



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

Full Year Financial Information and
Dividend Announcement for the year ended

30 June 2017

Statements of Financial Position

	Note	2017 \$'000	Group 2016 \$'000	Var. %	2017 \$'000	Company 2016 \$'000	Var. %
Non-current assets							
Property, plant and equipment	2	10,984	11,840	(7)	5	4	25
Intangible assets	3	41,425	41,213	1	–	–	–
Subsidiaries	4	–	–	–	79,749	79,602	–
Associates	5	862	8,385	(90)	–	4,868	(100)
Joint ventures		71	68	4	–	–	–
Financial assets		5,179	5,203	–	4,952	4,970	–
Deferred tax assets		3,612	3,374	7	–	84	(100)
		<u>62,133</u>	<u>70,083</u>	(11)	<u>84,706</u>	<u>89,528</u>	(5)
Current assets							
Inventories		7,843	9,115	(14)	–	–	–
Trade and other receivables		35,036	37,157	(6)	187	187	–
Amounts due from related parties		–	–	–	251	361	(30)
Cash and cash equivalents	6	53,762	40,036	34	23,091	16,938	36
		<u>96,641</u>	<u>86,308</u>	12	<u>23,529</u>	<u>17,486</u>	35
Total assets		<u>158,774</u>	<u>156,391</u>	2	<u>108,235</u>	<u>107,014</u>	1
Equity attributable to Owners of the Company							
Share capital	7	89,566	89,566	–	89,566	89,566	–
Reserves	8	41,918	38,171	10	15,566	15,815	(2)
		<u>131,484</u>	<u>127,737</u>	3	<u>105,132</u>	<u>105,381</u>	–
Non-controlling interests		413	385	7	–	–	–
Total equity		<u>131,897</u>	<u>128,122</u>	3	<u>105,132</u>	<u>105,381</u>	–
Non-current liabilities							
Provisions		244	214	14	–	–	–
Interest-bearing borrowings	9	205	471	(56)	–	–	–
Deferred tax liabilities		903	581	55	–	–	–
		<u>1,352</u>	<u>1,266</u>	7	<u>–</u>	<u>–</u>	–
Current liabilities							
Trade and other payables		21,917	22,572	(3)	1,459	1,426	2
Provisions		257	231	11	–	–	–
Amounts due to related parties		74	72	3	546	–	100
Interest-bearing borrowings	9	946	3,347	(72)	–	–	–
Current tax payable		2,331	781	198	1,098	207	430
		<u>25,525</u>	<u>27,003</u>	(5)	<u>3,103</u>	<u>1,633</u>	90
Total liabilities		<u>26,877</u>	<u>28,269</u>	(5)	<u>3,103</u>	<u>1,633</u>	90
Total equity and liabilities		<u>158,774</u>	<u>156,391</u>	2	<u>108,235</u>	<u>107,014</u>	1

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

Consolidated Statement of Comprehensive Income

	Note	Group		Var. %
		2017 \$'000	2016 \$'000	
Revenue		116,666	118,735	(2)
Cost of revenue		(74,616)	(76,863)	(3)
Gross profit		42,050	41,872	–
Other income	10	2,546	2,936	(13)
Distribution expenses		(11,991)	(13,362)	(10)
Administrative expenses		(16,648)	(17,245)	(3)
Research & development expenses		(2,951)	(3,616)	(18)
Other expenses		(1,652)	(588)	181
Results from operating activities	10	11,354	9,997	14
Finance income		105	99	6
Finance expenses		(67)	(163)	(59)
Net finance income/(expenses)	11	38	(64)	(159)
Share of results of associates (net of tax)		207	981	(79)
Share of results of joint ventures (net of tax)		–	54	(100)
Profit before income tax		11,599	10,968	6
Income tax expenses	12	(3,106)	(1,365)	128
Profit for the year		8,493	9,603	(12)
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss				
Exchange differences arising from:				
- liquidation of a subsidiary reclassified to profit or loss		(206)	–	100
- disposal of an associate reclassified to profit or loss		41	–	100
- disposal of a joint venture reclassified to profit or loss		–	137	(100)
- monetary items forming part of net investments in foreign operations		383	(185)	(307)
- translation of financial statements of foreign operation		690	2,260	(69)
Net change in fair value of available-for-sale financial assets		(18)	(2,553)	(99)
Net change in fair value of available-for-sale financial assets, reclassified to profit or loss		1,578	401	294
Tax effect		–	–	–
Other comprehensive income for the year, net of income tax		2,468	60	4,023
Total comprehensive income for the year		10,961	9,663	13
Profit attributable to:				
Owners of the Company		8,501	9,598	(11)
Non-controlling interests		(8)	5	(260)
Profit for the year		8,493	9,603	(12)
Total comprehensive income attributable to:				
Owners of the Company		10,933	9,676	14
Non-controlling interests		28	(13)	315
Total comprehensive income for the year		10,961	9,663	13
Earnings per share				
- Basic (cents)	13	5.09	5.74	(11)
- Diluted (cents)		5.09	5.74	(11)

