CEO.

Mr. Chong has served as a sub-committee member in the development and strategic planning of Singapore 21 for the Electronics and Semiconductor Section.

Dr Foo See Liang

Dr. Foo See Liang is the Co-Chairman of the Board. He was appointed as an Independent Director on 14th June 2000. Dr. Foo is currently an Associate Professor in the Nanyang Business School, Nanyang Technological University. He is an Academic Board Member of the Productivity Standards Board Academy (Singapore).

A Chartered Accountant by training, he was a Director of a CPA firm. He is Fellow of the Institute of Chartered Accountants in England and Wales (UK), a Member of the Institute of Certified Public Accountants of Singapore and the Singapore Institute of Directors. He was a National University of Singapore Overseas Graduates Scholar. He has a Bachelor of Commerce degree from the University of New South Wales (Australia) and a doctorate (Accountancy) degree from the University of Hull (UK). In 1993, he attended the Senior Executives Programme at the Sloan School of Management, MIT (USA).

Lim May Lan

Lim May Lan joined the Ellipsiz Group at the beginning of 2000 as CFO. She was appointed as an Executive Director on 16 November 2001. She was formerly the CFO of Zagro Asia Limited, a company listed in the SGX-ST, and the Financial Controller of United Leasing and Services Pte. Ltd., an associate company of Scott & English (Malaysia) Sdn. Bhd during 1991 to 1999. Prior to joining the commercial sector, Ms. Lim spent 10 years of her career with two international public accounting firms, namely, Arthur Young and Deloitte & Touche.

Ms. Lim graduated from the National University of Singapore with a Bachelor of Accountancy. She also holds an MBA in Strategic Marketing from the University of Hull, UK; a Postgraduate Diploma in Marketing from the Chartered Institute of Marketing, UK; and a Diploma in company secretarial matters from the Institute of Chartered Secretaries and Administrators, UK.

Ms. Lim is a member of the Institute of Certified Public Accountants of Singapore, the Chartered Institute of Marketing (UK) and the Institute of Chartered Secretaries and Administrators (UK).

Board of Directors

Board of Directors

Matthew Chan Chung Shin

Matthew Chan Chung Shin was appointed as an Independent Director of the Group on 14 June 2000. He has extensive general management experience in the high-tech electronics industry in the Asia Pacific region. Mr. Chan is currently the President of Asia Pacific and Corporate Senior Vice-President in Cadence Design Systems, Inc., San Jose, US. He manages the entire Cadence Asia Pacific business except Japan, with a focus on customer satisfaction, team efforts, communication, long-term business strategies, and partnerships with local industries. Prior to joining Cadence Design Systems, Inc., Mr. Chan was the President of Asia, Novellus Systems Inc., San Jose from 1994 to 1999. Between 1980 and 1994, Mr. Chan was with Tektronix Inc., responsible for functional areas such as engineering, manufacturing, sales, marketing, operations and regional management of China/HK/ South Asia.

Mr. Chan graduated from Chung Yuan University, Chung-Li, Taiwan with a Bachelor Degree of Industrial Engineering. He holds a Master of Computer-Aided Manufacturing from Brigham Young University, Provo, Utah, and was a PhD candidate of Sales and Marketing, University of South Australia, Adelaide, South Australia.

Rick Kenneth Hodgman

Rick Kenneth Hodgman was appointed as an Independent Director on 14 June 2000. Mr. Hodgman is currently the Managing Director for Asia Operations of Broadcom Singapore Pte. Ltd. He was formerly the Vice-President/General Manager of Wafer Fab Operations, Fabs 2 and 3, and Chartered Silicon Partners Pte. Ltd. at Chartered Semiconductor Manufacturing Ltd. from 1996 to 1999. Prior to this Mr. Hodgman was with Silicon Systems, Inc. for 14 years and left as Vice-President World-wide Wafer Fab/Foundry Operations.

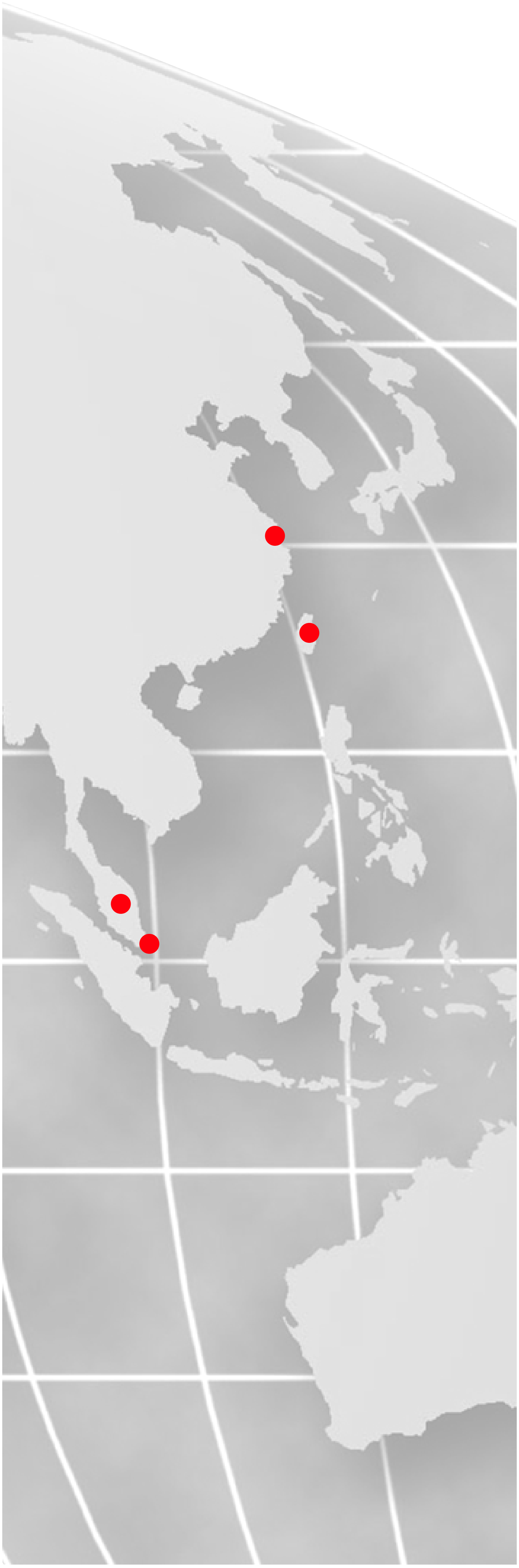
Mr. Hodgman graduated from the University of Utah with a Bachelor of Science degree and a Master of Science degree in Electrical Engineering.

Jefrey Staszak

Jeffrey Staszak was appointed as an Independent Director of the Group on 23 March 2001. Mr. Staszak is currently President and CEO of Volterra Semiconductor Corporation, a US multinational company which specializes in high-performance switching regulators for the computer, datacom, storage, portable and wireless markets.

Before joining Volterra, Mr. Staszak was the Senior Vice-President of the Storage Products Group for Texas Instruments, and for Silicon Systems Inc. The Storage Products Group was a US$450 million division for Texas Instruments, serving disk drive manufacturers such as Seagate, Western Digital and Maxtor. Prior to this posting in the United States, Mr. Staszak spent five-and- a- half years in Singapore as Vice-President, Asia Operations. He has held management positions in the areas of Wafer Fab, Assembly and Marketing, during his career with Texas Instruments, which spanned from 1980 to 1999.

Mr. Staszak received his B.Sc. from the University of Wisconsin, his M.B.A. from Pepperdine University and was a D.B.A. candidate at Brunel University in England.



Our Presence

China

Ellipsiz (Shanghai) International Ltd.

Taiwan

Ellipsiz Second Source Inc., Taiwan

CrystalTech Scientific Inc.

Malaysia

Ellipsiz Malaysia Sdn. Bhd.
(Penang – Malaysia head office)

Ellipsiz Malaysia Sdn. Bhd.
(Kuala Lumpur – Malaysia branch office)

Factech Semiconductors Sdn. Bhd.
(Kuching – Malaysia branch office)

Singapore

Ellipsiz Ltd. – Corporate Office

Ellipsiz Singapore Pte. Ltd.

MicroFab Technology (S) Pte. Ltd.

Corporate Governance

Ellipsiz Ltd (the "Company") is committed to ensuring high standards of corporate governance in order to protect the interests of its shareholders through effective transparency and disclosure.

The Company endeavours to adopt corporate governance practices that are in conformity with the principles and best practices set out in the Best Practices Guide pursuant to Rule 710(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

BOARD MATTERS

Board's Composition and Profile

The Board of Directors (the "Board") of the Company as at 30 June 2003 comprises six members, namely:

Executive Directors
Mr. Chong Fook Choy (Chairman and Chief Executive Officer)
Ms. Lim May Lan (Chief Financial Officer)

Independent Non-Executive Directors
Dr. Foo See Liang (Co-Chairman)
Mr. Jeffrey Staszak
Mr. Matthew Chan Chung Shin
Mr. Rick Kenneth Hodgman

The Board members, collectively, have a diverse portfolio of expertise covering business and management industry knowledge, strategic planning, assurance, accounting and financial knowledge. The key information pertaining to each Director is set out on pages 12 to 14 of the Annual Report.

The Board considers the current size, competence and composition of the Board appropriate, taking into account the scope and nature of the Group's operations and that two-thirds of the Board is independent.

In accordance with the Company's Articles of Association, one-third of the Board is subject to retirement by rotation and re-election at the Annual General Meetings. For re-election of Directors, key information is disclosed in the annual report regarding Directors who are retiring and willing to serve, if re-elected. New Board members, if any, will undergo an orientation programme, which will include briefings by the Chairman of the Nominating Committee, Chief Executive Officer and management on the business activities of the Group, its strategic directions as well as corporate governance practices so as to facilitate their understanding of the Group.

Board's Duties

The Board approves the overall strategies and initiatives of the Group, regularly reviews its financial performance and ensures the implementation of appropriate systems to manage the principal risks of the Group's business.

The Board established three sub-committees, namely Audit Committee, Nominating Committee and Remuneration Committee to assist in the execution of its responsibilities and facilitate effective management. All three sub-committees comprise independent non-executive Directors.

Corporate Governance

Board Meetings and Access to Information

The Board meets regularly and as warranted by particular circumstances or as deemed appropriate by the Board members. During the financial year ended 30 June 2003, the Board convened four Board and Audit Committee meetings. The Nominating and Remuneration Committees held two meetings. The attendance of Directors for the Board and sub-committee meetings was as follow:-

	Board Meetings	Audit Committee Meetings	Nominating Committee Meetings	Remuneration Committee Meetings
Number of meetings held during the financial year	**4**	**4**	**2**	**2**
Directors	No. of meetings attended			
Mr. Chong Fook Choy	4	4 *		
Dr. Foo See Liang	4	4		
Mr. Jeffrey Staszak	4	1 *		
Ms. Lim May Lan	4	4 *		
Mr. Matthew Chan Chung Shin	3	3		
Mr. Rick Kenneth Hodgman	4	4	2 **	2 **

* Attendance by invitation
** Meeting held with the HR Director

The Board receives relevant, complete and timely information prior to the Board meetings and on an on-going basis. Management is invited to participate at the Board meetings to provide Board members with background or explanatory information relating to matters brought before the Board.

The Company Secretary attends all Board and Audit Committee meetings and is responsible to ensure that established Board procedures and all relevant legislation, rules and regulations, which are applicable to the Company, are complied with.

The Board has separate and independent access to the management team and the Company Secretary at all times.

Chairman and Chief Executive Officer

Mr. Chong Fook Choy, the Chief Executive Officer, is also the Chairman of the Board. The Co-Chairman of the Board is Dr. Foo See Liang, an independent non-executive Director, who provides independent oversight on Board matters.

In addition, the roles of the Chairman and Chief Executive Officer are not separated because two-thirds of the Board comprises independent non-executive Directors and these Directors have full access to the Company's senior management, auditors and Company Secretary. Furthermore, the Chairman cum Chief Executive Officer is not a member of any of the three sub-committees in order to ensure an appropriate balance of power, accountability and greater capacity of the Board and each of the three sub-committees for independent decision-making.

The Chief Executive Officer provides overall vision and strategic guidance for the Group and is responsible for the day-to-day management of the Group's affairs.

Nominating Committee

The Nominating Committee comprises two independent non-executive Directors, namely, Mr. Rick Kenneth Hodgman (Chairman) and Mr. Jeffrey Staszak.

The Committee plays a vital role in assessing the effectiveness of the Board, its committees and their members. Its functions include the nominations for the appointment, re-appointment, election or re-election of Directors and members of the Compensation Committee and Audit Committee. It also reviews and approves nominations for senior management positions in the Group, including that of the Chief Executive Officer and other senior executives.

By delegating this authority and function to the Nominating Committee, the Board ensures that Directors appointed to the Board possess the background, experience and knowledge in technology, business, finance and management skills critical to the Group's businesses and that each Director, through his unique contributions, brings to the Board an independent objective perspective to enable balanced and well-considered decisions to be made.

The Group acknowledges the requirement of having minimum three members in the Nominating Committee. However due to the existing size of the Board and the Board's opinion that the Nominating Committee should comprise only independent non-executive Directors, the Committee currently has two members only. Nevertheless, the Board will comply with the requirement at the soonest possible.

The Committee convened two meetings during the financial year.

REMUNERATION MATTERS

Remuneration Committee

The Committee comprises two independent Directors, namely Mr. Rick Kenneth Hodgman (Chairman) and Mr. Jeffrey Staszak.

It is responsible for reviewing and recommending to the Board the compensation packages of the Directors, Chief Executive Officer, and other senior management executives of the Group. The Committee is also empowered to review policies governing compensation and promotion of executive officers of the Group to ensure that these are consistent with the Group's strategy and performance.

The Committee also oversees the administration of the Ellipsiz Share Option Plan ("ESOP") and the Ellipsiz Restricted Stock Plan ("ERSP").

The Committee convened two meetings during the financial year.

Remuneration Information

The executive Directors have employment contracts with the Company that can be terminated by either party serving notice. The executive Directors are assessed based on the performance of the Company and its subsidiaries.

Corporate Governance

The non-executive Directors have no service contract with the Company. No individual Director fixes his own remuneration.

In line with past practices, the Directors of the Company are paid Directors' fees, subject to approval at the Annual General Meeting.

The remuneration information of the Directors are as set out below:-

Name of Directors	Remuneration band	Directors' fees	Salary & Allowance (inclusive of CPF)	Bonus	Total
Executive Directors					
Mr. Chong Fook Choy	$250,000 to $499,999	9%	86%	5%	100%
Ms. Lim May Lan	Below $250,000	11%	71%	18%	100%
Non-executive Directors					
Dr. Foo See Liang	Below $250,000	100%	-	-	100%
Mr. Jeffrey Staszak	Below $250,000	100%	-	-	100%
Mr. Matthew Chan Chung Shin	Below $250,000	100%	-	-	100%
Mr. Rick Kenneth Hodgman	Below $250,000	100%	-	-	100%

The Best Practices Guide requires the disclosure of the names and remuneration of at least the top five key executives (who are also not Directors) earning remuneration which falls within bands of $250,000. The Company believes that disclosure of the details and remuneration of individual executives is disadvantageous to the business interests, given that it is operating in a highly competitive industry. The Group has instead presented the remuneration of the top 5 key executives, who are not Directors of the Company, in bands of $250,000 as follows:-

Remuneration bands	Number of staff
Below $250,000	4
$250,000 to $499,999	1
$500,000 to $749,999	0
Above $750,000	0

There are no employees in the Group who are immediate family members of a Director or CEO earning more than $150,000 per annum.

Ellipsiz Share Option Plan & Ellipsiz Restricted Stock Plan

The salient details of ESOP and ERSP are explained in the Directors' Report.

