



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

Financial Statements and Dividend Announcement
For the half year ended 31 December 2020

PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTER, HALF-YEAR AND FULL YEAR RESULTS

The following definitions apply throughout this announcement:

- 1H – First half year from 1 July to 31 December of the respective financial years.
- FY – Financial year ended or ending 30 June, as the case may be.
- NM – Not meaningful.

1(a) A statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Comprehensive Income

	Note	Group		+ / (-) %
		1HFY2021 \$'000	1HFY2020 \$'000	
Revenue		27,441	27,111	1
Cost of revenue		(21,498)	(20,744)	4
Gross Profit		5,943	6,367	(7)
Other income	1(a)-1	693	153	>300
Distribution expenses		(1,760)	(2,114)	(17)
Administrative expenses		(3,547)	(3,769)	(6)
Impairment loss on investment in a joint venture	1(a)-2	-	(5,997)	NM
Impairment loss on amounts due from a joint venture	1(a)-2	-	(5,325)	NM
Other expenses	1(a)-3	(845)	(73)	>300
Results from operating activities		484	(10,758)	NM
Finance costs	1(a)-4	(18)	(23)	(22)
Finance income	1(a)-5	77	624	(88)
Share of results of an associate (net of tax)	1(a)-6	3,848	-	NM
Share of results of joint ventures (net of tax)	1(a)-7	(21)	(1,070)	(98)
Profit/(Loss) before tax		4,370	(11,227)	NM
Tax expense		(242)	(308)	(21)
Profit/(Loss) for the period		4,128	(11,535)	NM
Other comprehensive income				
<i>Item that is or may be reclassified subsequently to profit or loss (net of tax)</i>				
Exchange differences arising from translation of financial statements of foreign operations		(526)	68	NM
<i>Item that will not be reclassified to profit or loss (net of tax)</i>				
Net change in fair value of financial assets at fair value through other comprehensive income		365	(103)	NM
Other comprehensive income for the period, net of tax		(161)	(35)	>300
Total comprehensive income for the period		3,967	(11,570)	NM
Profit/(Loss) attributable to:				
Owners of the Company		4,197	(11,523)	NM
Non-controlling interests		(69)	(12)	>300
Profit/(Loss) for the period		4,128	(11,535)	NM
Total comprehensive income attributable to:				
Owners of the Company		4,205	(11,585)	NM
Non-controlling interests		(238)	15	NM
Total comprehensive income for the period		3,967	(11,570)	NM

Notes to the Consolidated Statement of Comprehensive Income

1(a)-1 Other income

	Group	
	1HFY2021	1HFY2020
	\$'000	\$'000
Dividend income from financial assets	93	118
Governments grants, subsidies and rebates	578	-
Sundry income	22	35
	<u>693</u>	<u>153</u>

1(a)-2 Amounts comprised impairment losses in respect of the Company's subsidiary, EIR Investments Pte Ltd's investment in Kalms Investment Pte Ltd and extension of loans to and interest receivable from Kalms (Singapore) Pte Ltd (collectively "Kalms").

1(a)-3 Other expenses comprised mainly net foreign exchange loss.

1(a)-4 Finance costs comprised interest expense on lease liabilities.

1(a)-5 Finance income

	Group	
	1HFY2021	1HFY2020
	\$'000	\$'000
Interest income from:		
- financial institutions	76	543
- joint ventures	1	81
	<u>77</u>	<u>624</u>

1(a)-6 The share of results of RMDV Investments Pte Ltd ("RMDV"), an associate of the Company, included the share of a provisional negative goodwill of approximately \$4.0 million arising from a mandatory cash offer by RMDV for Lum Chang Holdings Limited. Please refer to note 1(b)-3 on page 4 for further details.

1(a)-7 Amount in 1HFY2020 comprised mainly share of results of Kalms.