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

Consolidated Statement of Changes in Equity

Group	Share capital \$'000	Capital reserve \$'000	Fair value reserve \$'000	Share-based compensation reserve \$'000	Exchange translation reserve \$'000	Retained earnings \$'000	Total attributable to Owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
30 June 2016									
Balance as at 1 July 2015	89,566	(11,648)	2,212	2,290	(12,415)	51,454	121,459	398	121,857
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	9,598	9,598	5	9,603
Other comprehensive income									
Exchange differences arising from the									
- disposal of joint venture	-	-	-	-	137	-	137	-	137
- monetary items forming part of net investments in foreign operations	-	-	-	-	(185)	-	(185)	-	(185)
- translation of financial statements of foreign operations	-	-	-	-	2,278	-	2,278	(18)	2,260
Net change in fair value of available-for-sale financial assets	-	-	(2,553)	-	-	-	(2,553)	-	(2,553)
Net change in fair value of available-for-sale financial assets, reclassified to profit or loss	-	-	401	-	-	-	401	-	401
Total other comprehensive income	-	-	(2,152)	-	2,230	-	78	(18)	60
Total comprehensive income for the year	-	-	(2,152)	-	2,230	9,598	9,676	(13)	9,663
Transactions with Owners, recorded directly in equity									
Contributions by and distributions to Owners									
Final dividend of 0.67 cents per share in respect of 2015 ⁽¹⁾	-	-	-	-	-	(1,114)	(1,114)	-	(1,114)
Special dividend of 0.67 cents per share in respect of 2015 ⁽¹⁾	-	-	-	-	-	(1,114)	(1,114)	-	(1,114)
Interim dividend of 0.70 cents per share in respect of 2016	-	-	-	-	-	(1,170)	(1,170)	-	(1,170)
Total contributions by and distributions to Owners	-	-	-	-	-	(3,398)	(3,398)	-	(3,398)
Total transactions with Owners	-	-	-	-	-	(3,398)	(3,398)	-	(3,398)
Balance as at 30 June 2016	89,566	(11,648)	60	2,290	(10,185)	57,654	127,737	385	128,122

⁽¹⁾ On 30 October 2015, the Group completed a share consolidation of 10 existing issued ordinary shares into 3 ordinary shares. Accordingly, retrospective adjustments have been made to the interim and final and special dividend in respect of 2015 (see note 7).

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

Consolidated Statement of Changes in Equity

Group	Share capital \$'000	Capital reserve \$'000	Fair value reserve \$'000	Share-based compensation reserve \$'000	Exchange translation reserve \$'000	Retained earnings \$'000	Total attributable to Owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
30 June 2017									
Balance as at 1 July 2016	89,566	(11,648)	60	2,290	(10,185)	57,654	127,737	385	128,122
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	8,501	8,501	(8)	8,493
Other comprehensive income									
Exchange differences arising from the									
- liquidation of subsidiaries	-	-	-	-	(206)	-	(206)	-	(206)
- disposal of an associate	-	-	-	-	41	-	41	-	41
- monetary items forming part of net investments in foreign operations	-	-	-	-	383	-	383	-	383
- translation of financial statements of foreign operations	-	-	-	-	654	-	654	36	690
Net change in fair value of available-for-sale financial assets	-	-	(18)	-	-	-	(18)	-	(18)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	-	1,578	-	-	-	1,578	-	1,578
Total other comprehensive income	-	-	1,560	-	872	-	2,432	36	2,468
Total comprehensive income for the year	-	-	1,560	-	872	8,501	10,933	28	10,961
Transactions with Owners, recorded directly in equity									
Contributions by and distributions to Owners									
Final dividend of 0.80 cents per share in respect of 2016	-	-	-	-	-	(1,337)	(1,337)	-	(1,337)
Special dividend of 1.00 cents per share in respect of 2016	-	-	-	-	-	(1,671)	(1,671)	-	(1,671)
Interim dividend of 1.00 cents in respect of 2017	-	-	-	-	-	(1,671)	(1,671)	-	(1,671)
Interim special dividend of 1.50 cents per share in respect of 2017	-	-	-	-	-	(2,507)	(2,507)	-	(2,507)
Total contributions by and distributions to Owners	-	-	-	-	-	(7,186)	(7,186)	-	(7,186)
Total transactions with Owners	-	-	-	-	-	(7,186)	(7,186)	-	(7,186)
Balance as at 30 June 2017	89,566	(11,648)	1,620	2,290	(9,313)	58,969	131,484	413	131,897