Summary of the grant of options and awards under the two plans are as follows:-

Date of Grant	Exercise price per share	Options/ awards outstanding @ 1 July 2002	Options/ awards granted	Options/ awards cancelled /lapsed	Options/ awards outstanding @ 30 June 2003	No. of option/ award holders @ 30 June 2003	Exercise period/ vesting date
OPTIONS							
6 January 2003	$0.25	-	540,167	12,500	527,667	32	6/1/2004 to 5/1/2008
6 January 2003	$0.25	-	540,167	12,500	527,667	32	6/1/2005 to 5/1/2008
6 January 2003	$0.25	-	200,666	-	200,666	5	6/1/2006 to 5/1/2008
AWARDS							
6 January 2003	N.A.	-	265,833	-	265,833	14	6/1/2004
6 January 2003	N.A.	-	265,833	-	265,833	14	6/1/2005
6 January 2003	N.A.	-	107,334	-	107,334	3	6/1/2006
		-	1,920,000	25,000	1,895,000		

Directors	Options granted for financial year ended 30 June 2003	Aggregate options granted since commencement to 30 June 2003	Aggregate options exercised since commencement to 30 June 2003	Aggregate options outstanding @ 30 June 2003
Ms. Lim May Lan	151,000	151,000	-	151,000

Directors	Awards granted for financial year ended 30 June 2003	Aggregate awards granted since commencement to 30 June 2003	Aggregate awards exercised since commencement to 30 June 2003	Aggregate awards outstanding @ 30 June 2003
Ms. Lim May Lan	122,000	122,000	-	122,000

Participants	Options granted for financial year ended 30 June 2003	Aggregate options granted since commencement to 30 June 2003	Aggregate options exercised since commencement to 30 June 2003	Aggregate options outstanding @ 30 June 2003
Mr. Ong Puay Han	136,000	136,000	-	136,000
Ms. Lee Siak Foon	109,000	109,000	-	109,000
Mr. Raymond Chin Chak Meng	109,000	109,000	-	109,000
Mr. Nelson Tay Ah Wee	97,000	97,000	-	97,000

Participants	Awards granted for financial year ended 30 June 2003	Aggregate awards granted since commencement to 30 June 2003	Aggregate awards exercised since commencement to 30 June 2003	Aggregate awards outstanding @ 30 June 2003
Mr. Ong Puay Han	110,000	110,000	-	110,000
Ms. Lee Siak Foon	90,000	90,000	-	90,000

Since the commencement of ESOP and ERSP, no options or awards have been granted to the controlling shareholders of the Company or their associates. Other than as stated above, no other participant under the Plans has been granted 5% or more of the total options or awards available under the Plans.

There was no share issued by virtue of any exercise of options or vesting of awards since the first date of grant of options or awards.

ACCOUNTABILITY AND AUDIT

The Board keeps the shareholders updated on the business of the Group through releases of the Group's half and full year financial results, publication of the Company's annual report and timely releases of relevant information through MASNET.

Management keeps the Board informed of the Group's performance through presentations at the quarterly Board meetings, regular updates and informal discussions.

Audit Committee

The Audit Committee comprises three non-executive Directors, namely Dr. Foo See Liang (Chairman), Mr. Rick Kenneth Hodgman and Mr. Matthew Chan Chung Shin.

The committee in assisting the Board to fulfil its responsibilities for the Group's financial statements and external financial reporting, meets periodically with the management and external auditors to :-

(a) review the financial statements of the Company and the consolidated financial statements of the Group before submission to the Board for approval;
(b) review the half and full year announcements of the Company and the Group before they are submitted to the Board for approval;
(c) review and discuss with the external auditors the overall scope of work of the audit and its effectiveness, the results of the audit and the evaluation of the internal control system, auditors' management letter and the responses from management;
(d) review the nature and extent of non-audit services provided by the external auditors of the Company;
(e) review the independence and objectivity of external auditors annually; and
(f) review interested person transactions between the Group and interested persons, if any.

The Committee is also tasked with advising the Board on the appointment and re-appointment of external auditors of the Company at each Annual General Meeting. In accordance with Chapter 12 of the Singapore Exchange Listing Manual, the Audit Committee also undertakes to review the non-audit services provided by the auditors and ensure that the non-audit services shall not affect the independence of the external auditors.

The Audit Committee has full access to and co-operation from the Group's management. It has also been given the resources required to discharge its function properly and has full discretion to invite any Director or executive officer to attend its meetings. The auditors have unrestricted access to the Audit Committee and meet with the members of the Audit Committee without the presence of the management at least once a year.

The Audit Committee has recommended to the Board the nomination of KPMG for re-appointment as external auditors of Ellipsiz Ltd at its forthcoming Annual General Meeting.

As the Group does not have a large scale of operations and as internal controls are in place, an independent internal audit function has not been set up. However, the Board recognises the need of this function and will from time to time review the appropriateness to set it up.

The Board acknowledges its overall responsibility for ensuring that there is a sound system of internal control and is satisfied that there is no significant weakness in the system of internal control of the Group that may result in material loss to the Group.

Risk Management

As the Company does not have a Risk Management Committee, the Audit Committee and the senior management assume the responsibility of the risk management function.

The Audit Committee and senior management seek to identify areas of significant business risk, including revenue loss, property loss and breach of information security, as well as appropriate measures to control and mitigate these risks. In determining the appropriate measures, the cost of control and the impact of risks occurring will be balanced with the benefits of reducing risk.

Corporate Governance

KEY MANAGEMENT TEAM

The profiles of the Group's key management team are as follows:-

Ong Puay Han is the President of Ellipsiz's Engineering Solutions Division and oversees operations in Singapore, Malaysia, Taiwan and China. He is responsible for developing Ellipsiz's strategic initiatives, which are integrated solutions with IP-rich competencies that can grow globally, such as Total Chemicals Management, Total Facilities Management, and probe card solutions. He oversees the development of the China market for engineering solutions. Mr. Ong first joined Ellipsiz four years ago as the General Manager of its Wafer Fab Engineering Services Division. He was previously the Regional Business Unit Manager for KLA-Tencor. He holds a Master of Science degree in Electrical Engineering from the University of Arkansas. He has also attended the Program of Management Development from Harvard Business School.

Raymond Chin is the Vice President of the Equipment Business Unit of Ellipsiz Engineering Solutions. He is also the Vice President of Business Development for Engineering Solutions. In these roles, he focusses on Test, Fab & Metrology, Quality-Reliability-Analysis (QRA) and Clean Tech solutions. Mr. Chin joined Ellipsiz in November 1999 as the General Manager for its QRA division. Prior to that, he was the Sales & Strategic Planning Director for Ultro Technologies, and the Demand Management and Service Program Manager for Motorola. Mr. Chin graduated from the National University of Singapore with a Bachelor of Science in Physics.

Lee Siak Foon is the Director of Public Affairs and Human Resources for the Group. She oversees investor and press relations, branding, and strategic human resource development and management. Ms. Lee was formerly the Director for Technology Accounts with Edelman Public Relations Worldwide. She graduated with a Bachelor's degree in Business Administration from the University of Singapore (now known as the National University of Singapore (NUS)), and holds an MBA from the NUS APEX Executive MBA programme.

Roger Li is the Country Manager of Ellipsiz Shanghai. He manages the business development and marketing of Ellipsiz's solutions in China, and facilitates customization of the Company's engineering solutions to China's semiconductor industry clusters and research laboratories. He has more than 20 years' of experience in the electronics industry, covering both the private and public sectors across China. He was previously the General Manager of Silicon International, where he developed the sales and service divisions. Mr. Li has a Bachelor's degree in Semiconductor Technology from China Southeast University, Nanjing, and a Diploma in Physics from Mainz University, Germany.

COMMUNICATION WITH SHAREHOLDERS

To maintain high level of transparency, the Board aims to ensure timely disclosure of all material business affecting the Group through announcements made via MASNET. At the Annual General Meetings, shareholders are given opportunities to express their views and make enquiries regarding the operations of the Group. The Board and management are on hand at these meetings to address any question that shareholders may have concerning the Company. The external auditors are also present to assist the Board in answering the relevant shareholders' queries.

SECURITIES TRADING

In line with the Best Practices Guide issued by the Singapore Exchange Securities Trading Limited, the Company has issued guidelines on share dealings to key employees of the Group, setting out the implications of insider trading and recommendations of the Best Practices Guide.

The Directors have also adopted the Best Practices Guide with regards to dealing in the Company's shares.

INTERESTED PERSONS TRANSACTION

The Group has adopted an internal policy in respect of any transactions with interested persons and requires all such transactions to be at arm's length and reviewed by the Audit Committee. The Group has no significant interested persons transaction for the financial year ended 30 June 2003.

Industry Outlook

The strength and sustainability of the nascent semiconductor recovery is still very much dependent on what happens in its biggest market, the US economy, with China as the supplementary engine.

The US Commerce Department's August 28, 2003 report on the nation's second quarter real gross domestic product registered a strong 3.1% growth. In particular, there is cause for cheer in the 8.2% improvement in capital spending, the largest quarterly advance in three years. Similar optimism is reflected in the World Bank's September report, which forecasts a rise in the US growth rate to 3.4% in 2004, from 2.2% this year. However, the "jobless recovery" and looming budget and trade deficit continue to pose significant risks to the economies of the US, and the rest of the world, in the 12 months ahead.

The return to growth in the US is starting to trickle through the supply chain. According to the Semiconductor Industry Association (SIA), worldwide sales of integrated circuits was $12.90 billion in July 2003, making it the fifth consecutive monthly increase. Fab capacity utilization, currently in the high 80-percent range, continues to improve, particularly at the leading Asian foundries, with reports of 94% utilization at the leading 0.13 and 0.09 micron nodes. In a July forecast, analysts predicted that foundries would continue to fill out existing shell buildings with equipment for 300mm wafer fabrication through the rest of the year. Utilization would remain in the 90% range through 2004, and is expected to result in significant shortages in leading-edge segments of the foundry industry in 2004-2005. This augurs well for industry players such as Ellipsiz who are in the front-end semiconductor equipment market – a market which has lagged the recovery in other parts of the supply chain in the last year.

Other bright spots are the recent improvement in the Japanese semiconductor market, which analysts predict could be ready for a rebound based on Japan's edge as a provider of consumer electronics applications such as HDTV and DVD players, and the seemingly unstoppable growth in the Chinese economy and its dynamic semiconductor sector. China is expected to be on track to achieve an eight percent growth rate in both 2003 and 2004, although the recurrence of SARS - and the consequent challenges to business and travel - remains a threat. It continues to benefit from the migration of manufacturing and foreign direct investments from the western economies to Asia, as well as strong government directives and investments to accelerate the development of a complete microelectronics supply chain, from IC design to manufacturing and packaging.

In summary, the market outlook for semiconductors is brighter than a year ago. However, risks of a reversal abound because the industry is vulnerable to economic, political, social and natural shocks, including earthquakes in Taiwan and the return of SARS. A strong and sustained US economic recovery remains the one engine that can keep it on the growth track.

Industry Outlook

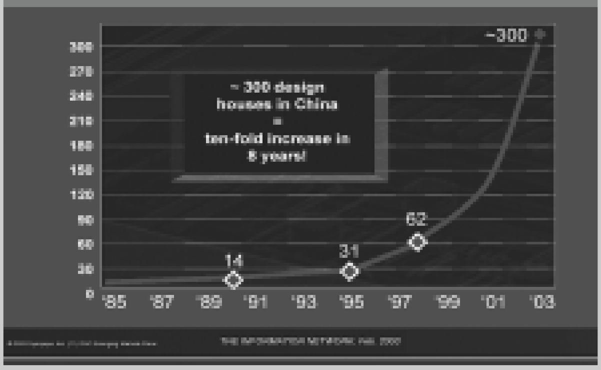
CHART 1 : SEMI BOOK-TO-BILL

	Billings (3-mth avg.)	Bookings (3-mth avg.)	Book-to-Bill
Jan 2003	784.4	739.0	0.94
Feb 2003	777.7	760.6	0.98
Mar 2003	857.1	777.3	0.91
Apr 2003	840.4	757.3	0.90
May 2003	805.4	723.5	0.90
Jun 2003 (final)	776.5	722.3	0.93
July 2003 (prelim.)	787.6	763.4	0.97

Source: SEMI

Data from the Semiconductor Equipment and Materials International (SEMI) trade association shows improvement in business among its more than 2,500 member companies.

CHART 2 : GROWTH OF CHINA'S IC DESIGN HOUSES



China has identified seven cities to incubate IC design houses to supply its booming electronics manufacturing sector.

Management's Discussion and Analysis

The following discussion is based on and should be read in conjunction with, the audited consolidated financial statements of Ellipsiz Ltd, including the notes thereto. This discussion contains forward-looking statements that involve a number of risks and uncertainties that could cause our actual results to differ materially from those anticipated in these forward-looking statements.

Our consolidated financial statements are reported in Singapore Dollars and have been prepared in accordance with the provisions of the Companies Act, Chapter 50, and Singapore Statements of Accounting Standard.

RESULTS OF OPERATIONS

The two key business segments of the Group are the Engineering Solutions ("ES") Group and the Advanced Packaging Solutions ("APS") Group.

REVENUE

The Group's revenue in FY2003 of $51.2 million reflected a growth of 29% over FY2002 revenue of $39.6 million. Both the ES Group and the APS Group contributed towards the improved performance.

ES Group's revenue contribution of $48.1 million constituted 94% of the Group's FY2003 revenue. Its 24% revenue growth was primarily attributed to the improved performances of the Singapore, Malaysia and Shanghai operations.

APS Group's revenue increased from $2.2 million in FY2002 to $3.3 million in FY2003. The increased number of products qualified by customers during the financial year led to its 52% revenue growth.

GROSS PROFIT

In line with the better revenue performance, the gross profit of the Group increased by 42% from $2.9 million in FY2002 to $4.1 million in FY2003. The gross profit margin increased marginally from 7% to 8%.

OTHER INCOME

The increase in other income was mainly attributed to the recognition of higher grant income. The effect of the higher grant income was however partially offset by lower interest income earned during the financial year.

Management's Discussion and Analysis

DISTRIBUTION EXPENSES

The incurrence of higher distribution expenses in FY2003 was mainly due to the higher marketing personnel costs, traveling and entertainment expenses.

ADMINISTRATIVE EXPENSES

The reduction of managerial and administrative staff force, the reclassification of some personnel costs to the Distribution expenses category and the incurrence of lower traveling, entertainment and consultancy expenses resulted in the decrease in administrative expenses.

OTHER OPERATING EXPENSES

The other operating expenses in FY2003 comprised primarily exceptional items. The exceptional items included the impairment losses of $10.3 million provided by the Group on the property, plant and equipment of APS Group; the accrual of $2.3 million potential liability of APS Group for its obligation to fulfill its research and development project; and the loss on disposal of intangible assets of $0.6 million.

In FY2002, the exceptional items comprised primarily impairment provisions made on the Group's property, plant and equipment, development expenditure and other financial assets.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Financial year ended	30 June '03 S$'000	30 June '02 S$'000
Revenues	**51,189**	**39,634**
Cost of revenues	(47,037)	(36,718)
Gross profit	**4,152**	**2,916**
Other income	4,258	3,315
Distribution expenses	(3,755)	(2,824)
Administrative expenses	(9,308)	(11,888)
Other operating expenses	(13,281)	(12,756)
Loss from operations	**(17,934)**	**(21,237)**
Finance costs	(252)	(305)
Share of results of associated companies and jointly controlled entities	9	(1,561)
Loss from ordinary activities before taxation but before minority interests	(18,177)	(23,103)
Tax credit / (expense)	**1,934**	**(211)**
Loss from ordinary activities after taxation but before minority interests	(16,243)	(23,314)
Minority interests	**469**	**(29)**
Net loss attributable to shareholders	**(15,774)**	**(23,343)**
Basic and diluted loss per share (cents)	**(7.97)**	**(11.79)**

SHARE OF RESULTS OF ASSOCIATED COMPANIES AND JOINTLY CONTROLLED ENTITY

The $9,000 profit in FY2003 related to the Group's share of results of one of its associated companies. The losses from the other associated companies and jointly controlled entity were not captured as the Group had capped its share of losses to its investments in these companies. In FY2002, the Group's share of result of its associated companies and jointly controlled entity was loss of $1.6 million.

TAX CREDIT / (EXPENSES)

The Group had a tax credit of $1.9 million in FY2003 as compared to the tax expenses of $0.2 million in FY2002.

The tax credit of $1.9 million included:-

(a) current year tax credit of $0.6 million;

(b) adjustment for over provision of prior year tax expenses of $0.7 million;

(c) provision of deferred tax assets of $0.4 million; and

(d) reduction of deferred tax liability of $0.2 million.

During the year, Ellipsiz Ltd received gross dividend income of $5.4 million from its subsidiaries which gave rise to a tax expense of $1.2 million. The tax expense incurred was offset against the tax losses of its subsidiaries under the Group Tax Relief system, leading to a net current year tax credit of $0.6 million at group level.

LOSS FROM ORDINARY ACTIVITIES AFTER TAXATION BUT BEFORE MINORITY INTERESTS

The loss from ordinary activities after taxation but before minority interests reduced from $23.3 million in FY2002 to $16.2 million in FY2003, a decrease of 30%. Excluding the exceptional items stated in other operating expenses, the net losses were $2.9 million and $11.7 million in FY2003 and FY2002 respectively.