1(b)(i) A statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position

	Note	Group		Company	
		31.12.2020 \$'000	30.06.2020 \$'000	31.12.2020 \$'000	30.06.2020 \$'000
Non-current assets					
Plant and equipment		1,472	1,496	5	9
Investment property	1(b)-1	16,732	17,423	-	-
Intangible assets and goodwill		18,682	18,777	-	-
Right-of-use assets		855	1,058	-	-
Subsidiaries		-	-	31,385	31,385
Joint ventures	1(b)-2	15	37	-	-
Associate	1(b)-3	3,848	-	3,848	-
Financial assets	1(b)-4	4,526	4,535	4,526	4,535
Amounts due from related parties		-	-	5,423	5,423
Deferred tax assets		50	65	-	-
		<u>46,180</u>	<u>43,391</u>	<u>45,187</u>	<u>41,352</u>
Current assets					
Inventories	1(b)-5	4,792	3,839	-	-
Trade and other receivables	1(b)-6	13,875	12,404	44	107
Amounts due from related parties	1(b)-7	552	610	3,582	259
Cash and bank balances	1(b)-8	74,276	74,950	61,458	54,220
		<u>93,495</u>	<u>91,803</u>	<u>65,084</u>	<u>54,586</u>
Total assets		<u>139,675</u>	<u>135,194</u>	<u>110,271</u>	<u>95,938</u>
Equity attributable to Owners of the Company					
Share capital		89,566	89,566	89,566	89,566
Treasury shares		(126)	(126)	(126)	(126)
Reserves		(12,400)	(10,090)	(353)	1,600
Retained earnings	1(b)-9	38,178	32,496	19,409	2,475
		<u>115,218</u>	<u>111,846</u>	<u>108,496</u>	<u>93,515</u>
Non-controlling interests		6,536	6,774	-	-
Total equity		<u>121,754</u>	<u>118,620</u>	<u>108,496</u>	<u>93,515</u>
Non-current liabilities					
Lease liabilities		357	585	-	-
Provisions		136	136	-	-
Deferred tax liabilities		627	659	-	-
		<u>1,120</u>	<u>1,380</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables	1(b)-10	15,472	13,838	629	1,206
Amounts due to related parties		71	87	1,146	1,217
Bank borrowing	1(b)-11	240	-	-	-
Lease liabilities		558	540	-	-
Provisions	1(b)-12	43	210	-	-
Current tax payable		417	519	-	-
		<u>16,801</u>	<u>15,194</u>	<u>1,775</u>	<u>2,423</u>
Total liabilities		<u>17,921</u>	<u>16,574</u>	<u>1,775</u>	<u>2,423</u>
Total equity and liabilities		<u>139,675</u>	<u>135,194</u>	<u>110,271</u>	<u>95,938</u>

Notes to the Statements of Financial Position

- 1(b)-1 The decrease in investment property was due to the depreciation of Indonesia Rupiah.
- 1(b)-2 The balance as of 31 December 2020 comprised the Group's investment in Adell Solutions Pte Ltd ("Adell"); and as of 30 June 2020 comprised the Group's investments in Adell and EllipTech Solutions Pte Ltd ("EllipTech").

On 25 September 2020, Ellipsiz DSS Pte Ltd ("EDSS"), a wholly-owned subsidiary of the Company acquired all the shares representing 50% interest in EllipTech held by its joint venture partner for a consideration of \$1. The net asset value for 50% of EllipTech as at 15 September 2020 was \$155. With the acquisition, EllipTech became a wholly-owned subsidiary of EDSS.

- 1(b)-3 On 27 October 2020, the Company, together with Mr Raymond Lum and Mr David Lum, incorporated RMDV Investments Pte Ltd ("RMDV"), a single purpose company in which the Company holds a 10% interest. The board of directors of RMDV comprises Mr Raymond Lum, Mr David Lum and Mr Kelvin Lum (who is the Company's nominee). The Company, Mr Raymond Lum, Mr David Lum and RMDV had entered into an investors' agreement which sets out the respective rights and obligations of the shareholders of RMDV and provides a list of reserved matters requiring the unanimous approval of the shareholders of RMDV.