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

Statement of Changes in Equity

Company	Share capital \$'000	Fair value reserve \$'000	Share-based compensation reserve \$'000	Retained earnings \$'000	Total equity \$'000
30 June 2016					
Balance as at 1 July 2015	89,566	2,212	2,290	12,248	106,316
Total comprehensive income for the year					
Profit for the year	–	–	–	4,615	4,615
Other comprehensive income					
Net change in fair value of available-for-sale financial assets	–	(2,553)	–	–	(2,553)
Net change in fair value of available-for-sale financial assets, reclassified to profit or loss	–	401	–	–	401
Total other comprehensive income	–	(2,152)	–	–	(2,152)
Total comprehensive income for the year	–	(2,152)	–	4,615	2,463
Transactions with Owners, recorded directly in equity					
Contributions by and distributions to Owners					
Final dividend of 0.67 cents per share in respect of 2015 ⁽¹⁾	–	–	–	(1,114)	(1,114)
Special dividend of 0.67 cents per share in of respect of 2015 ⁽¹⁾	–	–	–	(1,114)	(1,114)
Interim dividend of 0.70 cents per share in respect of 2016	–	–	–	(1,170)	(1,170)
Total transactions with Owners	–	–	–	(3,398)	(3,398)
Balance as at 30 June 2016	89,566	60	2,290	13,465	105,381
30 June 2017					
Balance as at 1 July 2016	89,566	60	2,290	13,465	105,381
Total comprehensive income for the year					
Profit for the year	–	–	–	5,377	5,377
Other comprehensive income					
Net change in fair value of available-for-sale financial assets, net of tax	–	(18)	–	–	(18)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss, net of tax	–	1,578	–	–	1,578
Total other comprehensive income	–	1,560	–	–	1,560
Total comprehensive income for the year	–	1,560	–	5,377	6,937
Transactions with Owners, recorded directly in equity					
Contributions by and distributions to Owners					
Final dividend of 0.80 cents per share in respect of 2016	–	–	–	(1,337)	(1,337)
Special dividend of 1.00 cents per share in respect of 2016	–	–	–	(1,671)	(1,671)
Interim dividend of 1.00 cents per share in respect of 2017	–	–	–	(1,671)	(1,671)
Interim special dividend of 1.50 cents per share in respect of 2017	–	–	–	(2,507)	(2,507)
Total contributions by and distributions to Owners	–	–	–	(7,186)	(7,186)
Total transactions with Owners	–	–	–	(7,186)	(7,186)
Balance as at 30 June 2017	89,566	1,620	2,290	11,656	105,132

⁽¹⁾ On 30 October 2015, the Group completed a share consolidation of 10 existing issued ordinary shares into 3 ordinary shares. Accordingly, retrospective adjustments have been made to the interim and final and special dividend in respect of 2015 (see note 7).

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

Consolidated Cash Flow Statement

	Group	
	2017	2016
	\$'000	\$'000
Cash flows from operating activities		
Profit for the year	8,493	9,603
Adjustments for:		
(Reversal of allowance)/Allowance for:		
- doubtful debts from trade and other receivables	(20)	376
- inventory obsolescence	325	888
Amortisation of intangible assets	1,092	1,031
Bad debts recovered	-	(1,403)
Bad debts written off	-	20
Depreciation of property, plant and equipment	3,216	2,929
Dividend income from other financial asset	(70)	(673)
Gain on disposal of property, plant and equipment	(147)	(12)
Gain on disposal of assets classified as held for sale	-	(361)
Gain on liquidation of a subsidiary	(206)	-
Gain on disposal of an associate	(1,249)	-
Interest income	(105)	(99)
Interest expense	67	163
Inventories written off	206	-
Impairment loss on other financial asset	1,578	401
Loss on disposal of a joint venture	-	143
Property, plant and equipment written off	50	-
Share of results of associates and joint ventures (net of tax)	(207)	(1,035)
Income tax expenses	3,106	1,365
Operating profit before working capital changes	16,129	13,336
Changes in:		
Amounts due from related parties (trade)	-	1
Inventories	856	1,344
Release of pledged deposits with financial institutions	-	214
Trade and other receivables	3,108	(5,367)
Trade and other payables	(1,065)	461
Cash generated from operations	19,028	9,989
Interest received	105	99
Interest paid	(67)	(163)
Income tax paid	(1,460)	(1,581)
Net cash generated from operating activities	17,606	8,344
Cash flows from investing activities		
Amounts due from related parties (non-trade)	-	116
Dividend received from associates	-	134
Dividend received from other financial asset	70	673
Purchase of intangible assets	(625)	(279)
Purchase of property, plant and equipment ⁽¹⁾⁽²⁾	(2,172)	(2,644)
Purchase of other financial asset	(7)	(39)
Proceeds from disposal of property, plant and equipment	147	40
Proceeds from disposal of an associate	8,641	-
Proceeds from disposal of a joint venture	-	95
Proceeds from disposal of assets classified as held for sale	-	1,432
Net cash generated from/(used in) investing activities	6,054	(472)