The lower loss after taxation but before exceptional items and minority interests was attributed to higher gross profit and other income, lower operating expenses mainly due to the reduction in personnel expense, the share of profit from an associated company instead of losses as compared to FY2002 and the recording of the $1.9 million tax credit in FY2003.

NET LOSS ATTRIBUTABLE TO SHAREHOLDERS

The net loss attributable to shareholders declined from $23.3 million in FY2002 to $15.8 million in FY2003, thus resulted in the reduction of the basic and diluted loss per share from 11.79 cents to 7.97 cents.

Management's Discussion and Analysis

NON-CURRENT ASSETS

The non-current assets decreased by 71%, from $17.9 million in FY2002 to $5.1 million in FY2003. The decline is mainly attributed to the provision of impairment losses of $10.0 million and $0.3 million in property, plant and equipment and intangible assets respectively. However this is compensated by the non-current lease receivables of $1.9 million and the increase in deferred tax assets of $0.4 million.

NET ASSETS

Current assets decreased by $12.0 million or 19% while current liabilities reduced by $6.6 million or 30%.

The decrease in current assets was mainly attributed to the $10.6 million decline in cash and cash equivalent while the lower current liabilities was primarily due to the repayment of the Group's borrowing and the reduction in trade payables.

NON-CURRENT LIABILITIES

The repayment of the Group's borrowing during the year led to the decrease in non-current liabilities.

FINANCIAL CONDITION Consolidated Balance Sheet	As at 30 June '03 S$'000	As at 30 June '02 S$'000
NON-CURRENT ASSETS		
Property, plant and equipment	2,347	15,914
Intangible assets	244	1,773
Investments in associated companies	46	37
Other financial assets	79	79
Lease receivables	1,871	-
Deferred tax asset	533	82
	5,120	**17,885**
NET CURRENT ASSETS		
Current Assets	49,762	61,721
Current Liabilities	15,223	21,802
	34,539	**39,919**
NON-CURRENT LIABILITIES	**(220)**	**(1,845)**
MINORITY INTERESTS	**(1,220)**	**(1,756)**
NET ASSETS	**38,219**	**54,203**
CAPITAL AND RESERVES		
Share capital	49,500	49,500
Reserves	(11,281)	4,703
	38,219	**54,203**

LIQUIDITY AND CAPITAL RESOURCES

The total net cash outflows of the Group amounted to $10.4 million in FY2003 and $15.4 million in FY2002.

Net cash outflow from operating activities was $8.5 million in FY2003, which was $6.4 million higher than FY2002 net cash outflow. Lower cash inflow from the reduced receivables, partially offset by the lower cash outflow for settlement of payables in FY2003 and the lower level of inventory holding were the key attributing factors for the higher cash outflow from operating activities.

The lower expenditure on property, plant and equipment was the key reason for the $8.6 million decrease in cash outflow from investing activities.

The lower repayment of bills payable and borrowings from the bank led to the positive variance in the cash outflow from financing activities.

As at 30 June 2003, the Group's cash and cash equivalents stood at $33.4 million.

CONSOLIDATED STATEMENT OF CASH FLOWS

Financial year ended	30 June '03 S$'000	30 June '02 S$'000
Net cash outflow from operating activities	(8,458)	(2,055)
Net cash outflow from investing activities	(530)	(9,084)
Net cash outflow from financing activities	(1,381)	(4,249)
Net decrease in cash and cash equivalents	**(10,369)**	**(15,388)**
Cash and cash equivalents at the beginning of the year	44,015	59,403
Effect of exchange rate changes on balances in foreign currencies	(274)	-
Cash and cash equivalents at the end of the year	**33,372**	**44,015**

Management's Discussion and Analysis

RISKS AND UNCERTAINTIES

Cyclical Industry

The semiconductor industry is highly cyclical due to the abrupt fluctuations in supply and demand of semiconductors. The semiconductor industry has experienced periodic downturns that have resulted in semiconductor manufacturers canceling or delaying their purchases of semiconductor materials or equipment. The timing, length and severity of such downturns are difficult to predict. In the event of any downturn in the semiconductor industry, the Group's operating results would be materially affected.

Dependence On A Few Key Principals

In FY2003, the Group's seven largest suppliers accounted for approximately 43% of the Group's revenue.

All semiconductor materials, equipment and products sold and serviced by the Group are pursuant to agreements with the principals. These agreements could be terminated by the Group or the principals based on notification periods that range from 30 days to two years. The Group generally does not sell competing products in the same market, and therefore the number of principals the Group can represent at any one time is limited. The principals may terminate their relationships with the Group and should the Group lose any key principal, the Group may not be able to find a suitable replacement on a timely basis, or at all.

The loss of a key principal may cause the Group to lose customers and incur expenses associated with the termination of the agreement with that principal. The Group may lose principals for various reasons. These include mergers and acquisitions involving the principals and other semiconductor materials and equipment manufacturers that the Group does not represent; the expansion of a principal's product offerings to compete with the products of another principal (as the Group generally does not offer competing product lines in the same market, the Group may be required to terminate the agreement with one of the competing principals); a principal's dissatisfaction with the Group's level or quality of service; and the failure of a principal's business.

If, for any reason, any of the key principals were to materially reduce their business or terminate their relationship with the Group, the loss of the key principals would have a material and adverse effect on the Group's business.

Dependence On A Few Key Customers

In FY2003, five of our largest customers accounted for approximately 48% of the Group's revenue. However, further consolidation in the semiconductor industry may occur and this may result in increased customer concentration and reliance on fewer key customers in the future. Unless the Group diversifies and expands its customer base, the Group's business may be hampered due to its reliance on too few customers. A significant decrease in sales to a major customer or the deferral or cancellation of any significant order would have an adverse effect on the Group's operating results.

Significant Competition From Global Competitors

In the area of semiconductor manufacturing services, the Group competes with numerous competitors, comprising vertically integrated companies that have in-house IC packaging and independent producers. Current and prospective customers constantly evaluate the Group's capabilities against the merits of in-house IC packaging capabilities. In recent years, semiconductor companies have increasingly subcontracted parts of the IC production process to independent IC packagers and testers to reduce costs and to shorten production cycles. However, a slowdown in such a trend might have an adverse impact on the Group's operating results.

Financial Review

Directors' Report

On behalf of all the directors of the Company, we are pleased to submit this annual report to the members of the Company together with the audited financial statements of the Company and of the Group for the financial year ended 30 June 2003.

Board of Directors

The directors in office at the date of this report are as follows:

Chong Fook Choy
Foo See Liang
Rick Kenneth Hodgman
Matthew Chan Chung Shin
Jeffrey Staszak
Lim May Lan

In accordance with Article 91 of the Company's Articles of Association, Mr Chong Fook Choy and Ms Lim May Lan shall retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Principal Activities

The principal activities of the Company during the financial year have been those relating to investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There were no significant changes in the nature of such activities during the financial year.

Acquisition and Disposal of Subsidiaries

During the financial year, the Company incorporated a wholly owned subsidiary Ellipsiz Second Source Inc., Taiwan by contributing cash of $2,611,000 towards its registered and paid-up capital.

There was no acquisition or disposal of any other subsidiaries during the financial year.

Financial Results

The results of the Group and of the Company for the financial year were as follows:

	Group $'000	Company $'000
Loss after taxation	(16,243)	(27,990)
Minority interests	469	-
Net loss attributable to shareholders	(15,774)	(27,990)
Accumulated losses brought forward	(21,494)	(28,430)
Accumulated losses carried forward	(37,268)	(56,420)

Transfers to or from Reserves and Provisions

During the financial year, a translation loss of $210,000 arising from the consolidation of foreign subsidiaries was transferred to the Exchange Translation Reserve.

Material movements in provisions are as set out in the accompanying financial statements.

Issues of Shares and Debentures

The Company did not issue any shares or debentures during the financial year.

A wholly owned Taiwan subsidiary, Ellipsiz Second Source Inc., Taiwan, issued 5,000,000 subscriber shares of NTD10 each at par for cash at incorporation.

Directors' Interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the "Companies Act"), particulars of interests of directors who held office at the end of the financial year and their spouses and infant children in shares in the Company and related corporations (other than wholly owned subsidiaries) are as follows:

	Holdings registered in the name of the director, spouse or infant children		
	At 1/7/2002	**At 30/6/2003**	**At 21/7/2003**
The Company	**Ordinary shares of $0.25 each fully paid**		
Chong Fook Choy	27,920,320	28,000,320	28,000,320
Foo See Liang	30,000	80,000	80,000
Rick Kenneth Hodgman	80,000	80,000	80,000
Lim May Lan	480,000	480,000	480,000
	Options to subscribe for ordinary shares of $0.25 each*		
Lim May Lan (Executive Director) - exercisable between 6 January 2004 and 5 January 2008 at $0.25 each	-	151,000	151,000
	Awards for ordinary shares of $0.25 each**		
Lim May Lan (Executive Director) - to be vested between 6 January 2004 and 6 January 2006	-	122,000	122,000

* Options refer to the options to subscribe for shares of the Company granted to employees and directors of the Group pursuant to the Company's "Ellipsiz Share Option Plan" approved by its shareholders on 28 November 2001.

** Awards refer to the shares of the Company granted to employees and non-executive directors of the Group, free of charge, pursuant to the Company's "Ellipsiz Restricted Stock Plan" approved by its shareholders on 28 November 2001.

By virtue of Section 7 of the Companies Act, Mr Chong Fook Choy is deemed to have an interest in the shares held by the Company in all its subsidiaries.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, debentures or share options of the Company, or of related corporations, either at the beginning or at the end of the financial year or on 21 July 2003.

Neither at the end of nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Dividends

Since the end of the last financial year, no dividend has been paid in respect of that previous financial year. No dividend has been paid or is proposed to be paid in respect of the financial year under review.

Bad and Doubtful Debts

Before the profit and loss account and the balance sheet of the Group and of the Company were made out, the directors took reasonable steps to ascertain what action had been taken in relation to writing off bad debts and providing for doubtful debts of the Group and of the Company. The directors have satisfied themselves that all known bad debts have been written off and that adequate provision has been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances, which would render any amounts written off for bad debts or provided for doubtful debts in the financial statements of the Group inadequate to any substantial extent.

Current Assets

Before the profit and loss account and the balance sheet of the Group and of the Company were made out, the directors took reasonable steps to ascertain that current assets of the Group and of the Company which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values and that adequate provision has been made for the diminution in value of such current assets.

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report, which would render the values attributable to current assets in the Group misleading.

Charges and Contingent Liabilities

Since the end of the financial year:

(i) no charge on the assets of the Group or of the Company has arisen which secures the liabilities of any other person; and

(ii) no contingent liability of the Group or of the Company has arisen.

Ability to Meet Obligations

No contingent liability or other liability of the Group or of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

Other Circumstances Affecting the Financial Statements

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group or of the Company misleading.

Directors', Chief Executive Officer's or Substantial Shareholders' Interest in Contracts

Since the end of the last financial year, no director, chief executive officer or substantial shareholder has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, chief executive officer or substantial shareholder or with a firm in which he is a member or with a company in which he has a substantial financial interest.

Unusual Items

In the opinion of the directors, no item, transaction or event of a material and unusual nature has substantially affected the results of the operations of the Group, or of the Company, during the financial year except as disclosed in the accompanying financial statements.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Share Plans

On 28 November 2001, the Company approved the "Ellipsiz Share Option Plan" and the "Ellipsiz Restricted Stock Plan". The "Ellipsiz Share Option Plan" enables selected employees and non-executive directors of the Group to subscribe for shares in the Company. The "Ellipsiz Restricted Stock Plan" enables selected employees and non-executive directors of the Group, other than controlling shareholders or their associates, to receive awards in the form of fully paid shares, their equivalent cash value or combination thereof, free of charge.

The "Ellipsiz Share Option Plan" and "Ellipsiz Restricted Stock Plan" are administered by a committee which consists of two members, being Mr. Rick Kenneth Hodgman and Mr. Jeffrey Staszak.

Other salient details regarding the "Ellipsiz Share Option Plan" and "Ellipsiz Restricted Stock Plan" are set out below:

(a) The total number of new shares over which options may be granted pursuant to the "Ellipsiz Share Option Plan", when added to the number of new shares issued and issueable in respect of all options granted, and all awards granted under the "Ellipsiz Restricted Stock Plan", shall not exceed 15% of the issued share capital of the Company (or such other limit that may be imposed by the Companies Act or the Listing Manual) on the day preceding the relevant date of grant. This works on average to an issue rate of about 1.5% per year over the 10-year period of each Plan.

(b) The subscription price of the option shares is the price equal to the volume-weighted average price of the Company's shares on the Singapore Exchange Securities Trading Limited over 7 consecutive trading days immediately preceding the date of grant of the relevant options or such higher price as may be determined by the Committee, provided always that the subscription price shall not be lower than the par value of the shares. Options may be exercised one year after the grant date and will expire on the 5th anniversary of the grant date, and in accordance with a vesting schedule and the conditions (if any) to be determined by the committee on such option's grant date, unless they are cancelled or have lapsed.

(c) The Ellipsiz Restricted Stock Plan envisages the awards of shares to participants upon achieving certain pre-determined performance target(s) or fulfilling certain prescribed periods of service with the Group. Where the award is time-based, the awards granted will be vested after the grantee has fulfilled the prescribed period of employment with the Group as stated in the particular award letter. Where such award is performance-based, the awards will be vested after the grantee has achieved the performance targets within the performance periods set in that particular award and may be further subject to additional vesting periods as may be stipulated by the committee for each grantee.

Share Plans (cont'd)

(d) Subject to the prevailing legislation and SGX-ST's guidelines, the Company has the flexibility to deliver shares to grantees upon the exercise of their awards by way of:-

a. an issue of new shares; and/or

b. by procuring the transfer of existing shares

The Company can also determine and make a release of an award, wholly or partly, in the form of cash rather than shares or by a combination of any of the mentioned methods.

Details of options or awards granted during the financial year, under the "Ellipsiz Share Option Plan" and "Ellipsiz Restricted Stock Plan" on the unissued ordinary shares of $0.25 each of the Company are set out in Note 27 to the financial statements.

Except as disclosed herein, there were no unissued shares of the Company or its subsidiaries under options or awards granted by the Company or its subsidiaries at the end of the financial year.

Details of options or awards granted to directors of the Company under the "Ellipsiz Share Option Plan" and "Ellipsiz Restricted Stock Plan", collectively known as "the Plans" are as follows:

Name of Director	Options granted for financial year ended 30 June 2003		Aggregate options granted since commencement to 30 June 2003		Aggregate options exercised since commencement to 30 June 2003		Aggregate options outstanding as at 30 June 2003	
	No. of options	%	No. of options	%	No. of options	%	No. of options	%
Lim May Lan	151,000	0.08	151,000	0.08	-	-	151,000	0.08

Name of Director	Awards granted for financial year ended 30 June 2003		Aggregate awards granted since commencement to 30 June 2003		Aggregate awards exercised since commencement to 30 June 2003		Aggregate awards outstanding as at 30 June 2003	
	No. of share awards	%	No. of share awards	%	No. of share awards	%	No. of share awards	%
Lim May Lan	122,000	0.06	122,000	0.06	-	-	122,000	0.06

Share Plans (cont'd)

Details of participants (other than Directors) who received more than 5% of the total number of options and awards made available under the plans are as follows:

Participant	Options granted for financial year ended 30 June 2003		Aggregate options granted since commencement to 30 June 2003		Aggregate options exercised since commencement to 30 June 2003		Aggregate options outstanding as at 30 June 2003	
	No. of options	%	No. of options	%	No. of options	%	No. of options	%
Ong Puay Han	136,000	0.07	136,000	0.07	-	-	136,000	0.07
Lee Siak Foon	109,000	0.06	109,000	0.06	-	-	109,000	0.06
Raymond Chin Chak Meng	109,000	0.06	109,000	0.06	-	-	109,000	0.06
Nelson Tay Ah Wee	97,000	0.05	97,000	0.05	-	-	97,000	0.05

Participant	Awards granted for financial year ended 30 June 2003		Aggregate awards granted since commencement to 30 June 2003		Aggregate awards exercised since commencement to 30 June 2003		Aggregate awards outstanding as at 30 June 2003	
	No. of share awards	%	No. of share awards	%	No. of share awards	%	No. of share awards	%
Ong Puay Han	110,000	0.06	110,000	0.06	-	-	110,000	0.06
Lee Siak Foon	90,000	0.05	90,000	0.05	-	-	90,000	0.05

The percentage is computed based on the options or awards granted divided by the total number of ordinary shares issued by the Company as at 30 June 2003.