On 17 November 2020, RMDV announced a mandatory cash offer for Lum Chang Holdings Limited ("LCH") at an offer price of \$0.38 in cash for each offer share (the "Offer"). At the close of the Offer on 18 January 2021, RMDV holds approximately 36.5% interest in LCH.

The Company has accounted for its interest in RMDV as an investment in associate.

The balance as at 31 December 2020 comprised the share of results of RMDV which included the share of a provisional negative goodwill of approximately \$4.0 million arising from the Offer. RMDV will be carrying out a purchase price allocation exercise ("PPA") whereupon the provisional negative goodwill may be adjusted on completion of the PPA within 12 months from 18 January 2021.

- 1(b)-4 Financial assets comprised the Group's investments in quoted securities.
- 1(b)-5 The increase in inventories was mainly due to purchase of more stocks to fulfill customer orders.
- 1(b)-6 The increase in trade and other receivables was mainly due to higher trade receivables arising from the sale of high value equipment.
- 1(b)-7 Amounts due from related parties of the Company was higher mainly because of dividend receivable from a subsidiary.
- 1(b)-8 Cash and bank balances

	Group		Company	
	31.12.2020	30.06.2020	31.12.2020	30.06.2020
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	65,556	74,950	52,738	54,220
Restricted cash	8,720	-	8,720	-
	<u>74,276</u>	<u>74,950</u>	<u>61,458</u>	<u>54,220</u>

Cash and cash equivalents of the Company had increased because of dividends received from its wholly-owned subsidiary, EDSS.

Restricted cash of \$8.72 million was pledged with United Overseas Bank Limited as part of the securities for RMDV's loan facility of \$87.2 million. Subsequent to the close of the Offer, the amount pledged with the bank was reduced to \$5.23 million, being the Company's proportionate share of the loan facility utilised by RMDV.

- 1(b)-9 The increase in retained earnings of the Company was mainly due to dividends received from EDSS, share of results of RMDV and transfer of share-based compensation reserve to retained earnings due to expiry of employee share option scheme, partially offset by dividend distributed to shareholders.
- 1(b)-10 The increase in trade and other payables was mainly due to increase in contract liabilities.
- 1(b)-11 The balance pertained to an unsecured short-term borrowing from a bank.
- 1(b)-12 The lower provision balance was due to the utilisation of prior year's provisions for onerous contracts and restructuring costs.

1(b)(ii) Aggregate amount of the Group's borrowings and debt securities.

As at 31 December 2020, the Group had an unsecured short-term bank borrowing of \$0.24 million. This amount is repayable in less than one year.

The Group had no borrowings or debt securities as at 30 June 2020.

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows

	Note	Group	
		1HFY2021 \$'000	1HFY2020 \$'000
Cash flows from operating activities			
Profit/(Loss) for the period		4,128	(11,535)
Adjustments for:			
Amortisation of intangible assets		115	9
Depreciation of plant and equipment		216	218
Depreciation of right-of-use assets		276	268
Dividend income from financial assets		(93)	(118)
Finance costs		18	23
Finance income		(77)	(624)
Loss/(Gain) on disposal of plant and equipment		4	(1)
Impairment loss on amounts due from a joint venture		-	5,325
Impairment loss on investment in a joint venture		-	5,997
Share of results of an associate (net of tax)		(3,848)	-
Share of results of joint ventures (net of tax)		21	1,070
Tax expense		242	308
Operating cash flows before working capital changes		1,002	940
Changes in:			
Amounts due from/to related parties		245	(393)
Inventories		(816)	1,177
Trade and other receivables		(725)	(2,942)
Trade and other payables		690	(5)
Cash generated from/(used in) operations		396	(1,223)
Interest received		82	656
Tax paid		(328)	(311)
Net cash generated from/(used in) operating activities		150	(878)
Cash flows from investing activities			
Dividends received from financial assets		93	100
Return of capital from a financial asset		52	-
Investment in an associate		*	-
Loans to joint ventures		-	(2,767)
Advance to a joint venture		-	(458)
Advance to an associate		(200)	-
Net cash inflow on disposal of subsidiaries	1(c)-1	-	9,603
Net cash inflow/(outflow) on acquisitions of subsidiaries	1(c)-2	17	(1,755)
Purchase of intangible assets		(20)	-
Purchase of investment property		-	(5,335)
Purchase of plant and equipment		(193)	(18)
Purchase of financial assets		-	(126)
Proceeds from disposal of plant and equipment		*	2
Proceeds from disposal of financial assets		322	-
Net cash generated from/(used in) investing activities		71	(754)
Cash flows from financing activities			
Capital injection by non-controlling interest		-	1,317
Increase in restricted cash	1(c)-3	(8,720)	-
Dividends paid		(833)	(3,342)
Proceeds from bank borrowing		240	-
Payment of lease liabilities		(300)	(286)
Net cash used in financing activities		(9,613)	(2,311)
Net decrease in cash and cash equivalents			
		(9,392)	(3,943)
Cash and cash equivalents at beginning of year		74,950	75,465
Effects of exchange rate fluctuations on cash held		(2)	59
Cash and cash equivalents at end of period	1(c)-3	65,556	71,581