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

Ellipsiz Ltd and its Subsidiaries
Financial Information
Year ended 30 June 2017

	Note	Group	
		2017 \$'000	2016 \$'000
Cash flows from financing activities			
Amounts due to related parties (non-trade)		-	(44)
Dividend paid		(7,186)	(3,398)
Issuance of new shares		-	-
Proceeds from bank loans		-	2,927
Repayment of bank loans		(2,682)	(7,711)
Repayment of finance lease creditors		(21)	(36)
Net cash used in financing activities		<u>(9,889)</u>	<u>(8,262)</u>
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of year		13,771	(390)
Cash and cash equivalents at beginning of year		40,036	40,065
Effect of exchange rate changes on balances in foreign currencies		(45)	361
Cash and cash equivalents at end of year	6	<u>53,762</u>	<u>40,036</u>

- (1) Property, plant and equipment amounting to \$Nil (2016: \$61,000) were acquired through finance leases.
- (2) The Group accrued reinstatement cost of \$127,000 (2016: \$264,000) under property, plant and equipment.

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

Notes to the Financial Information

These notes form an integral part of the financial information.

The announcement was authorised for issue by the directors on 21 August 2017.

1. Basis of Preparation

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

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

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

2. Property, Plant and Equipment

Group	Freehold land and building \$'000	Leasehold land and building \$'000	Leasehold improvement \$'000	Furniture and fittings \$'000	Office equipment \$'000	Computers \$'000	Motor vehicles \$'000	Plant and machinery \$'000	Assets under construction \$'000	Total \$'000
30 June 2017										
Cost										
At 1 July 2015	1,554	2,196	3,711	562	1,126	4,011	352	34,079	14	47,605
Additions	–	13	1,365	8	87	201	23	1,215	57	2,969
Disposals	–	–	(983)	(19)	(38)	(173)	(15)	(2,463)	–	(3,691)
Liquidation of a subsidiary	–	–	(239)	(7)	(36)	(194)	–	(8)	–	(484)
Translation difference on consolidation	432	(4)	3	15	96	(20)	1	(59)	(2)	462
At 30 June 2016	1,986	2,205	3,857	559	1,235	3,825	361	32,764	69	46,861
Additions	–	18	200	51	71	255	29	341	1,334	2,299
Disposals/write-off	–	–	(965)	(23)	(98)	(878)	(30)	(2,814)	–	(4,808)
Reclassification	(19)	–	19	–	(3)	9	–	513	(519)	–
Translation difference on consolidation	(166)	59	72	(2)	(33)	118	3	985	5	1,041
At 30 June 2017	1,801	2,282	3,183	585	1,172	3,329	363	31,789	889	45,393
Accumulated depreciation and impairment losses										
At 1 July 2015	123	464	2,993	441	685	3,453	148	27,933	–	36,240
Depreciation charge for the year	66	62	449	58	141	315	36	1,802	–	2,929
Disposals	–	–	(974)	(18)	(28)	(173)	(8)	(2,462)	–	(3,663)
Liquidation of a subsidiary	–	–	(239)	(7)	(36)	(194)	–	(8)	–	(484)
Translation difference on consolidation	29	(2)	2	8	40	(19)	–	(59)	–	(1)
At 30 June 2016	218	524	2,231	482	802	3,382	176	27,206	–	35,021
Depreciation charge for the year	71	75	850	48	155	300	40	1,677	–	3,216
Disposals/write-off	–	–	(958)	(23)	(93)	(870)	(30)	(2,784)	–	(4,758)
Reclassification	(3)	–	3	–	(3)	9	–	(6)	–	–
Translation difference on consolidation	(16)	14	56	–	(14)	96	2	792	–	930
At 30 June 2017	270	613	2,182	507	847	2,917	188	26,885	–	34,409
Carrying amounts										
At 1 July 2015	1,431	1,732	718	121	441	558	204	6,146	14	11,365
At 30 June 2016	1,768	1,681	1,626	77	433	443	185	5,558	69	11,840
At 30 June 2017	1,531	1,669	1,001	78	325	412	175	4,904	889	10,984

Company	Furniture and fittings \$'000	Office equipment \$'000	Computers \$'000	Total \$'000
30 June 2017				
Cost				
At 1 July 2015	9	7	22	38
Additions	–	–	3	3
Write off	–	(2)	(13)	(15)
At 30 June 2016	9	5	12	26
Additions	1	–	2	3
Write off	–	–	(1)	(1)
At 30 June 2017	10	5	13	28
Accumulated depreciation				
At 1 July 2015	9	7	16	32
Depreciation charge for the year	–	*	5	5
Write off	–	(2)	(13)	(15)
At 30 June 2016	9	5	8	22
Depreciation charge for the year	*	*	2	2
Write off	–	–	(1)	(1)
At 30 June 2017	9	5	9	23
Carrying amounts				
At 1 July 2015	–	–	6	6
At 30 June 2016	–	–	4	4
At 30 June 2017	1	–	4	5

* Amount less than \$1,000.