Since the commencement of the option plans, no options has been granted to the controlling shareholders of the Company or their associates. The aforesaid group of persons are also not eligible to participate in the Ellipsiz Restricted Stock Plan.

Other than as stated above, no participant under the Plans has been granted 5% or more of the total options or awards available under the Plans.

None of the options are granted at a subscription price which is at a discount of the shares' market price, as this is not allowed under the rules of the option plan.

The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

During the financial year, (i) no new shares were issued by the Company by virtue of any exercise of option and (ii) no new shares were issued and no existing shares were purchased by the Company to satisfy the vesting of any award, as no award has vested.

Audit Committee

The members of the Audit Committee at the date of this report are as follows:

Foo See Liang (Chairman)
Rick Kenneth Hodgman
Matthew Chan Chung Shin

The Audit Committee performs the functions specified in Section 201B of the Companies Act, the Listing Manual and the Best Practices Guide of the Singapore Exchange.

The Audit Committee has held 4 meetings since the last directors' report.

The principal responsibilities of the Audit Committee include the review of:

(a) review the financial statements of the Company and the consolidated financial statements of the Group before submission to the Board for approval;

(b) review the half and full year announcements of the Company and the Group before they are submitted to the Board for approval;

(c) review and discuss with the external auditors the overall scope of work of the audit and its effectiveness, the results of the audit and the evaluation of the internal control system, auditors' management letter and the responses from management;

(d) review the nature and extent of non-audit services provided by the external auditors to the Company;

(e) review the independence and objectivity of external auditors annually; and

(f) review interested person transactions between the Group and interested persons, if any.

In accordance with Chapter 9 of the Singapore Exchange Listing Manual, the Audit Committee has reviewed the requirements for approval and disclosure of interested person transactions, and reviewed the internal procedures set up by the Company to identify and report and where necessary, seek approval for interested person transactions.

In accordance with Chapter 12 of the Singapore Exchange Listing Manual, the Audit Committee has undertaken a review of all non-audit services provided by the auditors and they would not, in the Audit Committee's opinion, affect the independence of the auditors.

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and discretion to invite any director or executive officer to attend its meetings.

The Audit Committee has recommended to the Board of Directors that the auditors, KPMG, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

Auditors

The auditors, KPMG, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

CHONG FOOK CHOY
Director

LIM MAY LAN
Director

SINGAPORE

8 September 2003

Statement by Directors

We, being directors of the Company, do hereby state that in our opinion:

(a) the financial statements set out on pages 44 to 94 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2003 and of the results of the business and changes in equity of the Group and of the Company and the cash flows of the Group for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors

CHONG FOOK CHOY
Director

LIM MAY LAN
Director

SINGAPORE

8 September 2003

Report of the Auditors to the Members of
Ellipsiz Ltd

We have audited the consolidated financial statements of the Group and the financial statements of the Company for the financial year ended 30 June 2003 as set out on pages 44 to 94. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Statements of Accounting Standard so as to give a true and fair view of:

    (i) the state of affairs of the Group and of the Company as at 30 June 2003 and of the results and changes in equity of the Group and of the Company and of the cash flows of the Group for the financial year ended on that date; and

    (ii) the other matters required by Section 201 of the Act to be dealt with in the financial statements;

(b) the accounting and other records, and the registers required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and auditors' report of the subsidiaries which have been audited by our associated firms, being financial statements that have been included in the consolidated financial statements. We have considered the financial statements and auditors' report of the subsidiaries of which we have not acted as auditors, and also considered the financial statements of those subsidiaries which are not required by the laws of their countries of incorporation to be audited, being financial statements that have been included in the consolidated financial statements of the Group. The names of these subsidiaries are stated in Note 5 to the financial statements.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements of the Group and we have received satisfactory information and explanations as required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and in respect of the subsidiaries incorporated in Singapore, did not include any comments made under Section 207(3) of the Act.

KPMG
Certified Public Accountants

SINGAPORE

8 September 2003

		---------The Group----------		--------The Company------	
	Note	**2003 $'000**	**2002 $'000**	**2003 $'000**	**2002 $'000**
Non-Current Assets					
Property, plant and equipment	3	2,347	15,914	1,160	2,117
Intangible assets	4	244	1,773	244	1,773
Investments in subsidiaries	5	-	-	5,402	26,151
Investments in associates	6	46	37	50	50
Investments in a jointly-controlled entity	7	-	-	-	-
Other financial assets	8	79	79	75	75
Lease receivable	9	1,871	-	-	-
Deferred tax asset	19	533	82	-	-
		5,120	17,885	6,931	30,166
Current Assets					
Inventories	10	3,298	4,251	-	-
Trade and other receivables	12	12,381	13,417	1,944	316
Amounts owing by related parties	14	15	38	9,711	14,696
Lease receivable	9	696	-	-	-
Cash and cash equivalents	15	33,372	44,015	17,330	17,774
		49,762	61,721	28,985	32,786
Less:					
Current Liabilities					
Trade and other payables	16	13,136	18,194	4,452	2,939
Amounts owing to related parties	14	5	10	9	35
Interest-bearing borrowings	17	1,068	1,998	218	284
Term loan (interest-free)	18	-	53	-	-
Provision for taxation		1,014	1,547	-	36
		15,223	21,802	4,679	3,294
Net Current Assets		34,539	39,919	24,306	29,492
Balance carried forward		39,659	57,804	31,237	59,658

The accompanying notes form an integral part of these financial statements

		The Group		The Company	
	Note	**2003 $'000**	**2002 $'000**	**2003 $'000**	**2002 $'000**
Balance brought forward		39,659	57,804	31,237	59,658
Less: **Non-Current Liabilities**					
Interest-bearing borrowings	17	27	1,405	27	256
Deferred taxation	19	193	440	186	388
		220	1,845	213	644
		39,439	55,959	31,024	59,014
Minority Interest		(1,220)	(1,756)	-	-
Net Assets		38,219	54,203	31,024	59,014
Share Capital	20	49,500	49,500	49,500	49,500
Reserves	21	(11,281)	4,703	(18,476)	9,514
		38,219	54,203	31,024	59,014

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

		---------The Group--------		-----The Company-----	
	Note	**2003 $'000**	**2002 $'000**	**2003 $'000**	**2002 $'000**
Revenues	22	51,189	39,634	-	-
Cost of revenues		(47,037)	(36,718)	-	-
Gross profit		4,152	2,916	-	-
Other income	23(a)	4,258	3,315	12,216	9,365
Distribution expenses		(3,755)	(2,824)	-	-
Administrative expenses		(9,308)	(11,888)	(5,510)	(5,002)
Other operating expenses		(13,281)	(12,756)	(34,915)	(28,639)
Loss from operations		(17,934)	(21,237)	(28,209)	(24,276)
Finance costs	23(e)	(252)	(305)	(35)	(64)
Share of results of associates		9	82	-	-
Share of results of a jointly-controlled entity		-	(1,643)	-	-
Loss from ordinary activities before taxation	23	(18,177)	(23,103)	(28,244)	(24,340)
Tax credit/(expense)	24	1,934	(211)	254	(1,123)
Loss from ordinary activities after taxation		(16,243)	(23,314)	(27,990)	(25,463)
Minority interests		469	(29)	-	-
Net loss attributable to shareholders		(15,774)	(23,343)	(27,990)	(25,463)
Loss Per Share	25				
- **Basic**		(7.97 cents)	(11.79 cents)		
- **Diluted**		(7.97 cents)	(11.79 cents)		

The accompanying notes form an integral part of these financial statements

The Group	Share capital $'000	Share premium $'000	Capital reserve $'000	Exchange translation reserve $'000	Accumulated profits/ (losses) $'000	Total $'000
At 1 July 2001	49,500	37,944	(11,720)	(22)	1,849	77,551
Translation difference arising on consolidation of foreign subsidiaries	-	-	-	(5)	-	(5)
Loss for the year	-	-	-	-	(23,343)	(23,343)
At 30 June 2002	49,500	37,944	(11,720)	(27)	(21,494)	54,203
Translation difference arising on consolidation of foreign subsidiaries	-	-	-	(210)	-	(210)
Loss for the year	-	-	-	-	(15,774)	(15,774)
At 30 June 2003	49,500	37,944	(11,720)	(237)	(37,268)	38,219

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

The Company	Share capital $'000	Share premium $'000	Accumulated losses $'000	Total $'000
At 1 July 2001	49,500	37,944	(2,967)	84,477
Loss for the year	-	-	(25,463)	(25,463)
At 30 June 2002	49,500	37,944	(28,430)	59,014
Loss for the year	-	-	(27,990)	(27,990)
At 30 June 2003	49,500	37,944	(56,420)	31,024

The accompanying notes form an integral part of these financial statements

	2003 $'000	2002 $'000
Operating Activities		
Loss from ordinary activities	(18,177)	(23,103)
Adjustments for:		
Depreciation of property, plant and equipment	4,051	5,113
Interest income	(242)	(511)
Interest expense	252	305
(Gain)/loss on disposal of property, plant and equipment	(407)	1,081
Allowance made for doubtful loans to associates	-	494
Gain on disposal of unquoted equity investments	(133)	(615)
Loss on disposal of other financial assets	-	4
Loss on disposal of intangible assets	644	-
Amortisation of intangible assets	1,133	941
Impairment losses on:		
- property, plant and equipment	10,052	5,548
- intangible assets	283	2,613
- other financial assets	-	1,857
Grant income	(838)	(302)
Amortisation of grant income	(1,352)	(404)
Undistributed (profits)/losses of associates and jointly-controlled entity	(9)	1,561
Operating loss before working capital changes	(4,743)	(5,418)
Changes in working capital		
Inventories	953	(36)
Trade and other receivables	2,340	13,486
Lease receivables	(2,567)	-
Trade and other payables	(3,830)	(9,264)
Cash used in operations	(7,847)	(1,232)
Interest received	241	511
Interest paid	(252)	(305)
Income tax paid	(600)	(1,029)
Cash outflow from operating activities	(8,458)	(2,055)

	Note	2003 $'000	2002 $'000
Investing Activities			
Proceeds from disposal of other financial assets		133	617
Purchase of property, plant and equipment		(683)	(8,973)
Proceeds from disposal of property, plant and equipment		551	174
Purchase of intangible assets		(741)	(781)
Proceeds from disposal of intangible assets		210	-
Investment in associates		-	(121)
Cash outflow from investing activities		(530)	(9,084)
Financing Activities			
Repayment of term loan		(53)	(429)
Bills repaid		-	(3,033)
Repayment of bank loans		(1,052)	(1,158)
Repayment of hire purchase and finance lease creditors		(1,256)	(1,312)
Grant received		962	1,280
Others		18	403
Cash outflow from financing activities		(1,381)	(4,249)
Net Decrease In Cash And Cash Equivalents		(10,369)	(15,388)
Cash And Cash Equivalents At Beginning of Year		44,015	59,403
Effect of exchange rate changes on balances in foreign currencies		(274)	-
Cash And Cash Equivalents At End of Year	15	33,372	44,015

During the financial year, the Group acquired $Nil (2002: $286,000) of property, plant and equipment under hire purchase agreements.

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the directors on 8 September 2003.

1. Domicile and Activities

Ellipsiz Ltd (the "Company") is incorporated in Singapore and has its registered office at 29 Woodlands Industrial Park E1, Lobby 1, #04-01/06 Northtech Building, Singapore 757716.

The principal activities of the Company are those relating to investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

The consolidated financial statements relate to the Company and its subsidiaries (referred to as the "Group") and the Group's interests in associates and a jointly-controlled entity.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are prepared in accordance with Singapore Statements of Accounting Standards ("SAS") including related Interpretations promulgated by the Institute of Certified Public Accountants of Singapore and the applicable requirements of the Singapore Companies Act, Chapter 50.

The historical cost basis is used. Amounts are expressed in Singapore dollars, unless stated otherwise.

(b) Consolidation

Subsidiaries are those companies controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities.

Investments in subsidiaries are stated in the Company's balance sheet at cost less impairment losses. Subsidiaries are consolidated with the Company in the Group's financial statements.

Associates are companies in which the Group has significant influence, but not control, over the financial and operating policies. Jointly-controlled entities are those enterprises whose activities the Group has joint control over, established by contractual agreement.

Investments in associates and jointly-controlled entities are stated in the Company's balance sheet at cost, less impairment losses. In the Group's financial statements, they are accounted for by using the equity method of accounting. The Group's investment in these entities includes goodwill (net of accumulated amortisation) on acquisition.

2. Summary of Significant Accounting Policies (cont'd)

(c) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation of property, plant and equipment is calculated on the straight-line basis so as to write off the costs of the property, plant and equipment over their estimated useful lives as follows:

Leasehold improvements	shorter of 10 years and remaining lease period
Furniture and fittings	5 to 10 years
Office equipment	5 to 10 years
Computers	3 to 5 years
Motor vehicles	5 years
Plant and machinery	3 to 5 years
Mechanical and electrical facilities	10 years

Plant and equipment acquired under hire purchase arrangements are stated at amounts equal to the lower of their fair value and the present values of the minimum hire purchase payments at the inception of the hire purchase arrangement, less accumulated depreciation.

No depreciation is provided for assets under construction.

(d) Intangible Assets

(i) Goodwill

Goodwill arising on an acquisition represents the excess of the cost of acquisition over the fair value of the Group's share of the net identifiable assets acquired. Goodwill is stated at cost less accumulated amortisation and impairment losses. Goodwill arising on acquisition of associates and jointly-controlled entities is included in investments in associates and investment in jointly-controlled entities respectively.

(ii) Negative Goodwill

Negative goodwill arising on an acquisition represents the excess of the fair value of the net identifiable assets acquired over the cost of acquisition.

To the extent that negative goodwill relates to an expectation of future losses and expenses that are identified in the plan of acquisition and can be measured reliably, but which have not yet been recognised, it is recognised in the profit and loss account when the future losses and expenses are recognised. Any remaining negative goodwill, but not exceeding the fair values of the non-monetary assets acquired, is recognised in the profit and loss account over the weighted average useful life of those assets that are depreciable or amortisable. Negative goodwill in excess of the fair values of the non-monetary assets is recognised immediately in the profit and loss account.

In respect of associates and jointly-controlled entities, the carrying amount of negative goodwill is included in investments in the associates and investments in jointly-controlled entities respectively.

2. Summary of Significant Accounting Policies (cont'd)

(d) Intangible Assets (cont'd)

(iii) Research and Development

Development expenditure attributable to a project whose technical feasibility and commercial viability are reasonably assured is capitalised. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight line basis over a 5-year period from the date of commencement of commercial production.

Other research and development expenditure is recognised in the profit and loss account as an expense when incurred.

(iv) Computer Software

Computer software which does not form an integral part of related hardware is stated at cost less accumulated amortisation and impairment losses.

Amortisation of computer software is charged to the profit and loss account on a straight-line basis over the estimated useful life of 5 years.

(e) Affiliated Companies

An affiliated company is defined as one, other than a related corporation, which has common direct or indirect shareholders or common directors with the Company.

Balances with affiliated companies are stated at their cost less allowance for doubtful receivables.

(f) Financial Assets

Debt and equity securities held for the long-term are stated at amortised cost less an allowance for diminution in value which, in the opinion of the directors, is other than temporary.

(g) Finance Lease

A lease is accounted for as finance lease when substantially all the risks and rewards incident to legal ownership are transferred by the lessor to the lessee.

Where the Group is the lessor, the finance lease is recognised in the balance sheet at the gross amounts receivable less unearned interest and allowance for doubtful debts.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value.

In the prior year, the cost of inventories is determined principally on a first-in-first-out basis and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of work-in-progress, cost includes an appropriate proportion of attributable overheads.

During the year, the Group changed its measurement method to determine cost of inventories using the weighted average cost formula comprising of costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

2. Summary of Significant Accounting Policies (cont'd)

(h) Inventories (cont'd)

The change in measurement method does not have a significant impact on the net profit for the year or carrying amount of inventories at the balance sheet date.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any allowance for write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any allowance for write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(i) Trade and Other Receivables

Trade and other receivables are stated at cost less allowance for doubtful receivables.