* Amount less than \$1,000.

1(c)-1 The amount in 1HFY2020 was 10% of the initial consideration in relation to the sale of SV Probe Pte Ltd and certain of its subsidiaries released from escrow account.

1(c)-2 The Company's acquisition of EllipTech was completed on 25 September 2020. The net asset of EllipTech as at the date of completion was as follows:

	1HFY2021
	\$'000
Assets	
Inventories	131
Trade and other receivables	59
Cash and cash equivalents	17
	<u>207</u>
Liabilities	
Trade and other payables	(207)
	<u>(207)</u>
Total identifiable net asset at fair value	*
Previously held interest at fair value	*
Less: negative goodwill arising from acquisition	*
	<u>*</u>
Purchase consideration	*
Add: cash and cash equivalents acquired	17
Net cash inflow	<u>17</u>

* Amount less than \$1,000.

The Company's acquisition of Axis-Tec Pte Ltd ("ATPL") was completed on 16 October 2019. The net assets of ATPL as at the date of completion was as follows:

	1HFY2020
	\$'000
Assets	
Plant and equipment	99
Right-of-use assets	62
Intangibles assets	1,481
Inventories	1,161
Trade and other receivables	875
Cash and cash equivalents	556
	<u>4,234</u>
Liabilities	
Trade and other payables	(1,199)
Provision	(30)
Lease liabilities	(60)
Deferred tax liabilities	(279)
Current Tax payable	(25)
	<u>(1,593)</u>
Total identifiable net assets at fair value	2,641
Subscription of newly issued shares	1,297
Less: non-controlling interests measured at non-controlling interest's proportionate share of net assets	(1,930)
Add: goodwill arising from acquisition	1,600
	<u>3,608</u>
Total purchase consideration	(3,608)
Add: cash and cash equivalents acquired	556
Add: subscription of newly issued shares	1,297
Net cash outflow	<u>(1,755)</u>

1(c)-3 Please refer to note 1(b)-8 on page 4 for further details.

1(d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statements of Changes in Equity
For the half year ended 31 December 2020