Leasehold land and building and plant and machinery of the Group with carrying amounts of \$Nil (2016: \$1,477,000) and \$486,000 (2016: \$530,000) respectively, have been pledged to banks as securities for certain bank loans (note 9).

The carrying amount of property, plant and equipment includes amounts totalling \$55,000 (2016: \$76,000) for the Group in respect of assets acquired under finance leases (note 9).

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

	Group	
	2017 \$'000	2016 \$'000
Cost of revenue	2,340	2,186
Distribution expenses	190	134
Administrative expenses	483	461
Research and development expenses	203	148
	3,216	2,929

3. Intangible Assets

Group	Computer software \$'000	Technology licence \$'000	Intellectual property \$'000	Development expenditure \$'000	Goodwill \$'000	Total \$'000
30 June 2017						
Cost						
At 1 July 2015	771	2,099	10,462	6,578	28,135	48,045
Additions – acquired	18	–	–	–	–	18
Additions – internally developed	87	–	–	174	–	261
Write off	(49)	–	–	–	–	(49)
Liquidation of a subsidiary	–	–	–	–	(744)	(744)
Translation difference on consolidation	15	7	(15)	(14)	(20)	(27)
At 30 June 2016	842	2,106	10,447	6,738	27,371	47,504
Additions – acquired	338	–	–	–	–	338
Additions – internally developed	–	–	–	287	–	287
Write off	(7)	–	–	–	–	(7)
Translation difference on consolidation	(1)	55	279	178	313	824
At 30 June 2017	1,172	2,161	10,726	7,203	27,684	48,946

Group	Computer software \$'000	Technology licence \$'000	Intellectual property \$'000	Development expenditure \$'000	Goodwill \$'000	Total \$'000
Accumulated amortisation and impairment losses						
At 1 July 2015	658	1,012	3,127	530	744	6,071
Amortisation for the year	71	112	477	371	–	1,031
Write off	(49)	–	–	–	–	(49)
Liquidation of a subsidiary	–	–	–	–	(744)	(744)
Translation difference on consolidation	15	(5)	(18)	(10)	–	(18)
At 30 June 2016	695	1,119	3,586	891	–	6,291
Amortisation for the year	93	112	751	136	–	1,092
Write off	(7)	–	–	–	–	(7)
Translation difference on consolidation	–	29	93	23	–	145
At 30 June 2017	781	1,260	4,430	1,050	–	7,521
Carrying amounts						
At 1 July 2015	113	1,087	7,335	6,048	27,391	41,974
At 30 June 2016	147	987	6,861	5,847	27,371	41,213
At 30 June 2017	391	901	6,296	6,153	27,684	41,425

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

	Group	
	2017 \$'000	2016 \$'000
Cost of revenue	1,055	1,011
Distribution expenses	1	–
Administrative expenses	14	20
Research and development expenses	22	–
	<u>1,092</u>	<u>1,031</u>

Annual impairment tests for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's cash-generating units (CGU) identified according to reportable segments as follows:

	Group	
	2017 \$'000	2016 \$'000
Probe Card solutions	12,291	11,981
Distribution and Services solutions	15,393	15,390
	<u>27,684</u>	<u>27,371</u>

The recoverable amount of a CGU is determined annually based on value-in-use calculations. These calculations use cash flow projections based on financial forecasts approved by management covering periods of one to five years.

Key assumptions used for value-in-use calculations

For the purpose of analysing each CGU, management used the following key assumptions:

	Group	
	Revenue growth rate %	Discount rate %
2017		
Probe Card solutions	5.6	17.9
Distribution and Services solutions	4.1	12.2
2016		
Probe Card solutions	5.1	15.4
Distribution and Services solutions	5.0	13.2

The weighted average growth rates used are based on the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments. No growth has been projected on the cash flows beyond the five-year period covered by the financial budget and projection.

4. Subsidiaries

During the year,

- (a) SV Probe Technology S.A.S., a wholly-owned subsidiary which was placed under liquidation previously, was dissolved and ceased to be a subsidiary of the Group.
- (b) Oriental International Technology Limited, a wholly-owned and inactive subsidiary in Hong Kong, was deregistered and ceased to be a subsidiary of the Group.
- (c) its inactive wholly-owned subsidiary, Tokyo Cathode Laboratory (HK) Co. Limited, a corporation incorporated under the laws of Hong Kong SAR, People's Republic of China, has applied for de-registration under the laws of Hong Kong.

5. Associate

On 15 November 2016, the Company entered into a share purchase agreement with a third party, to dispose its entire 40% shareholding in Kita Manufacturing Co., Ltd for a cash consideration of US\$6,000,000 (approximately \$8,641,000).

The transaction was completed on 5 January 2017.