(j) Government Grants

Grants received in respect of the acquisition of property, plant and equipment are presented in the balance sheet as deferred income and are accreted to development expenditure or profit and loss account on a straight line basis over the estimated useful lives of the relevant assets. Income related grants are charged against the relevant research and development expenses in the period to which they relate.

(k) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and bank deposits. For the purposes of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand and which form an integral part of the Group's cash management.

(l) Impairment

The carrying amounts of the Group's assets, other than inventories, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment are recognised in the profit and loss account.

An impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur, and the increase in recoverable amount relates clearly to the reversal of the effect of that specific event.

2. Summary of Significant Accounting Policies (cont'd)

(m) Employee Benefits

Provision is made for the accrued liability for employee entitlements arising from services rendered by employees to the balance sheet date. The provision represents the Company's total estimated liability at the balance sheet date for employee entitlements.

Contributions to defined contribution pension plans are recognised as an expense in the profit and loss account when incurred.

No compensation cost or obligation is recognised when share options are issued under employee incentive programmes. When the options are exercised, equity is increased by the amount of the proceeds received.

(n) Revenue Recognition

(i) Sale of Goods and Services

Revenue from the sales of equipment is recognised upon completion of installation. Recognition of revenue pertaining to the provision of warranty and maintenance services is deferred and recognised over the period in which the services are rendered. Revenue from sales of other goods is recognised upon completion of delivery.

Commission income is recognised on an accrual basis.

Service income is recognised over the period in which the services are rendered. Revenue from service contracts are recognised on the percentage-of-completion method. The stage of completion is determined by reference to the percentage of actual costs incurred to date to estimated total costs to completion for each contract. Cost incurred which have not been invoiced to customers are recorded in the work-in-progress account. All known or anticipated losses are provided for as soon as they are known.

(ii) Interest Income

Interest income from bank deposits is accrued on a time-apportioned basis.

Where the Group is the lessor, interest income on finance leases is recognised in the profit and loss account based on a pattern reflecting a constant periodic rate of return on the Group's net investment outstanding in respect of the finance lease over the lease term.

(iii) Dividend Income

Dividend income is recognised in the profit and loss account when the shareholder's right to receive payment is established.

(o) Operating Leases

Rental payable under operating leases are accounted for in the profit and loss account on a straight-line basis over the periods of the respective leases.

(p) Finance Costs

Interest expense and similar charges are expensed in the profit and loss account in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to prepare for its intended use or sale.

2. Summary of Significant Accounting Policies (cont'd)

(q) Deferred Tax

Deferred tax is provided in full using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, associates and jointly-controlled entities, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not be reversed in the foreseeable future.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

(r) Dividends

Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

(s) Foreign Currency Translation

(i) Translation of foreign currencies

Monetary assets and liabilities in foreign currencies are translated into Singapore dollars at rates of exchange closely approximate to those ruling at the balance sheet date. Transactions in foreign currencies during the year are translated at rates ruling on transaction dates. Translation differences are included in the profit and loss account.

(ii) Financial statements of overseas subsidiaries

The assets and liabilities of overseas subsidiaries are translated into Singapore dollars at the rates of exchange ruling at the balance sheet date. The results of overseas subsidiaries are translated at the average exchange rates for the year. The exchange differences are dealt with as a movement in Exchange Translation Reserve. Goodwill and fair value adjustments arising on acquisition of foreign entities are stated at exchange rates ruling on transaction dates.

2. Summary of Significant Accounting Policies (cont'd)

(t) Segment Reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Inter-segment pricing is determined on mutually agreed terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets, liabilities and expenses.

(i) Business Segments

The Group comprises the following main business segments:

Engineering Solutions	:	Trading of scientific instruments, electronic equipment, consumable products used in the semiconductor industry and provision of technical services and support
Advanced Packaging Solutions	:	Manufacturing of bump interconnects for advanced packaging of integrated circuits and related services
Supply Chain Solutions	:	Provision of e-commerce services to the wafer and semiconductor industry

(ii) Geographical Segments

The business segments are managed on a worldwide basis, but the Group operates in three principal geographical areas, namely Singapore, other Asean countries and other regions.

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.

3. Property, Plant and Equipment

The Group 2003	Leasehold improve-ments $'000	Furniture and fittings $'000	Office equipment $'000	Computers $'000	Motor vehicles $'000	Plant and machinery $'000	Mechanical and electrical facilities $'000	Assets under construction $'000	Total $'000
Cost									
At 1 July 2002	932	506	2,743	2,053	44	17,513	5,064	183	29,038
Translation difference arising from consolidation	-	-	(3)	-	(1)	(3)	-	-	(7)
Additions	105	2	35	88	-	453	-	-	683
Disposals and write-offs	(49)	(8)	(31)	(75)	-	(1,830)	-	-	(1,993)
Reclassification	-	-	-	141	-	42	-	(183)	-
At 30 June 2003	988	500	2,744	2,207	43	16,175	5,064	-	27,721

3. Property, Plant and Equipment (cont'd)

The Group 2003	Leasehold improve-ments $'000	Furniture and fittings $'000	Office equipment $'000	Computers $'000	Motor vehicles $'000	Plant and machinery $'000	Mechanical and electrical facilities $'000	Assets under construction $'000	Total $'000
Depreciation and impairment losses									
At 1 July 2002	111	184	831	849	39	9,209	1,901	-	13,124
Translation difference arising from consolidation	-	-	(1)	-	(1)	(2)	-	-	(4)
Depreciation charge for the year	178	60	1,424	934	5	1,278	172	-	4,051
Impairment losses	-	161	9	15	-	6,900	2,967	-	10,052
Disposals and write-offs	(22)	(7)	(27)	(67)	-	(1,726)	-	-	(1,849)
At 30 June 2003	267	398	2,236	1,731	43	15,659	5,040	-	25,374

3. Property, Plant and Equipment (cont'd)

The Group 2003	Leasehold improve-ments $'000	Furniture and fittings $'000	Office equipment $'000	Computers $'000	Motor vehicles $'000	Plant and machinery $'000	Mechanical and electrical facilities $'000	Assets under construction $'000	Total $'000
Depreciation charge for 2002	231	105	776	567	8	3,284	142	-	5,113
Impairment charge for 2002	-	54	5	16	-	3,720	1,753	-	5,548
Carrying amount									
At 30 June 2003	721	102	508	476	-	516	24	-	2,347
At 30 June 2002	821	322	1,912	1,204	5	8,304	3,163	183	15,914

3. Property, Plant and Equipment (cont'd)

The Company 2003	Leasehold improve-ments $'000	Furniture and fittings $'000	Office equipment $'000	Computers $'000	Assets under construction $'000	Total $'000
Cost						
At 1 July 2002	758	83	177	1,373	141	2,532
Additions	10	-	-	35	-	45
Reclassification	-	-	-	141	(141)	-
Disposals	-	(1)	(4)	(4)	-	(9)
At 30 June 2003	768	82	173	1,545	-	2,568
Depreciation						
At 1 July 2002	31	23	30	331	-	415
Depreciation charge for the year	128	20	34	817	-	999
Disposals	-	(1)	(2)	(3)	-	(6)
At 30 June 2003	159	42	62	1,145	-	1,408
Depreciation charge for 2002	31	31	19	290	-	371
Carrying amount						
At 30 June 2003	609	40	111	400	-	1,160
At 30 June 2002	727	60	147	1,042	141	2,117

The carrying amount of property, plant and equipment includes amounts totalling $557,000 (2002: $2,662,000) for the Group and $557,000 (2002: $637,000) for the Company in respect of assets acquired under hire purchase agreements and finance leases (Note 17).

Due to the continued weakness in the semiconductor industry, a subsidiary, MicroFab Technology (S) Pte Ltd initiated impairment reviews in June 2002 and December 2002. The property, plant and equipment and development expenditure of the subsidiary, as a whole, were identified to be a single cash-generating unit.

In June 2002, the estimate of recoverable amount was based on net selling price, determined by an independent valuer. The amount of impairment losses was allocated on a pro-rata basis to the assets of the cash-generating unit based on the carrying amount of each asset in the unit. In allocating the impairment losses, the carrying amounts of the assets were not reduced below their net selling price.

In December 2002, further impairment loss was provided to reduce the carrying amounts of the property, plant and equipment to $Nil as the subsidiary is projected to incur operating losses in the future and the net selling price is estimated to be negligible by the management of the subsidiary in view of the current economic situation.

As a result of the review, the Group recorded asset impairment losses totalling $10,052,000 (2002: $5,548,000) in relation to plant, property and equipment.

4. Intangible Assets

The Group 2003	Computer Software: Available for use $'000	Computer Software: Under development $'000	Computer Software: Sub Total $'000	Development expenditure $'000	Total $'000
Cost					
At 1 July 2002	781	1,160	1,941	3,920	5,861
Additions	741	-	741	-	741
Reclassifications	1,160	(1,160)	-	-	-
Disposals	(859)	-	(859)	-	(859)
At 30 June 2003	1,823	-	1,823	3,920	5,743
Amortisation and impairment losses					
At 1 July 2002	168	-	168	3,920	4,088
Amortisation charge for the year	1,133	-	1,133	-	1,133
Impairment losses	283	-	283	-	283
Disposals	(5)	-	(5)	-	(5)
At 30 June 2003	1,579	-	1,579	3,920	5,499
Amortisation charge for 2002	157	-	157	784	941
Impairment charge for 2002	-	-	-	2,613	2,613
Carrying amount					
At 30 June 2003	244	-	244	-	244
At 30 June 2002	613	1,160	1,773	-	1,773

4. Intangible Assets (cont'd)

The Company 2003	**--------------Computer Software--------------** Available for use $'000	Under development $'000	Total $'000
Cost			
At 1 July 2002	781	1,160	1,941
Additions	741	-	741
Reclassifications	1,160	(1,160)	-
Disposals	(859)	-	(859)
At 30 June 2003	1,823	-	1,823
Amortisation			
At 1 July 2002	168	-	168
Amortisation charge for the year	1,133	-	1,133
Impairment losses	283	-	283
Disposals	(5)	-	(5)
At 30 June 2003	1,579	-	1,579
Amortisation charge for 2002	157	-	157
Carrying amount			
At 30 June 2003	244	-	244
At 30 June 2002	613	1,160	1,773

The Group - Development Expenditure

The subsidiary recorded impairment losses amounting to $Nil (2002: $2,613,000) on development expenditure as a result of the impairment review described in Note 3.

The Group and the Company – Computer Software

The carrying amount of computer software acquired under hire purchase agreements and finance leases amounted to $93,000 (2002: $119,000) for the Group and the Company.

With reference to the impairment review described in Note 3, the Group and the Company reviewed its manufacturing software that was solely used by MicroFab Technology (S) Pte Ltd and recorded asset impairment losses amounting to $283,000 (2002: $Nil).

5. Investments in Subsidiaries – The Company

	----- The Company ----	
	2003	2002
	$'000	$'000
Unquoted equity shares, at cost	49,762	47,151
Less:		
Impairment losses		
Balance at beginning of the year	21,000	-
Charge during the year	23,360	21,000
Balance charge at end of the year	44,360	21,000
	5,402	26,151

Details of the subsidiaries are as follows:

	Name of Subsidiary	Principal Activities	Country of Incorporation /Place of Business	Effective Percentage of Equity 2003 %	2002 %	Cost of Investment 2003 $'000	2002 $'000
⊕	Antech Instruments Pte Ltd and its subsidiary:-	Sales representation services and distribution of failure analysis equipment and optical equipment	Singapore	100	100	1,000	1,000
*	Ellipsiz Malaysia Sdn. Bhd.	Sales representation services and distribution of equipment used in the semiconductor industry	Malaysia	100	100	-	-
⊕	Tezt Pulse Pte Ltd	Trading of laboratory equipment and apparatus and provision of consultancy services	Singapore	100	100	1,000	1,000
+	CrystalTech Scientific Inc. and its subsidiary:-	Dealers of scientific instruments, electronic equipment, commission agents and provision of technical services and support	Taiwan	69	69	230	230
	Balance carried forward					2,230	2,230

5. Investments in Subsidiaries – The Company (cont'd)

	Name of Subsidiary	Principal Activities	Country of Incorporation / Place of Business	Effective Percentage of Equity 2003 %	Effective Percentage of Equity 2002 %	Cost of Investment 2003 $'000	Cost of Investment 2002 $'000
	Balance brought forward					2,230	2,230
	# CrystalTech Scientific Corp	Trading of scientific and electronic equipment	British Virgin Islands	69	69	-	-
#	Ellipsiz MicroFab Inc.	Inactive	United States of America	100	100	144	144
⊕	Ellipsiz Singapore Pte Ltd	Trading of scientific instruments, electronic equipment and provision of technical services and support and commission agents	Singapore	100	100	1,000	1,000
⊕	Solidvision Pte Ltd and its subsidiary:-	Trading of consumable products used in the semiconductor industry	Singapore	100	100	1,000	1,000
	+ Factech Semiconductors Sdn. Bhd.	Provision of total chemical management services	Malaysia	100	100	-	-
	MicroFab Technology (S) Pte Ltd	Manufacturer of bump interconnects for advanced packaging of integrated circuits and related services	Singapore	100	100	41,416	41,416
	Factech Pte Ltd	Inactive	Singapore	100	100	-	-
	ESI Instruments Pte Ltd	Inactive	Singapore	100	100	-	-
#	outsoz.com Inc.	Inactive	United States of America	100	100	-	-
	outsoz.com Pte Ltd	Provision of e-commerce services to the wafer and semiconductor industry. The company ceased operations during the year	Singapore	100	100	1,000	1,000
	Balance carried forward					46,790	46,790

5. Investments in Subsidiaries – The Company (cont'd)

	Name of Subsidiary	Principal Activities	Country of Incorporation / Place of Business	Effective Percentage of Equity 2003 %	2002 %	Cost of Investment 2003 $'000	2002 $'000
	Balance brought forward					46,790	46,790
#	Ellipsiz USA Inc.	Inactive	United States of America	100	100	-	-
	Ellipsiz Ventures Pte Ltd	Inactive	Singapore	100	100	-	-
#	Ellipsiz (Shanghai) International Ltd	Sales representation services and distribution of failure analysis equipment and optical equipment	China	100	100	361	361
#	Ellipsiz Second Source Inc., Taiwan	Provision of pump refurbishment services and trading of original equipment manufacturer parts	Taiwan	100	100	2,611	-
						49,762	47,151

The Singapore – incorporated subsidiaries are audited by KPMG Singapore.

* This subsidiary is audited by another firm of auditors, Chew & Co.

\# These subsidiaries are not required by the law of their country of incorporation to be audited for the current year.

† These subsidiaries are audited by affiliated firms of the Company's auditors, KPMG Singapore.

⊕ During the financial year, the business operations of Antech Instruments Pte Ltd, Tezt Pulse Pte Ltd and Solidvision Pte Ltd were transferred to Ellipsiz Singapore Pte Ltd. Due to the consolidation of these business operations within Ellipsiz Singapore Pte Ltd, certain assets of Antech Instruments Pte Ltd, Tezt Pulse Pte Ltd and Solidvision Pte Ltd were also transferred to Ellipsiz Singapore Pte Ltd.

An application was made on 14 March 2000 to the Malaysian Foreign Investment Committee ("FIC") for Antech Instruments Pte Ltd to hold a direct 100% equity interest in Ellipsiz Malaysia Sdn. Bhd. ("Ellipsiz Malaysia"). The application and subsequent appeal to the FIC were rejected. The FIC requires that the Group's interest in Ellipsiz Malaysia be reduced to a 30% interest. The Company is now in the process of complying with the requirements set by the FIC.

6. Investments in Associates

	Note	The Group 2003 $'000	The Group 2002 $'000	The Company 2003 $'000	The Company 2002 $'000
Unquoted equity shares, at cost		1,289	1,289	1,289	1,289
Less:					
Impairment losses					
Balance at beginning of the year		-	-	1,239	45
Charge during the year	23(c)	-	-	-	1,194
Balance at end of the year		-	-	1,239	1,239
		1,289	1,289	50	50
Share of post-acquisition reserves		(1,243)	(1,252)	-	-
Loans to associates		988	988	988	988
Less:					
Allowance for doubtful debt					
Allowance at beginning of the year		988	494	988	494
Allowance made during the year	23(c)	-	494	-	494
Allowance at end of the year		988	988	988	988
		-	-	-	-
		46	37	50	50

Loans to associates are unsecured and interest-free, and are not expected to be repaid within the next year.