Group	Share capital \$'000	Treasury shares \$'000	Capital reserve \$'000	Fair value reserve \$'000	Share-based compensation reserve \$'000	Translation reserve \$'000	Retained earnings \$'000	Total attributable to Owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance as at 1 July 2020	89,566	(126)	(11,648)	(690)	2,290	(42)	32,496	111,846	6,774	118,620
Total comprehensive income for the period										
Profit/(Loss) for the period	-	-	-	-	-	-	4,197	4,197	(69)	4,128
Other comprehensive income										
Exchange differences arising from translation of financial statements of foreign operations	-	-	-	-	-	(357)	-	(357)	(169)	(526)
Net change in fair value of financial assets at fair value through other comprehensive income	-	-	-	365	-	-	-	365	-	365
Transfer of gain on disposal of financial assets at fair value through other comprehensive income to retained earnings	-	-	-	(28)	-	-	28	-	-	-
Total other comprehensive income, net of tax	-	-	-	337	-	(357)	28	8	(169)	(161)
Total comprehensive income for the period	-	-	-	337	-	(357)	4,225	4,205	(238)	3,967
Transactions with Owners, recorded directly in equity										
Contributions by and distributions to Owners										
Final dividend of 0.50 cent per share in respect of 2020	-	-	-	-	-	-	(833)	(833)	-	(833)
Transfer to retained earnings	-	-	-	-	(2,290)	-	2,290	-	-	-
Total contributions by and distributions to Owners	-	-	-	-	(2,290)	-	1,457	(833)	-	(833)
Total transactions with Owners	-	-	-	-	(2,290)	-	1,457	(833)	-	(833)
Balance as at 31 December 2020	89,566	(126)	(11,648)	(353)	-	(399)	38,178	115,218	6,536	121,754

**Statements of Changes in Equity
For the half year ended 31 December 2019**

Group	Share capital \$'000	Treasury shares \$'000	Capital reserve \$'000	Fair value reserve \$'000	Share-based compensation reserve \$'000	Translation reserve \$'000	Retained earnings \$'000	Total attributable to Owners of the Company \$'000	Non- controlling interests \$'000	Total equity \$'000
Balance as at 1 July 2019	89,566	-	(11,648)	538	2,290	(251)	35,940	116,435	398	116,833
Effects of adopting SFRS(I) 16	-	-	-	-	-	-	(54)	(54)	-	(54)
Balance as at 1 July 2019, restated	89,566	-	(11,648)	538	2,290	(251)	35,886	116,381	398	116,779
Total comprehensive income for the period										
Loss for the period	-	-	-	-	-	-	(11,523)	(11,523)	(12)	(11,535)
Other comprehensive income										
Exchange differences arising from translation of financial statements of foreign operations	-	-	-	-	-	41	-	41	27	68
Net change in fair value of financial assets at fair value through other comprehensive income	-	-	-	(103)	-	-	-	(103)	-	(103)
Total other comprehensive income, net of tax	-	-	-	(103)	-	41	-	(62)	27	(35)
Total comprehensive income for the period	-	-	-	(103)	-	41	(11,523)	(11,585)	15	(11,570)
Transactions with Owners, recorded directly in equity										
Contributions by and distributions to Owners										
Final dividend of 1.00 cent per share in respect of 2019	-	-	-	-	-	-	(1,671)	(1,671)	-	(1,671)
Final special dividend of 1.00 cent per share in respect of 2019	-	-	-	-	-	-	(1,671)	(1,671)	-	(1,671)
Total contributions by and distributions to Owners	-	-	-	-	-	-	(3,342)	(3,342)	-	(3,342)
Changes in ownership interests in subsidiaries										
Capital injection by non-controlling interest	-	-	-	-	-	-	-	-	1,317	1,317
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	1,930	1,930
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	3,247	3,247
Total transactions with Owners	-	-	-	-	-	-	(3,342)	(3,342)	3,247	(95)
Balance as at 31 December 2019	89,566	-	(11,648)	435	2,290	(210)	21,021	101,454	3,660	105,114