6. Cash and Cash Equivalents

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Cash at banks and in hand	44,757	32,434	15,976	9,871
Deposits with financial institutions	9,005	7,602	7,115	7,067
Cash and cash equivalents in the consolidated statement of cash flows	<u>53,762</u>	<u>40,036</u>	<u>23,091</u>	<u>16,938</u>

7. Share Capital

	Group and Company 2017		Group and Company 2016	
	No. of shares '000	Share capital \$'000	No. of shares '000	Share capital \$'000
Fully paid ordinary shares, with no par value:				
Ordinary shares				
At 1 July	167,128	89,566	557,094	89,566
Reduction in number of shares arising from share consolidation	–	–	(389,966)	–
As at 30 June	<u>167,128</u>	<u>89,566</u>	<u>167,128</u>	<u>89,566</u>

The Group had not acquired any treasury shares for the financial year ended 30 June 2017. There were no treasury shares held by the Group as at 30 June 2017 (2016: Nil).

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

8. Reserves

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Capital reserve	(11,648)	(11,648)	–	–
Fair value reserve	1,620	60	1,620	60
Share-based compensation reserve	2,290	2,290	2,290	2,290
Exchange translation reserve	(9,313)	(10,185)	–	–
Retained earnings	58,969	57,654	11,656	13,465
	<u>41,918</u>	<u>38,171</u>	<u>15,566</u>	<u>15,815</u>

9. Interest-bearing Borrowings

Interest-bearing borrowings consist of the following:

	Group	
	2017	2016
	\$'000	\$'000
Non-current liabilities		
Secured bank loans	–	44
Unsecured bank loans	164	366
Obligations under finance leases	41	61
	205	471
Current liabilities		
Secured bank loans	48	838
Unsecured bank loans	882	2,492
Obligations under finance leases	16	17
	946	3,347
	1,151	3,818

Maturity of liabilities (excluding finance lease liabilities)

	Group	
	2017	2016
	\$'000	\$'000
Within 1 year	930	3,330
After 1 year but within 5 years	164	410
	1,094	3,740

The borrowings are secured on the following assets:

		Group	
	Note	2017	2016
		\$'000	\$'000
Leasehold land and building	2	–	1,477
Plant and machinery	2	486	530
Total carrying amount		486	2,007

Obligations under finance leases

Group	Principal	2017	Total	Principal	2016	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Repayable within 1 year	16	3	19	17	4	21
Repayable after 1 year but within 5 years	41	2	43	61	5	66
	57	5	62	78	9	87

10. Results from Operating Activities

	Group	
	2017	2016
	\$'000	\$'000
Other income		
Bad debts recovered	–	1,403
Dividend income from other financial asset ⁽¹⁾	70	673
Exchange gain, net	6	–
Gain on disposal of property, plant and equipment	147	12
Gain on disposal of assets classified as held for sale	–	361
Gain on liquidation of a subsidiary	206	–
Gain on disposal of an associate	1,249	–
Rental income	67	29
Sundry income	801	458
	2,546	2,936

	Note	Group	
		2017 \$'000	2016 \$'000
Other expenses			
(Reversal of allowance)/Allowance for doubtful debts from trade and other receivables		(20)	376
Allowance for inventory obsolescence		325	888
Amortisation of intangible assets	3	1,092	1,031
Bad debts written off		–	20
Depreciation of property, plant and equipment	2	3,216	2,929
Exchange loss, net		–	12
Inventories written off		206	–
Impairment loss on other financial asset		1,578	401
Loss on disposal of a joint venture		–	143
Property, plant and equipment written off		50	–
Operating lease expenses		2,367	2,406

Increase in depreciation expenses during the year was mainly due to expansion of certain facilities for Probe Card solutions business and purchase of new equipment during the financial year.

⁽¹⁾ In FY2016, one of the quoted shares that the Company invested in, has delisted its shares and proceeded with the voluntary liquidation process. The income received in FY2016 and FY2017 were the dividend distributions during the liquidation process.

11. Net Finance Income/(Expenses)

	Group	
	2017 \$'000	2016 \$'000
Finance income		
Interest income from:		
- financial institutions	105	90
- joint venture	–	4
- third parties	–	5
	<u>105</u>	<u>99</u>
Finance expenses		
Interest expenses to:		
- finance leases	(4)	(4)
- financial institutions	(63)	(159)
	<u>(67)</u>	<u>(163)</u>
Net finance income/(expenses)	<u>38</u>	<u>(64)</u>

12. Income Tax Expenses

	Group	
	2017 \$'000	2016 \$'000
Current tax		
- current year	3,239	1,937
- withholding tax	282	157
- over provision in prior year	(240)	(31)
- utilisation of previously unrecognised deferred tax assets	(395)	(645)
	<u>2,886</u>	<u>1,418</u>
Deferred tax		
- origination and reversal of temporary differences	574	816
- under/(over) provision in prior years	224	(504)
- recognition of previously unrecognised deferred tax assets	(578)	(365)
	<u>220</u>	<u>(53)</u>
Total income tax expenses	<u>3,106</u>	<u>1,365</u>