Details of the associates are as follows:

	Name of Company	Principal Activities	Country of Incorporation/ Place of Business	Equity Interest 2003 %	Equity Interest 2002 %
*	Semiconductor Alliance Pte Ltd ("SCA")	Investment holding company	Singapore	45	45
#	Fluidix Technology Pte Ltd ("Fluidix")	Supply and installation of chemical equipment. The company was put under liquidation during the financial year	Singapore	50	50
@	SCP Global Technologies Asia Pte Ltd ("SCP")	Trading of surface preparation equipment used in the semiconductor industry	Singapore	49.9	49.9

6. Investments in Associates (cont'd)

Not audited for the year ended 30 June 2003.

* This associated company is audited by another firm of auditors, Chia, Wong and Partners.

@ This associated company is audited by another firm of auditors, Deloitte & Touche.

In accordance with SAS 27 - *Accounting for Investments in Associates,* the Group discontinued applying the equity method of accounting for its investment in SCP and SCA when its share of losses of the associated companies accounted for by the equity method exceeded the carrying amounts of the investments. The unrecognised share of losses of SCP and SCA amounted to approximately $Nil (2002: $97,000) and $322,000 (2002: $84,000), respectively, for the year ended 30 June 2003.

Fluidix was liquidated subsequent to the balance sheet date.

7. Investments in a Jointly-Controlled Entity

		---------- The Group --------		------- The Company ------	
	Note	2003 $'000	2002 $'000	2003 $'000	2002 $'000
Unquoted equity shares, at cost		1,732	1,732	1,732	1,732
Less:					
Impairment losses					
Balance at beginning of the year		-	-	1,732	-
Charge during the year	23(c)	-	-	-	1,732
Balance at end of the year		-	-	1,732	1,732
		1,732	1,732	-	-
Share of post-acquisition reserves		(1,732)	(1,732)	-	-
		-	-	-	-

Details of the jointly-controlled entity are as follows:

Name of Joint Venture	Principal Activities	Country of Incorporation/ Place of Business	Equity Interest 2003 %	Equity Interest 2002 %
MicroRoutes Pte Ltd ("MicroRoutes")	Provision of high technology silicon wafer treatment and processing for commercial applications	Singapore	50	50

In 2002, the Company recorded asset impairment losses totalling $1,732,000 in respect of its interests in MicroRoutes following the shareholders' plan to put the company under liquidation. MicroRoutes has not been audited for the year ended 30 June 2003.

8. Other Financial Assets

	Note	The Group 2003 $'000	The Group 2002 $'000	The Company 2003 $'000	The Company 2002 $'000
Unquoted equity investment, at cost		2,313	2,313	2,313	2,313
Club memberships		189	189	131	131
		2,502	2,502	2,444	2,444
Less:					
Impairment losses					
Balance at beginning of the year		2,423	566	2,369	566
Charge during the year	23(c)	-	1,857	-	1,803
Balance at end of the year		2,423	2,423	2,369	2,369
Balance at 30 June		79	79	75	75

The impairment losses relating to the unquoted equity investments and club memberships amounts to $2,313,000 and $56,000, respectively.

9. Lease Receivable

	The Group 2003 $'000	The Group 2002 $'000
Net Investment in Leased Equipment:		
Gross investment in leased equipment	2,723	-
Unearned income	(156)	-
Net investment in leased equipment	2,567	-
Represented by:		
Lease Receivable:		
Current portion	696	-
Non–current portion	1,871	-
	2,567	-

	The Group Gross investment $'000	The Group Residual value $'000	The Group Unearned income $'000	The Group Net investment $'000
2003				
Later than 1 year	799	-	(103)	696
Between 1 and 5 years	1,924	-	(53)	1,871
	2,723	-	(156)	2,567

10. Inventories

	Note	The Group 2003 $'000	The Group 2002 $'000
Raw materials		367	261
Work-in-progress	11	83	3,121
Finished goods		3,950	917
Stocks-in-transit		1	222
		4,401	4,521
Allowance for inventory obsolescence		(1,103)	(270)
Balance at 30 June		3,298	4,251

Inventory includes finished goods and work-in-progress stated at net realisable value of $1,350,000 (2002: $1,219,000) for the Group.

11. Work-in-Progress

	The Group 2003 $'000	The Group 2002 $'000
Cost and attributable profits	83	3,121

12. Trade and Other Receivables

	Note	The Group 2003 $'000	The Group 2002 $'000	The Company 2003 $'000	The Company 2002 $'000
Trade receivables	13	8,977	11,461	-	-
Tax receivables		1,303	-	1,140	-
Refundable deposits		268	436	168	179
Prepayments		964	988	80	80
Grant receivable		390	390	202	-
Other receivables		479	142	354	57
		12,381	13,417	1,944	316

13. Trade Receivables

	Note	The Group 2003 $'000	The Group 2002 $'000
Trade receivables		9,539	12,261
Less:			
Allowance for doubtful debts			
Allowance at beginning of the year		800	546
Allowance (reversed)/made during the year	23(c)	(200)	489
Allowance utilised during the year		(38)	(235)
Allowance at end of the year		562	800
		8,977	11,461

14. Balances with Related Parties

	Note	The Group 2003 $'000	The Group 2002 $'000	The Company 2003 $'000	The Company 2002 $'000
Amounts owing by:					
Subsidiaries:					
- non-trade		-	-	17,810	16,334
Less:					
Allowance for doubtful debts					
Allowance at beginning of the year		-	-	1,638	-
Allowance utilised during the year		-	-	(1,638)	-
Allowance made during the year	23(c)	-	-	8,099	1,638
Allowance at end of the year		-	-	8,099	1,638
		-	-	9,711	14,696
Jointly-controlled entity:					
- non-trade		-	15	-	-
Associated company:					
- non-trade		15	17	-	-
Shareholders:					
- non-trade		-	6	-	-
		15	38	9,711	14,696
Amounts owing to:					
Subsidiaries:					
- non-trade		-	-	(9)	(25)
Shareholders :					
- non-trade		(5)	-	-	-
Directors of the Company:					
- non-trade		-	(10)	-	(10)
		(5)	(10)	(9)	(35)

The non-trade balances are unsecured and interest-free, and have no fixed terms of repayments.

15. Cash and Cash Equivalents

	The Group 2003 $'000	The Group 2002 $'000	The Company 2003 $'000	The Company 2002 $'000
Cash at bank and in hand	15,568	24,676	6,997	7,489
Fixed deposits	17,804	19,339	10,333	10,285
	33,372	44,015	17,330	17,774

Included in fixed deposits are amounts of $1,029,000 (2002: $53,000) placed with banks as security for bank facilities granted to certain subsidiaries of the Group.

16. Trade and Other Payables

	The Group		The Company	
	2003	**2002**	**2003**	**2002**
	$'000	**$'000**	**$'000**	**$'000**
Trade payables	3,009	7,945	-	-
Other accrued expenses	7,336	4,940	3,460	1,850
Other creditors	2,748	2,485	992	1,089
Advance billings to customers	-	1,251	-	-
Deferred income:				
Grants	-	1,228	-	-
Others	43	345	-	-
	13,136	18,194	4,452	2,939

Included in other accrued expenses as at 30 June 2003 is an amount of $2,300,000 relating to the Group's obligation to fulfill a research and development project.

Details of deferred income relating to grants are as follows:

		The Group	
		2003	**2002**
	Note	**$'000**	**$'000**
Grant received and receivable		2,276	2,152
Less:			
Amortisation			
Balance at beginning of the year		924	520
Amortisation charge for the year	23(a)	1,352	404
Balance at end of the year		2,276	924
		-	1,228

A subsidiary, MicroFab Technology (S) Pte Ltd, has obtained grants under the Research and Development Assistance Scheme ("RDAS") and under the Research Incentive Scheme for Companies ("RISC") administered by Economic Development Board ("EDB") for the development of wafer bumping technologies for advanced packaging of integrated circuits. The scheme provides for funds to be disbursed to the subsidiary by EDB over the duration of the project based on qualifying expenditure incurred. Deferred income represents the funds received and receivable from EDB for acquisition of plant and equipment.

Following the impairment review carried out in the current financial year which reduced the carrying amount of the property, plant and equipment of that subsidiary to $Nil at 30 June 2003 as mentioned in Note 3, the deferred grant income relating to the acquisition of plant and equipment was also recognised in the profit and loss account to match the impairment loss.

17. Interest-Bearing Borrowings

This note provides information about the contractual terms of the Group's and the Company's interest-bearing borrowings. For more information about the Group's exposure to interest rate and currency risk, refer to Note 30.

(a) Interest-bearing borrowings consist of the following:

	The Group 2003 $'000	The Group 2002 $'000	The Company 2003 $'000	The Company 2002 $'000
Non-current liabilities				
Secured bank loan	-	362	-	-
Obligations under hire purchase agreements and finance leases	27	1,043	27	256
	27	1,405	27	256
Current liabilities				
Current portion of:				
- secured bank loan	-	690	-	-
- obligations under hire purchase agreements and finance leases	1,068	1,308	218	284
	1,068	1,998	218	284

(b) Terms and debt repayment schedule

The Group	2003 Total $'000	2003 Within 1 year $'000	2003 After 1 year but within 5 years $'000	2002 Total $'000	2002 Within 1 year $'000	2002 After 1 year but within 5 years $'000
Secured bank loan	-	-	-	1,052	690	362
Obligations under hire purchase agreements and finance leases	1,095	1,068	27	2,351	1,308	1,043
	1,095	1,068	27	3,403	1,998	1,405

17. Interest-Bearing Borrowings (cont'd)

(b) Terms and debt repayment schedule (cont'd)

	2003			2002		
The Company	**Total $'000**	**Within 1 year $'000**	**After 1 year but within 5 years $'000**	**Total $'000**	**Within 1 year $'000**	**After 1 year but within 5 years $'000**
Obligations under hire purchase agreements and finance leases	245	218	27	540	284	256

Secured Bank Loan
The bank loan of a subsidiary was repaid during the financial year.

(c) Obligations under hire purchase agreement and finance leases

	2003			2002		
	Payment $'000	**Interest $'000**	**Principal $'000**	**Payment $'000**	**Interest $'000**	**Principal $'000**
The Group						
Within 1 year	1,101	33	1,068	1,455	147	1,308
After 1 year but within 5 years	27	-	27	1,138	95	1,043
	1,128	33	1,095	2,593	242	2,351
The Company						
Within 1 year	227	9	218	319	35	284
After 1 year but within 5 years	27	-	27	265	9	256
	254	9	245	584	44	540

18. Term Loan (Interest-Free) – The Group

The loan represented the cost of infrastructure support services received under the Assured Supply and Demand Agreement entered into by a subsidiary in February 1999. Under the agreement, the subsidiary committed to provide an annual discount of 15% on wafer bumping services to the contract party and, upon termination of the agreement in February 2002, the subsidiary granted a non-exclusive, worldwide, non-transferable and irrevocable licence to the contract party for its continued usage of the wafer bumping technology.

The loan was interest-free and secured on plant and machinery with a net book value of $Nil at 30 June 2002. The loan was repaid during the current financial year.

19. Deferred Taxation

(a) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2003 $'000	**2002 $'000**	**2003 $'000**	**2002 $'000**	**2003 $'000**	**2002 $'000**
The Group						
Property, plant and equipment	(279)	(6)	193	409	(86)	403
Inventories	(21)	(55)	-	-	(21)	(55)
Trade and other receivables	-	(24)	-	7	-	(17)
Trade and other payables	-	(33)	-	5	-	(28)
Tax value of loss carry-forwards recognised	(235)	(16)	-	-	(235)	(16)
Other items	(10)	(10)	12	81	2	71
Net tax (assets)/ liabilities	(545)	(144)	205	502	(340)	358
Comprising:						
Deferred tax asset					(533)	(82)
Deferred tax liability					193	440
					(340)	358
The Company						
Property, plant and equipment	-	-	186	412	186	412
Other payables and accruals	-	(24)	-	-	-	(24)
	-	(24)	186	412	186	388

(b) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:-

	-------The Group------	
	2003 $'000	**2002 $'000**
Deductible temporary differences	20,645	14,299
Tax losses	14,441	10,205
	35,086	24,504

19. Deferred Taxation (cont'd)

(b) Unrecognised deferred tax assets (cont'd)

The tax losses and deductible temporary differences are primarily attributable to subsidiaries operating in Singapore and, the tax losses and deductible temporary differences do not expire under current year legislation. The unutilised tax losses and unabsorbed wear and tear allowances are available for set-off against future profits subject to the provisions of Section 37 and 23 of the Income Tax Act. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

20. Share Capital – The Company

	2003		2002	
	No. of shares '000	$'000	No. of shares '000	$'000
Authorised:				
Ordinary shares of $0.25 each	4,000,000	1,000,000	4,000,000	1,000,000
Issued and fully paid:				
Ordinary shares of $0.25 each	198,000	49,500	198,000	49,500

21. Reserves

	The Group		The Company	
	2003 $'000	2002 $'000	2003 $'000	2002 $'000
Share premium	37,944	37,944	37,944	37,944
Capital reserve	(11,720)	(11,720)	-	-
Exchange translation reserve	(237)	(27)	-	-
Accumulated losses	(37,268)	(21,494)	(56,420)	(28,430)
	(11,281)	4,703	(18,476)	9,514

The application of the share premium account is governed by Sections 69 – 69F of the Companies Act, Chapter 50.

The capital reserve comprises goodwill arising on acquisition of subsidiaries and associated companies written off against shareholders' equity.

The exchange translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Accumulated losses of the Group include share of post-acquisition accumulated deficit in respect of associates and jointly-controlled entities of $2,975,000 (2002: $2,984,000).

In accordance with SAS 1 - *Presentation of Financial Statements*, movements in reserves for the Group and the Company are set out in the Consolidated Statement of Changes in Equity and the Statement of Changes in Equity, respectively.

22. Revenues

Revenues represent the net invoiced value of goods sold and services rendered in the normal course of trade. The Group's turnover excludes intercompany transactions.

The amount of each significant category of revenues recognised during the financial year is as follows:

	------- The Group -------	
	2003	**2002**
	$'000	**$'000**
Sale of goods	42,055	25,506
Service income	7,634	10,664
Commission income	1,454	3,464
Finance lease interest income	46	-
	51,189	39,634

23. Loss from Ordinary Activities Before Taxation

Loss from ordinary activities before taxation includes the following:

	Note	--------- The Group ------		----- The Company -----	
		2003	**2002**	**2003**	**2002**
		$'000	**$'000**	**$'000**	**$'000**
(a) Other income					
Dividend income from subsidiaries		-	-	5,350	3,500
Rental income		254	-	683	-
Exchange gain, net		353	-	19	-
Amortisation of deferred income	16	1,352	404	-	-
Interest income from banks		242	511	42	119
Management fees		-	-	5,204	5,009
Sundry income		679	1,303	436	122
Grant income		838	302	349	-
Gain on disposal of property, plant and equipment		407	-	-	-
Gain on disposal of unquoted equity investments previously written off		133	615	133	615
Distribution termination compensation		-	180	-	-
		4,258	3,315	12,216	9,365

23. Loss from Ordinary Activities Before Taxation (cont'd)

(b) Staff costs

	The Group 2003 $'000	The Group 2002 $'000	The Company 2003 $'000	The Company 2002 $'000
Wages and salaries	11,560	11,051	1,230	1,840
Contributions to defined contribution plans	1,171	1,406	147	302
(Decrease)/increase in liability for short-term accumulating compensated absences	(257)	198	(29)	40
Termination benefits	699	-	-	-
Others	793	1,797	315	781
	13,966	14,452	1,663	2,963

Staff costs include credits of $1,305,000 and $497,000 for the Group and the Company, respectively, arising from the correction of prior year estimates in respect of bonus provisions and other staff costs.