Statements of Changes in Equity

For the half year ended 31 December 2020

Company	Share capital \$'000	Treasury shares \$'000	Fair value reserve \$'000	Share-based compensation reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance as at 1 July 2020	89,566	(126)	(690)	2,290	2,475	93,515
Total comprehensive income for the period						
Profit for the period	-	-	-	-	15,449	15,449
Other comprehensive income						
Net change in fair value of financial assets at fair value through other comprehensive income	-	-	365	-	-	365
Transfer of gain on disposal of financial assets at fair value through other comprehensive income to retained earnings	-	-	(28)	-	28	-
Total other comprehensive income, net of tax	-	-	337	-	28	365
Total comprehensive income for the period	-	-	337	-	15,477	15,814
Transactions with Owners, recorded directly in equity						
Contributions by and distributions to Owners						
Final dividend of 0.50 cent per share in respect of 2020	-	-	-	-	(833)	(833)
Transfer to retained earnings	-	-	-	(2,290)	2,290	-
Total contributions by and distributions to Owners	-	-	-	(2,290)	1,457	(833)
Total transactions with Owners	-	-	-	(2,290)	1,457	(833)
Balance as at 31 December 2020	89,566	(126)	(353)	-	19,409	108,496

For the half year ended 31 December 2019

Company	Share capital \$'000	Treasury shares \$'000	Fair value reserve \$'000	Share-based compensation reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance as at 1 July 2019	89,566	-	538	2,290	16,500	108,894
Total comprehensive income for the period						
Loss for the period	-	-	-	-	(10,861)	(10,861)
Other comprehensive income						
Net change in fair value of financial assets at fair value through other comprehensive income	-	-	(103)	-	-	(103)
Total other comprehensive income, net of tax	-	-	(103)	-	-	(103)
Total comprehensive income for the period	-	-	(103)	-	(10,861)	(10,964)
Transactions with Owners, recorded directly in equity						
Contributions by and distributions to Owners						
Final dividend of 1.00 cent per share in respect of 2019	-	-	-	-	(1,671)	(1,671)
Final special dividend of 1.00 cent per share in respect of 2019	-	-	-	-	(1,671)	(1,671)
Total contributions by and distributions to Owners	-	-	-	-	(3,342)	(3,342)
Total transactions with Owners	-	-	-	-	(3,342)	(3,342)
Balance as at 31 December 2019	89,566	-	435	2,290	2,297	94,588

- 1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in the Company's share capital since the end of the previous period reported on up to the end of the current financial period.

There were no outstanding convertibles and subsidiary holdings as at 31 December 2020 and 30 June 2020.

The Company's issued and fully paid-up shares as at 31 December 2020 comprised 166,668,285 (30 June 2020: 166,668,285) ordinary shares with voting rights and 459,900 (30 June 2020: 459,900) ordinary shares (treasury shares) with no voting rights. The treasury shares held represented 0.28% (30 June 2020: 0.28%) of the total number of issued shares excluding treasury shares.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	31.12.2020	30.06.2020
Total number of ordinary shares excluding treasury shares	166,668,285	166,668,285

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There was no sale, transfer, cancellation and/or use of treasury shares as at the end of the current financial period.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable.

- 2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures in this announcement have not been audited or reviewed by the Company's auditor.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).**

Not applicable.

- 3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
 (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation as those of the audited financial statements for the year ended 30 June 2020 in the preparation of its financial statements for the current financial period.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable

6. **Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group	
	1HFY2021	1HFY2020
Earnings/(Loss) per share (cents)		
- basic and diluted	2.52	(6.89)
Weighted average number of shares (excluding treasury shares)	166,668,285	167,128,185

Diluted earnings/(loss) per share was the same as basic earnings/(loss) per share as there were no potentially dilutive ordinary shares for both the current and preceding financial periods.

7. **Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**

- (a) **current financial period reported on; and**
 (b) **immediately preceding financial year.**

	Group		Company	
	31.12.2020	30.06.2020	31.12.2020	30.06.2020
Net asset value per share (cents)	69.13	67.11	65.10	56.11
Number of shares at end of the financial period (excluding treasury shares)	166,668,285	166,668,285	166,668,285	166,668,285

Net asset is defined as total equity less non-controlling interests.

8. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:**

- (a) **any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

Performance review

1HFY2021 vs 1HFY2020

The Group's 1HFY2021 revenue of \$27.4 million was 1% higher than the \$27.1 million recorded in 1HFY2020. The marginal increase in revenue was mainly due to the consolidation of ATPL's revenue for 6 months in 1HFY2021 compared to 2.5 months in 1HFY2020 as ATPL was acquired on 16 October 2019. This increase was partially offset by lower service and commission income due to the cessation of the manufacturer's representative and service provider agreement with Keysight Technologies Singapore (Sales) Pte Ltd (the "Keysight Agreement") with effect from 1 May 2020. Gross profit margin declined from 23% to 22% due to change in revenue mix.

Higher other income in 1HFY2021 was mainly due to the governments grants, subsidies and rebates extended in support of businesses during the COVID-19 pandemic.

The Group's distribution and administrative expenses were lower than 1HFY2020 by \$0.6 million. This mainly arose from a drop in staff and staff-related costs by \$0.3 million due to cessation of the Keysight Agreement and lower legal and professional fees by \$0.2 million.

The decrease in finance income in 1HFY2021 was mainly due to the lower interest rate environment.

The Group's share of results of an associate in 1HFY2021 was in respect of RMDV which included the share of a provisional negative goodwill of approximately \$4.0 million arising from a mandatory cash offer by RMDV for LCH.

The Group's share of results of joint ventures in 1HFY2020 was substantially in respect of Kalms.

Overall, the Group reported a net profit of \$4.1 million in 1HFY2021 versus a loss of \$11.5 million in 1HFY2020. Excluding the share of results of RMDV, the Group's net profit in 1HFY2021 was \$0.3m. Excluding the impairment losses on Kalms

of \$11.3 million and the share of loss of Kalms of \$1.1 million, the Group's loss in 1HFY2020 turned into a net profit of \$0.9 million. Comparing 1HFY2021 to 1HFY2020 after the aforesaid one-off adjustments, the net profit in 1HFY2021 was lower mainly due to increase in foreign exchange loss and decrease in finance income which were partially offset by increase in other income.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

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

Global economic recovery remains slow and challenging as countries deal with resurgence of COVID-19. The first major economy to show a recovery amid the worldwide slowdown is China, with a forecast of 7.9% growth in its economy in 2021.

According to World Semiconductor Trade Statistics (WSTS) year-end report released in November 2020, WSTS had projected the global semiconductor market to grow by 8.4% to reach US\$469 billion in 2021, driven by double-digit growth in the Memory and Optoelectronics segments. Other product categories (such Analog, Logic and Sensors) are also expected to show positive growth rates. In its December 2020 "Total Semiconductor Equipment Forecast – OEM Perspective" report, SEMI had also projected global sales of semiconductor manufacturing equipment by original equipment manufacturers to continue to grow at rates of 4% and 6% in 2021 and 2022 respectively. Robust foundry and memory investment in China is expected to propel the region to the top of the semiconductor equipment market. In 2021 and 2022, equipment spending in Taiwan is expected to remain robust, powered by leading-edge foundry investment.

In line with the outlook, we are seeing our customers investing more in semiconductor equipment to support the growth of their production capacities.

The Group will closely monitor and evaluate the market situation and business environment to strategise and overcome challenges that may arise.

11. Dividend.

(a) Current Financial Period Reported On.

Name of dividend	Interim
Dividend type	Cash
Dividend rate	0.5 cent per ordinary share
Tax rate	Tax exempt (one-tier)

Corresponding Period of the Immediately Preceding Financial Year.

No dividend was declared for the corresponding period of the immediately preceding financial year.

(b) Date payable.

11 March 2021

(c) Book closure date.

26 February 2021

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

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

14. Confirmation by Board pursuant to Rule 705(5) of the Listing Manual.

The Directors of the Company hereby confirm to the best of their knowledge that nothing has come to the attention of the Board of Directors which may render the interim financial statements for the half year ended 31 December 2020 to be false or misleading in any material respect.

On behalf of the Board of Directors

Chng Hee Kok
Chairman

Kelvin Lum Wen-Sum
Chief Executive Officer

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

By order of the Board
CHOW CHING SIAN
JOHNIE TAN WEE LIANG
Company Secretaries
10 February 2021