13. Earnings Per Share

Group	2017 \$'000	2016 \$'000
Basic earnings per share is based on: Profit for the year attributable to Owners of the Company	8,501	9,598
	No. of shares '000	No. of shares '000
Weighted average number of: - shares outstanding during the year	167,128	167,128

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

14. Net Asset and Tangible Asset Values Per Ordinary Share

	Group cents	Company cents
Net asset value per ordinary share based on issued share capital of the Company as at:		
(a) 30 June 2017	78.67	62.91
(b) 30 June 2016	76.43	63.05
Net tangible asset value per ordinary share based on issued share capital of the Company as at:		
(a) 30 June 2017	53.89	62.91
(b) 30 June 2016	51.77	63.05

Net tangible asset is equity attributable to Owners of the Company less intangible assets.

15. Breakdown of Revenue and Profit After Tax Before Deducting Non-Controlling Interests

Group	2017 \$'000	2016 \$'000	Variance %
Revenue reported for first half year	57,318	57,639	(1)
Profit after tax before deducting non-controlling interests for first half year	2,321	3,574	(35)
Revenue reported for second half year	59,348	61,096	(3)
Profit after tax before deducting non-controlling interests for second half year	6,172	6,029	2

16. Dividends

16.1 Dividend Paid

The resolution in respect of the final dividend and special dividend declared for the financial year ended 30 June 2016 was approved at the Company's Annual General Meeting convened on 19 October 2016. The final and special tax exempt, one-tier cash dividend totalling 1.80 cents per ordinary share was paid on 18 November 2016.

The Company declared and paid a tax exempt one-tier interim dividend of 1.00 cents per share and interim special dividend of 1.50 cents per share on 16 March 2017.

16.2 Dividend Declared (Proposed)

	2017	2016
Name of dividend	Final (Proposed)	Final
Dividend type	Cash	Cash
Dividend rate	2.00 cents per ordinary	0.80 cents per ordinary share
Tax	Tax exempt (One-Tier)	Tax exempt (One-Tier)

Name of dividend	Final Special (Proposed)	Special
Dividend type	Cash	Cash
Dividend rate	4.50 cents per ordinary share	1.00 cent per ordinary share
Tax	Tax exempt (One-Tier)	Tax exempt (One-Tier)

Date payable

The final and special dividends proposed, if approved at the 22nd Annual General Meeting, will be payable on 21 November 2017.

Book closure date

The book closure date is 30 October 2017, after 5.00 pm.

16.3 Annual Dividend

	Net Dividend	
	2017	2016
	\$'000	\$'000
Ordinary shares		
Interim dividend and interim special dividend	4,178	1,170
Final dividend and final special dividend	10,863 ⁽¹⁾	3,008
	<u>15,041</u>	<u>4,178</u>

⁽¹⁾ The final and special dividends for 2017 is estimated based on the number of ordinary shares issued by the Company as at 30 June 2017. The dividends have not been provided for in the financial information.

17. Significant Related Party Transactions

Significant transactions with related parties are as follows:

	Group	
	2017	2016
	\$'000	\$'000
Rental expenses paid to a director	<u>(124)</u>	<u>(132)</u>

Pursuant to Rule 704(13) of the SGX Listing Manual, the person occupying a managerial position in the Company is the executive director, Kelvin Lum Wen-Sum, 43, the son of David Lum Kok Seng, a substantial shareholder of the Company.

18. Interested Person Transactions

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

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

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

The total IPT of \$124,000 is less than 3% of our audited consolidated net tangible assets of FY2016.

19. Commitments

Lease Commitments

As at 30 June 2017, commitments of the Group for minimum lease receivables and payments under non-cancellable operating leases are as follows:

	Group	
	2017 \$'000	2016 \$'000
Payable:		
Within 1 year	1,711	1,785
After 1 year but within 5 years	4,166	2,543
After 5 years	30	21
	5,907	4,349

Capital Commitments

Capital commitments contracted but not provided for	45	256
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Corporate guarantees

As at 30 June 2017, the Company provided corporate guarantees amounting to \$17,022,000 (2016: \$16,678,000) to banks for banking facilities made available to its subsidiaries, of which the subsidiaries have utilised \$807,000 (2016: \$2,439,000).