	The Group 2003	The Group 2002	The Company 2003	The Company 2002
Number of employees at 30 June	222	255	16	22

(c) Other expenses

	Note	The Group 2003 $'000	The Group 2002 $'000	The Company 2003 $'000	The Company 2002 $'000
Auditors' remuneration:					
- auditors of the company					
current year		142	166	52	26
under/(over) provision in prior year		(8)	-	12	-
- other auditors		23	3	-	-
Non-audit fees paid to auditors of the Company		63	54	20	8
Depreciation of property, plant and equipment	3	4,051	5,113	999	371
Allowance made/(reversed) for:					
- doubtful loans to associates	6	-	494	-	494
- inventory obsolescence		1,103	270	-	-
- doubtful trade receivables	13	(200)	489	-	-
- doubtful amounts owing by subsidiaries	14	-	-	8,099	1,638

23. Loss from Ordinary Activities Before Taxation (cont'd)

(c) Other expenses (cont'd)

	Note	The Group 2003 $'000	The Group 2002 $'000	The Company 2003 $'000	The Company 2002 $'000
Loss on disposal:					
- property, plant and equipment		-	1,081	-	100
- intangible assets		644	-	644	-
- other financial assets		-	4	-	-
Inventories written off		21	55	-	-
Research and development costs*		621	325	-	-
Amortisation of intangible assets	4	1,133	941	1,133	157
Impairment losses incurred on:					
- property, plant and equipment	3	10,052	5,548	-	-
- intangible assets	4	283	2,613	283	-
- investments in subsidiaries	5	-	-	23,360	21,000
- investment in associates	6	-	-	-	1,194
- investment in a jointly-controlled entity	7	-	-	-	1,732
- other financial assets	8	-	1,857	-	1,803
Bad debts written off					
- subsidiaries		-	-	321	-
Exchange loss, net		-	752	-	9
Operating leases expenses		1,954	1,698	685	229

* Research and development costs include staff costs of $444,000 (2002: $225,000).

23. Loss from Ordinary Activities Before Taxation (cont'd)

(d) Directors' Remuneration

Directors' remuneration and fees are recognised as follows:

	The Group		The Company	
	2003 $'000	2002 $'000	2003 $'000	2002 $'000
Staff costs				
Directors' fees:				
- directors of the Company	150	169	150	169
Directors' remuneration:				
- directors of the Company	465	1,020	465	1,020
- other directors	580	554	-	-
	1,195	1,743	615	1,189

Remuneration, including salaries, fees, bonuses and the value of benefits in kind, earned during the year from the Group by the directors of the Company are summarised below:

	2003 Number	2002 Number
$500,000 and above	-	1
$250,000 to $499,999	1	-
Below $250,000	5	7
	6	8

	The Group		The Company	
	2003 $'000	2002 $'000	2003 $'000	2002 $'000
(e) Finance costs				
Interest expense:				
- hire purchase and finance lease	42	177	35	64
- banks	210	128	-	-
	252	305	35	64

24. Tax Credit/(Expense)

	The Group 2003 $'000	The Group 2002 $'000	The Company 2003 $'000	The Company 2002 $'000
(a) Recognised in the profit and loss account				
Current tax expense:				
- current year	(576)	116	1,501	880
- group relief	-	-	(1,501)	-
- overprovision in respect of prior years	(660)	(157)	(53)	-
	(1,236)	(41)	(53)	880
Deferred tax expense:				
- origination and reversal of temporary difference	(393)	267	(201)	243
- overprovision in respect of prior years	(70)	(15)	-	-
- benefits of tax losses recognised	(235)	-	-	-
	(698)	252	(201)	243
Total income tax (credit)/ expense in profit and loss account	(1,934)	211	(254)	1,123

	The Group 2003 $'000	The Group 2002 $'000	The Company 2003 $'000	The Company 2002 $'000
(b) Reconciliation of effective tax rate				
Loss before tax	(18,177)	(23,103)	(28,244)	(24,340)
Income tax at applicable tax rate of 22%	(3,999)	(5,082)	(6,214)	(5,355)
Effect of different tax rates in foreign jurisdictions	(44)	10	-	-
Non-deductible expenses	547	1,522	7,514	5,620
Deferred tax assets not recognised	2,328	3,933	-	-
Tax on dividend income deducted at source	-	-	-	858
Utilisation of previously unrecognised deferred tax assets	(36)	-	-	-
Overprovision in respect of prior years	(730)	(172)	(53)	-
Tax benefit received on losses transferred	-	-	(1,501)	-
	(1,934)	211	(254)	1,123

24. Tax Credit/(Expense) (cont'd)

Tax benefit is received under the Loss-Transfer System of Group Relief ("Group Relief System") which enable current year unutilised tax losses and capital allowances of one company to be set-off against taxable profit of another company in the same group. The Group Relief System is effective from financial year ended 30 June 2002.

25. Loss Per Share – The Group

The calculation of basic loss per share is based on the Group's net loss attributable to shareholders divided by the weighted average ordinary shares in issue during the financial year.

There is no dilutive effect on loss per share as all unissued potential ordinary shares are anti-dilutive due to the Group making losses during the financial year.

26. Changes in Accounting Policies

During the financial year ended 30 June 2003, the Group and the Company has adopted revisions to SAS 1 – *Presentation of Financial Statements*, SAS 11 – *Construction Contracts*, SAS 14 – *Property, Plant and Equipment*, SAS 16 – *Revenue*, SAS 20 – *The Effects of Changes in Foreign Exchange Rates* and SAS 25 – *Accounting for Investments* which became effective for the financial statements for the current financial year. The adoption of the above standards did not give rise to any adjustments to the opening balances of retained earnings nor net results of the prior and current periods.

27. Equity Compensation Benefits

The "Ellipsiz Share Option Plan" and the "Ellipsiz Restricted Stock Plan" were approved and adopted at an Extraordinary General Meeting held on 28 November 2002. The "Ellipsiz Share Option Plan" enables selected employees and non-executive directors of the Group to subscribe for shares in the Company. The "Ellipsiz Restricted Stock Plan" enables selected employees and non-executive directors of the Group, other than controlling shareholders or their associates, to receive awards in the form of fully paid shares, their equivalent cash value or combination thereof, free of charge.

The "Ellipsiz Share Option Plan" and "Ellipsiz Restricted Stock Plan" are administered by a committee which consists of two members, being Mr. Rick Kenneth Hodgman and Mr. Jeffrey Staszak.

27. Equity Compensation Benefits (cont'd)

Information with respect to the options granted under the "Ellipsiz Share Option Plan" on the unissued ordinary shares of $0.25 each of the Company as at the end of the financial year are as follows:

Date of grant of options	Exercise price	Number of options outstanding 1 July 2002	Options granted	Options cancelled/ lapsed	Number of options outstanding 30 June 2003	Number of option holders 30 June 2003	Exercisable period
6 January 2003	S$0.25	-	540,167	12,500	527,667	32	6/1/2004-5/1/2008
6 January 2003	S$0.25	-	540,167	12,500	527,667	32	6/1/2005-5/1/2008
6 January 2003	S$0.25	-	200,666	-	200,666	5	6/1/2006-5/1/2008
		-	1,281,000	25,000	1,256,000		

Information with respect to the awards granted under the "Ellipsiz Restricted Stock Plan" on the unissued ordinary shares of $0.25 each of the Company as at the end of the financial year are as follows:

Date of grant of awards	Number of awards outstanding 1 July 2002	Awards granted	Awards cancelled/ lapsed	Number of awards outstanding 30 June 2003	Number of award holders 30 June 2003	Vesting date
6 January 2003	-	265,833	-	265,833	14	6/1/2004
6 January 2003	-	265,833	-	265,833	14	6/1/2005
6 January 2003	-	107,334	-	107,334	3	6/1/2006
	-	639,000	-	639,000		

The terms of vesting for awards granted on 6 January 2003 was on fulfillment of employment services with the Group from the date of grant to the vesting date.

28. Significant Related Party Transactions

Significant transactions with related parties, other than those disclosed elsewhere in the financial statements, are as follows:

	The Group 2003 $'000	The Group 2002 $'000
Sales to:		
- a jointly-controlled entity	-	324
Commission income receivable from:		
- associated company	263	59
Management fees receivable from:		
- a jointly-controlled entity	30	68
Rental income receivable from:		
- associated company	1	71
- a jointly-controlled entity	6	11

The Group, in normal course of business, transacts with affiliated and associates on arms-length terms.

29. Commitments

(a) Lease Commitments

As at 30 June 2003, commitments of the Group and the Company for minimum lease payments under non-cancellable operating leases with terms of more than one year are as follows:

	The Group 2003 $'000	The Group 2002 $'000	The Company 2003 $'000	The Company 2002 $'000
Payable:				
Within 1 year	977	1,397	710	658
After 1 year but within 5 years	1,967	1,766	624	1,334
	2,944	3,163	1,334	1,992

29. Commitments (cont'd)

(b) Capital Commitments

Capital expenditure approved but not provided for in the financial statements as at 30 June 2003 is as follows:

	The Group		The Company	
	2003 $'000	2002 $'000	2003 $'000	2002 $'000
Supply and installation of facilities, infrastructure and equipment	-	289	-	-

30. Financial Instruments

(a) Financial risk management objectives and policies

The principal objective of the Group's treasury policy is the management and control of risks relating to earnings and net assets.

The Group does not have any derivative financial instruments. The existing primary financial instruments of the Group such as receivables, payables and inter-company balances meet the definition of financial assets or liabilities.

The main risk arising from the Group's financial instruments are credit risk, interest rate risk and currency risk, which are summarised as follows:-

(b) Credit risk

The carrying amounts of trade and other receivables represent the Group's exposure to credit risk.

The management has evaluated the credit standing of customers with significant outstanding with the Group as at 30 June 2003. As the majority of them are multinational corporations, the management has reasonable grounds to believe that the Group does not have significant credit risk as at 30 June 2003. Credit risks arising from sales are evaluated on an on-going basis. The debts are also monitored continually and hence the Group does not expect to incur material credit losses.

The cash and cash equivalents of the Group are placed with reputable banks.

30. Financial Instruments (cont'd)

(c) Effective interest rate and repricing analysis

The Group obtains additional financing through bank borrowings and leasing arrangements. The Group's policy is to obtain the most favourable interest rates available.

The Group's exposure to interest rate risk relates primarily to its fixed deposits and finance lease receivables.

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice.

The Group 2003	**Effective Interest Rate %**	**Total $'000**	**Within 1 year $'000**	**1 to 5 years $'000**
Financial Assets				
Fixed deposits	0.68	17,804	17,804	-
Finance lease receivable	4.90	2,567	696	1,871
Total		20,371	18,500	1,871
Financial Liabilities				
Obligations under hire purchase agreements and finance leases	3.80	1,095	1,068	27

30. Financial Instruments (cont'd)

The Group 2002	Effective Interest Rate %	Total $'000	Within 1 year $'000	1 to 5 years $'000
Financial Assets				
Fixed deposits	0.69	19,339	19,339	-
Financial Liabilities				
Secured bank loan	6.75	1,052	1,052	-
Obligations under hire purchase agreements and finance leases	3.82	2,351	1,308	1,043
Total		3,403	2,360	1,043

The Company 2003	Effective Interest Rate %	Total $'000	Within 1 year $'000	1 to 5 years $'000
Financial Assets				
Fixed deposits	0.18	10,333	10,333	-
Financial Liabilities				
Obligations under hire purchase agreements and finance leases	4.31	245	218	27
2002				
Financial Assets				
Fixed deposits	0.44	10,285	10,285	-
Financial Liabilities				
Obligations under hire purchase agreements and finance leases	4.39	540	284	256

(d) Currency risk

The Group has exposure to foreign currency movement on trade receivables, trade payables and cash and cash equivalents denominated in foreign currencies. It also incurs foreign currency risk on sales and purchases that are denominated in foreign currencies. The currencies giving rise to this risk are primarily US dollars and Japanese yen. Currently, the Group does not hedge its foreign currency exposure. However the management monitors the exposure closely and will consider hedging significant foreign currency exposure should the need arise.

30. Financial Instruments (cont'd)

(e) Fair value

The carrying amounts of the financial assets and liabilities approximate fair values.

31. Contingent Liabilities – The Company

At 30 June 2003, the Company has provided corporate guarantees amounting to $Nil (2002: $15,429,000) to banks and financial institutions in respect of facilities extended to the Company and its subsidiaries. Drawdowns under these facilities amounted to $Nil (2002: $1,278,000).

32. Segment Reporting

(a) Business Segments

	Engineering Solutions $'000	Advanced Packaging Solutions $'000	Supply Chain Solutions $'000	Elimin-ations $'000	Consolidated $'000
Revenue and Expense					
2003					
Total revenue from external customers	47,854	3,323	12	-	51,189
Inter-segment revenue	205	-	-	(205)	-
	48,059	3,323	12	(205)	51,189
Segment results	269	(15,915)	(11)	310	(15,347)
Unallocated corporate expenses					(2,829)
Share of results of associated companies	9	-	-	-	9
Loss from ordinary activities before interest income/ (expense) and taxation					(18,167)
Interest income					242
Interest expense					(252)
Taxation					1,934
Minority interest					469
Net loss for the year					(15,774)

32. Segment Reporting (cont'd)

(a) Business Segments (cont'd)

Revenue and Expense **2002**	**Engineering Solutions $'000**	**Advanced Packaging Solutions $'000**	**Supply Chain Solutions $'000**	**Elimin-ations $'000**	**Consolidated $'000**
Total revenue from external customers	37,375	2,185	74	-	39,634
Inter-segment revenue	1,431	-	-	(1,431)	-
	38,806	2,185	74	(1,431)	39,634
Segment results	94	(17,120)	(1,748)	(56)	(18,830)
Unallocated corporate expenses					(2,918)
Share of results of associated companies	82	-	-	-	82
Share of results of a jointly-controlled entity	-	(1,643)	-	-	(1,643)
Loss from ordinary activities before interest income/ (expense) and taxation					(23,309)
Interest income					511
Interest expense					(305)
Taxation					(211)
Minority interest					(29)
Net loss for the year					(23,343)

The impairment losses of $10,335,000 (2002: $8,161,000) incurred on property, plant and equipment and intangible assets, as described in Notes 3 and 4, were included in the segment results for Advanced Packaging Solutions segment for the years ended 30 June 2003 and 2002 respectively.

During the financial year ended 30 June 2002, the impairment losses of $1,747,000 incurred on the Company's unquoted equity investments were included in the segment results for the Engineering Solutions segment.

32. Segment Reporting (cont'd)

(a) Business Segments (cont'd)

Assets and Liabilities **2003**	**Engineering Solutions $'000**	**Advanced Packaging Solutions $'000**	**Supply Chain Solutions $'000**	**Elimin-ations $'000**	**Consolidated $'000**
Segment assets	33,498	1,408	25	(1,020)	33,911
Unallocated corporate assets					19,089
Investment in associated companies	46	-	-	-	46
Income tax assets					1,836
Total assets					54,882
Segment liabilities	8,413	3,932	9	(1,020)	11,334
Unallocated corporate liabilities					1,807
Interest-bearing loans and borrowings					1,095
Income tax liabilities					1,207
Total liabilities					15,443

32. Segment Reporting (cont'd)

(a) Business Segments (cont'd)

	Engineering Solutions $'000	Advanced Packaging Solutions $'000	Supply Chain Solutions $'000	Elimin-ations $'000	Consolidated $'000
Assets and Liabilities					
2002					
Segment assets	46,337	14,319	207	(887)	59,976
Unallocated corporate assets					19,511
Investment in associated companies	37	-	-	-	37
Income tax assets					82
Total assets					79,606
Segment liabilities	11,767	4,038	240	(887)	15,158
Unallocated corporate liabilities					3,046
Interest-bearing loans and borrowings					3,403
Term loan (interest-free)					53
Income tax liabilities					1,987
Total liabilities					23,647
Capital Expenditure					
2003					
Capital expenditure	727	22	3		752
Corporate					672
					1,424
2002					
Capital expenditure	3,506	5,378	36		8,920
Corporate					1,120
					10,040

32. Segment Reporting (cont'd)

(a) Business Segments (cont'd)

	Engineering Solutions $'000	Advanced Packaging Solutions $'000	Supply Chain Solutions $'000	Consolidated $'000
Significant Non-cash item				
2003				
Depreciation of property, plant and equipment:				
- allocated to business segments	2,227	1,486	24	3,737
- unallocated corporate expenses				314
				4,051
Impairment losses incurred on:				
- property, plant and equipment	-	10,052	-	10,052
- intangible assets	-	283	-	283
Loss on disposal of intangible assets				644
Gain on disposal of property, plant and equipment	27	(434)	-	(407)
Amortisation of intangible assets:				
- allocated to business segments	832	141	28	1,001
- unallocated corporate expenses				132
				1,133
Grant income				
- allocated to business segments	-	(489)	-	(489)
- unallocated corporate expenses				(349)
Amortisation of deferred income	-	(1,352)	-	(1,352)

32. Segment Reporting (cont'd)

(a) Business Segments (cont'd)

Significant Non-cash item **2002**	**Engineering Solutions $'000**	**Advanced Packaging Solutions $'000**	**Supply Chain Solutions $'000**	**Consolidated $'000**
Depreciation of property, plant and equipment:				
- allocated to business segments	1,371	3,497	91	4,959
- unallocated corporate expenses				154
				5,113
Impairment losses incurred on:				
- property, plant and equipment	-	5,548	-	5,548
- development expenditure	-	2,613	-	2,613
Property, plant and equipment written off:				
- allocated to business segments	162	-	812	974
- unallocated corporate expenses				97
				1,071
Property, plant and equipment acquired under hire purchase agreements and finance leases:				
- allocated to business segments	211	36	7	254
- unallocated corporate expenses				32
				286
Amortisation of intangible assets:				
- allocated to business segments	111	803	4	918
- unallocated corporate expenses				23
				941
Impairment losses on other financial assets:				
- allocated to business segments	1,801	-	-	1,801
- unallocated corporate expenses				56
				1,857
Allowance made for doubtful loans to associates:	494	-	-	494
Grant income	-	(302)	-	(302)
Amortisation of deferred income	-	(404)	-	(404)

32. Segment Reporting (cont'd)

(b) Geographical Segments

	Singapore $'000	Other Asean Countries $'000	Other Regions $'000	Elimin-ations $'000	Consolidated $'000
2003					
Total revenue from external customers	28,143	11,043	12,003		51,189
Segment assets	34,430	5,713	12,912	(55)	53,000
Investment in associated companies	46	-	-	-	46
Income tax assets					1,836
	34,476	5,713	12,912	(55)	54,882
Capital expenditure	1,093	49	282		1,424
2002					
Total revenue from external customers	30,193	6,500	2,941		39,634
Segment assets	60,390	6,407	12,925	(235)	79,487
Investment in associated companies	37	-	-	-	37
Income tax assets					82
	60,427	6,407	12,925	(235)	79,606
Capital expenditure	7,566	2,361	113		10,040

Shareholding Statistics - as at 11 September 2003

(As shown in the Company's Register of Substantial Shareholders)

Authorised Share Capital	:	S$1,000,000,000		
Issued and Paid Up Capital	:	S$49,500,000		
Class of Shares	:	Ordinary Shares of S$0.25 each		
Voting Rights	:	On a show of hands	:	1 vote
	:	On a poll	:	1 vote for each ordinary share

Analysis of Shareholdings by Range as at 11 September 2003

Range of shareholdings	No. of shareholders	% of shareholders	No. of shares	% of issued share capital
1 to 999	7	0.17	3,192	0.00
1,000 to 10,000	2,873	69.83	11,163,812	5.64
10,001 to 1,000,000	1,214	29.51	57,866,388	29.23
1,000,001 AND ABOVE	20	0.49	128,966,608	65.13
TOTAL	4,114	100.00	198,000,000	100.00

As at 11 September 2003, approximately 51.9% of the shareholding is held in the hands of the public and Rule 723 of the Listing Manual has been complied with.

Top 20 Shareholders as at 11 September 2003

No.	Name of shareholders	No. of shares	% of issued share capital
1	CHONG FOOK CHOY	28,000,320	14.14
2	3I GROUP PLC	19,221,420	9.71
3	HAY SOOK ANN	16,236,412	8.20
4	PAO NING YU	12,140,416	6.13
5	NG BENG SOON	8,939,216	4.52
6	UOB KAY HIAN PTE LTD	6,829,000	3.45
7	DBS NOMINEES PTE LTD	6,655,000	3.36
8	PLE INVESTMENTS PTE LTD	4,457,168	2.25
9	OCBC SECURITIES PRIVATE LTD	4,240,000	2.14
10	3I APTECH NOMINEES LIMITED	4,178,640	2.11
11	RAFFLES NOMINEES PTE LTD	3,018,000	1.52
12	PHILLIP SECURITIES PTE LTD	2,167,000	1.09
13	UNITED OVERSEAS BANK NOMINEES PTE LTD	2,160,000	1.09
14	THE ASIA LIFE ASSURANCE SOCIETY LTD - S'PORE LIFE FUND	2,008,000	1.01
15	ONG PUAY HAN	1,946,484	0.98
16	KIM ENG SECURITIES PTE LTD	1,676,000	0.85
17	LEE BOON LENG	1,421,148	0.72
18	DBS VICKERS SECURITIES (S) PTE LTD	1,244,000	0.63
19	NG KHENG HUEY SALLY	1,222,640	0.62
20	CHOO SOO KWANG	1,205,744	0.61
TOTAL		128,966,608	65.13

Substantial Shareholders as at 11 September 2003

(As shown in the Company's Register of Substantial Shareholders)

Name of shareholders	Shareholdings registered in the name of the substantial shareholders	Shareholdings held by the substantial shareholders in the name of nominees	Shareholdings in which the substantial shareholders are deemed to be interested	Total	% of issued share capital
CHONG FOOK CHOY	28,000,320	-	-	28,000,320	14.14
3I GROUP PLC	19,221,420	-	4,178,640	23,400,060	11.82
HAY SOOK ANN	16,236,412	-	-	16,236,412	8.20
NG BENG SOON	8,939,216	4,000,000	-	12,939,216	6.53
PAO NING YU	12,140,416	-	-	12,140,416	6.13

Notice of Annual General Meeting

Ellipsiz Ltd (Incorporated in The Republic of Singapore)

NOTICE IS HEREBY GIVEN THAT the 8th Annual General Meeting of Ellipsiz Ltd ("Company") will be held at 29 Woodlands Industrial Park E1, Lobby 1, #04-01/06 NorthTech, Singapore 757716 on Thursday, 16 October 2003 at 4.00 p.m. to transact the following businesses:

Ordinary Business

1. To receive and adopt the Directors' Report and Audited Accounts of the Company and its subsidiaries for the financial year ended 30th June 2003, together with the Auditors' Report thereon. **(Resolution 1)**
2. To re-elect the following Directors, who are retiring in accordance with Article 91 of the Company's Articles of Association, and who, being eligible offer themselves for re-election:

   (i). Mr. Chong Fook Choy (Executive Director); and **(Resolution 2)**
   (ii). Ms. Lim May Lan (Executive Director) **(Resolution 3)**
3. To approve the payment of Directors' fees of S$150,000.00 for the financial year ended 30th June 2003 (2002 :S$156,000.00). **(Resolution 4)**
4. To re-appoint KPMG as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 5)**
5. To transact any other ordinary business that may be transacted at an Annual General Meeting. **(Resolution 6)**

Special Business

6. To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

   Authority to allot and issue new shares
   "That the Directors be and are hereby authorised pursuant to the provisions of Section 161 of the Companies Act, Cap. 50, and subject to the Company's Articles of Association and the rules and regulations of the Singapore Exchange Securities Trading Limited, to allot and issue shares and convertible securities in the capital of the Company on such terms and conditions and with such rights or restrictions as they may, in their absolute discretion, deem fit PROVIDED ALWAYS THAT the aggregate number of shares and convertible securities to be issued pursuant to this resolution shall not exceed fifty per cent (50%) of the Company's issued share capital at the time of the passing of this resolution, of which the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to shareholders of the Company does not exceed twenty per cent (20%) of the Company's issued share capital and that such authority shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which such Annual General Meeting is required by law to be held, whichever is the earlier."
   [See Explanatory Note (i)] **(Resolution 7)**

7. **Authority to allot and issue shares under the Ellipsiz Share Option Plan and the Ellipsiz Restricted Stock Plan**
   That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors be empowered to (i) grant options and to allot and issue shares in the capital of the Company to the holders of options upon the exercise of such options pursuant to and in accordance with the terms and conditions of the Ellipsiz Share Option Plan ("ESOP") and (ii) grant awards and to allot and issue shares in the capital of the Company to employees and executive directors of the Company upon the vesting of such awards in accordance with the terms and conditions of the Elllipsiz Restricted Stock Plan ("ERSP") provided always that the aggregate number of additional ordinary shares to be allotted and issued pursuant to the ESOP and ERSP shall not exceed fifteen per centum (15%) of the issued share capital of the Company for the time being.
   [See Explanatory Note (ii)] **(Resolution 8)**

8. **Amendment to Rule 7 of the Ellipsiz Restricted Stock Plan**
   That the existing Rule 7 of the Ellipsiz Restricted Stock Plan be amended by deleting the phrase, "The Committee shall not grant any Award if in aggregate, the Shares comprised in the said Award," and replacing it with, "The Committee shall not issue any new Shares pursuant to the vesting of any Award granted, if the number of new Shares,"
   [See Explanatory Note (iii)] **(Resolution 9)**

Dated: 1 October 2003
By Order of the Board

Anne Choo and Chan Yuen Leng
Joint Company Secretaries
Singapore

Notes:
A member of the Company entitled to attend and vote at this meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company. Where a member appoints two proxies, he shall specify on each instrument of proxy the number of shares in respect of which the appointment is made, failing which the appointment shall be deemed to be in the alternative. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. If the member is a corporation, the instrument appointing the proxy or representative must be under seal or the hand of an officer or attorney duly authorised. The instrument appointing a proxy must be deposited at the registered office of the Company at 29 Woodlands Industrial Park E1, Lobby 1, #04-01/06 NorthTech, Singapore 757716 not less than 48 hours before the time appointed for the Meeting.

Explanatory Notes:

(i). The Ordinary Resolution proposed in item 6 above, if passed, will empower the Directors from the date of the above meeting until the next Annual General Meeting to allot and issue shares and convertible securities of the Company. The number of shares and convertible securities that the Directors may allot and issue under this resolution would not exceed 50 per cent of the total issued share capital of the Company at the time of the passing of this resolution. For issue of shares and convertible securities other than on a pro-rata basis to all shareholders, the aggregate number of shares and convertible securities to be issued shall not exceed 20 per cent of the issued share capital of the Company. This authority will, unless previously revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company or such time when the next Annual General Meeting is required to be held under the Companies Act, Cap. 50.

The percentage of issued capital is based on the Company's issued capital at the time this proposed Ordinary Resolution is passed after adjusting for (a) new shares arising from the conversion of convertible securities or employee share options on issue at the time this proposed resolution is passed and (b) any subsequent consolidation or subdivision of shares.

(ii). The Ordinary Resolution 7 proposed in item 7 above, if passed, will empower the Directors of the Company, from the date of the above meeting until the next Annual General Meeting, to allot and issue shares in the Company of up to a number not exceeding in total fifteen per centum (15%) of the issued share capital of the Company from time to time pursuant to the exercise of the options under the ESOP and the vesting of awards under the ERSP.

(iii). SGX assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Explanatory Note (iii).

The Ellipsiz Restricted Stock Plan ("ERSP") and the Ellipsiz Share Option Plan ("ESOP") were approved by shareholders of the Company on 28 November 2001.

Currently, Rule 7 of the ERSP states that:
"The Committee shall not grant any Award if in aggregate, the Shares comprised in the said Award, when added to the number of Shares issued or issuable pursuant to:-

(a) all Awards granted under the Plan; and
(b) all Options granted under the Ellipsiz Share Option Plan,

shall exceed 15% of the Company's issued share capital (or such other limit as shall be imposed under the Act or the Listing Manual from time to time) on the day preceding such grant."

Under the ERSP, Awards can be satisfied by the issue of new Shares, or the purchase of the relevant number of issued Shares from the open market ("Open-Market Shares"), or the payment of cash of equivalent value to the Shares that a grantee is entitled, or a combination of any of the aforesaid methods.

The existing Rule 7 prohibits any further Award to be granted if the Shares comprised in the Award (ie. both Open-Market Shares and new shares that will be issued), when added to the number of Shares issued or issuable pursuant to all Awards under the ERSP and all Options under the ESOP shall exceed 15% of the Company's issued share capital on the day preceding such grant (the "15% Threshold").

Open-Market Shares as compared to new issues of Shares, do not dilute shareholders' interest. Thus, the Directors are of the view that Open-Market Shares should be excluded in computing the 15% Threshold.

Explanatory Notes: (cont'd)

Further the prohibition against granting further Awards when the 15% Threshold is reached, should apply only to any further issue of new Shares pursuant to Awards granted. The Company should be allowed to continue to grant Awards, if these are satisfied by purchase of Open-Market Shares, or payment of cash or a combination of the said methods. Hence the amendments to Rule 7 are proposed.

The amended Rule 7 of the ERSP would read as follows:-

"The Committee shall not issue any new Shares pursuant to the vesting of any Award granted, if the number of new Shares issued or issuable, when added to the number of Shares issued or issuable pursuant to:-

(a) all Awards granted under the Plan; and
(b) all Options granted under the Ellipsiz Share Option Plan,

shall exceed 15% of the Company's issued share capital (or such other limit as shall be imposed under the Act or the Listing Manual from time to time) on the day preceding such grant".

Under the amended Rule 7, Open-Market Shares would not be counted when determining the 15% Threshold. If the 15% Threshold is reached, the Company may not issue any further new Shares upon the vesting of any Award.

Directors' Recommendation

Mr. Chong Fook Choy, Dr. Foo See Liang, Mr. Jeffrey Staszak, Mr. Matthew Chan Chung Shin and Mr. Rick Kenneth Hodgman recommend that shareholders vote in favour of Resolution 9.

Ms. Lim May Lan shall abstain from making any recommendation and voting on Resolution 9 as she is a participant in the ERSP.

Directors' Responsibility Statement

The Directors collectively and individually accept responsibility for the accuracy of the information given in Explanatory Note (iii) and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in the said Explanatory Note (iii) are fair and accurate and that there are no material facts the omission of which would make any statement in the said Explanatory Note misleading.

8th Annual General Meeting – Proxy Form

Ellipsiz Ltd (Incorporated in The Republic of Singapore)

IMPORTANT:
1. For investors who have used their CPF monies to buy shares in the capital of Ellipsiz Ltd, this Proxy Form is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, ________________________ NRIC No.________________

of ________________________________

being *a member/members of Ellipsiz Ltd (the "Company"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the 8th Annual General Meeting of the Company to be held at 29 Woodlands Industrial Park E1, #04-01/06 NorthTech, Singapore 757716, on Thursday, 16 October 2003 at 4.00 p.m. and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the Notice of 8th Annual General Meeting. In the absence of specific directions, your proxy/proxies will vote or abstain from voting as he/they may think fit as he/they will on any other matters arising at the 8th Annual General Meeting).

No.	Resolutions	For	Against
	Ordinary Business		
1.	Adoption of the Directors' Report and Audited Accounts of the Company and its subsidiaries for the financial year ended 30th June 2003, together with Auditors' Report thereon.		
2.	Re-election of Mr. Chong Fook Choy as Director under Article 91.		
3.	Re-election of Ms. Lim May Lan as Director under Article 91.		
4.	Approval of Directors' fees of S$150,000.00 for financial year ended 30th June 2003.		
5.	Re-appointment of KPMG as Auditors and to authorise the Directors to fix their remuneration.		
6.	Any other ordinary business that may be transacted at an Annual General Meeting.		
	Special Business		
7.	Authority to allot and issue new shares.		
8.	Authority to grant options and issue shares under the Ellipsiz Share Option Plan and to grant awards and issue shares under the Ellipsiz Restricted Stock Plan.		
9.	Amendment of Rule 7 of the Ellipsiz Restricted Stock Plan		

Total Number of Ordinary Shares held:		
(a) CDP Register		
(b) Register of Members		

Dated this __________ day of October 2003.

____

Signature(s) of Members or Common Seal

* delete as appropriate

IMPORTANT:
PLEASE READ NOTES OVERLEAF

8th Annual General Meeting – Proxy Form

Ellipsiz Ltd (Incorporated in The Republic of Singapore)

Notes:

1. If you have Ordinary Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Ordinary Shares. If you have Ordinary Shares registered in your name in the Register of Members, you should insert that number of Ordinary Shares. If you have Ordinary Shares entered against your name in the Depository Register and Ordinary Shares registered in your name in the Register of Members, you should insert the aggregate number of Ordinary Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Ordinary Shares in the capital of the Company held by you.
2. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member.
3. Where a member appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion is specified, the first named proxy shall be treated as representing 100 per cent of the shareholding and any second named proxy as an alternative to the first named.
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 29 Woodlands Industrial Park E1, Lobby 1, #04-01/06 NorthTech, Singapore 757716 not later than 48 hours before the time fixed for holding the Annual General Meeting.
5. This instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of any officer or attorney duly authorised.
6. A corporation which is a member may also authorise by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the Annual General Meeting in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
7. The Company shall be entitled to reject this instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.
8. In the case of members whose Ordinary Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have Ordinary Shares entered against their names in the Depository Register as at 48 hours before the time fixed for holding the Annual General Meeting as certified by the CDP to the Company.

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