20. Other Information

Reportable segments

Group	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Revenue and Expense								
Total revenue from external customers	41,790	42,179	74,876	76,556	–	–	116,666	118,735
Inter-segment revenue	1,085	828	–	3	(1,085)	(831)	–	–
	42,875	43,007	74,876	76,559			116,666	118,735
Segment results	2,883	1,706	11,700	9,095	(37)	–	14,546	10,801
Unallocated corporate results							(3,192)	(804)
							11,354	9,997
Share of results of associates and joint ventures								
- allocated to reportable segments	122	215	85	820	–	–	207	1,035
Profit before finance income/(expenses) and taxation							11,561	11,032
Finance income							105	99
Finance expenses							(67)	(163)
Income tax expense							(3,106)	(1,365)
Non-controlling interests							8	(5)
Profit for the year attributable to Owners of the Company							8,501	9,598

Ellipsiz Ltd and its Subsidiaries
Financial Information
Year ended 30 June 2017

Group	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Assets and liabilities								
Segment assets	42,352	39,344	83,752	83,280	-	-	126,104	122,624
Investments in associates								
- allocated to reportable segments	862	682	-	7,703	-	-	862	8,385
Investments in joint ventures								
- allocated to reportable segments	71	68	-	-	-	-	71	68
Tax receivables	8	1	43	-	-	-	51	1
Deferred tax assets	716	947	2,896	2,343	-	-	3,612	3,290
Unallocated corporate assets							28,074	22,023
Total assets							<u>158,774</u>	<u>156,391</u>
Segment liabilities	9,276	8,819	11,757	12,844	-	-	21,033	21,663
Interest-bearing borrowings	-	-	1,151	3,818	-	-	1,151	3,818
Income tax liabilities	179	203	1,957	952	-	-	2,136	1,155
Unallocated corporate liabilities							2,557	1,633
Total liabilities							<u>26,877</u>	<u>28,269</u>
Capital expenditure								
- allocated to reportable segments	101	189	2,820	3,056	-	-	2,921	3,245
- unallocated corporate expenses							3	3
							<u>2,924</u>	<u>3,248</u>
Other items								
Amortisation of intangible assets								
- allocated to reportable segments	5	10	1,087	1,021	-	-	1,092	1,031
Bad debts written off/(recovered), net								
- allocated to reportable segments	-	20	-	(1,403)	-	-	-	(1,383)
Dividend income from other financial asset								
- unallocated corporate income							(70)	(673)
Depreciation of property, plant and equipment								
- allocated to reportable segments	283	324	2,931	2,600	-	-	3,214	2,924
- unallocated corporate expenses							2	5
							<u>3,216</u>	<u>2,929</u>
(Gain)/Loss on disposal of property, plant and equipment								
- allocated to reportable segments	(132)	(17)	(15)	5	-	-	(147)	(12)
Gain on disposal of asset classified as held for sale								
- allocated to reportable segments	-	-	-	(361)	-	-	-	(361)
Inventories written off								
- allocated to reportable segments	9	-	197	-	-	-	206	-
Impairment loss on other financial asset								
- unallocated corporate expenses							1,578	401
Loss/(Gain) on liquidation of subsidiaries								
- allocated to reportable segments	248	-	(454)	-	-	-	(206)	-

Ellipsiz Ltd and its Subsidiaries
Financial Information
Year ended 30 June 2017

Group	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Gain on disposal of an associate - allocated to reportable segments	-	-	(1,249)	-	-	-	(1,249)	-
Loss on disposal of a joint venture - allocated to reportable segments	-	143	-	-	-	-	-	143
(Reversal of allowance)/Allowance for doubtful trade and other receivables - allocated to reportable segments	(20)	376	-	-	-	-	(20)	376
Allowance/(Reversal of allowance) for inventory obsolescence - allocated to reportable segments	14	(5)	311	893	-	-	325	888
Property, plant and equipment written off - allocated to reportable segments	23	-	27	-	-	-	50	-

Geographical segments

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

Group	Singapore		Malaysia		China		Taiwan		USA		Japan		Europe		Other Regions		Consolidated	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Total revenue from external customers	27,345	22,615	3,446	6,571	26,217	28,774	13,884	15,688	17,520	21,120	19,141	14,199	3,019	3,648	6,094	6,120	116,666	118,735
Non-current segment assets	40,458	40,527	31	30	501	712	2,850	2,195	902	1,212	2,591	3,153	23	3	5,053	5,221	52,409	53,053
Investments in associates	–	–	–	–	–	–	–	–	–	–	–	7,703	–	–	862	682	862	8,385
Investments in joint ventures	–	–	–	–	–	–	–	–	–	–	–	–	–	–	71	68	71	68
Investments in other financial assets	4,910	4,910	–	–	–	–	–	–	–	–	227	233	42	60	–	–	5,179	5,203
Deferred tax assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	3,612	3,374
Total non-current assets	45,368	45,437	31	30	501	712	2,850	2,195	902	1,212	2,818	11,089	65	63	5,986	5,971	62,133	70,083
Capital expenditure	372	253	14	14	239	58	1,411	1,118	360	851	175	603	–	–	353	351	2,924	3,248

CONFIRMATION BY THE BOARD

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

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

On behalf of the Board of Directors.



Chan Wai Leong
Chief Executive Officer



Kelvin Lum Wen-Sum
Executive Director

Singapore

21 August 2017