



EL Corporation Limited

ABN 41 002 737 733

ASX CODE: EIM

Registered Office:

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10 May 2011

Stephanie Yong
Senior Adviser, Listings (Sydney)
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Dear Ms Yong,

Thank you for your letter dated 6 May 2011

With regards to your queries contained in your letter on the appendix 4C, our response is as follows:

Q1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 4C, taking into account future administration costs, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?

A1. In our latest Annual Report 2010, which has just been sent to all our shareholders, we advised that Atlas Capital Pte Ltd will continue to fund the working capital of EL Corporation Ltd.

Atlas Capital Pte Ltd (ATLAS) is a major shareholder and financier of EL CORPORATION. It is ATLAS' present intention to provide continuing financial support to EL CORPORATION sufficient to allow EL CORPORATION to meet its current and future financial obligations and to enable it to pay its debts as and when they fall due.

The financial support ATLAS intends to provide to EL CORPORATION includes not requiring the repayment of the balances owed by EL CORPORATION which for reference purposes amounted to AUD\$350,000 at 31 December 2010 to the extent that such repayment would affect the ability of EL CORPORATION to continue as a going concern and to meet its debts as and when they fall due.

In confirming its intention to provide continuing financial support, ATLAS confirms that it is aware of the continuing financial performance of EL CORPORATION and its estimated net liability position of AUD\$147,000 at 31 December 2010 and the likelihood of continuing losses

in the future 12 months which will be covered by the cash reserves of AUD\$60,000 on hand at 31 December 2010

Q2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 4C for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?

A2. In the last quarter, the company posted a net negative operating cash flow of about A\$10,000 per month. We expect to continue to have a small negative cash flow next quarter which will be funded by Atlas Capital Pte Ltd as supported in their letter of continuing support which has been verified by our auditors.

Q3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?

A3. The Chairman has also reported in our latest Annual Report 2010 that we have initiated discussions with a company that is associated with the resource based industry in Australia to collaborate on a business which has a good potential that will generate a very positive result. We will make an announcement to all shareholders as soon as the information can be released.

In the meantime, the joint venture in Taiwan with Cosmactive Broadband Network Co Ltd is progressing steadily and Chairman has also reported that this project will be expanded when we can be successful in raising funds from outside Australia.

Q4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?

A4. The company confirms that it is in compliance with the listing rules and in particular, Listing Rule 3.1.

We will advise ASX immediately of any development to our ongoing discussions that may be of interest to the shareholders. We will continue to disclose all information that may affect the share price or the value of the shares, to the market.

Q5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

A5. The company would like to advise that we have the management expertise and the resources to manage the business which we plan to bring into the company. We will protect the interest of all our shareholders.

Yours sincerely



Isaac Ng
Executive Director



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6 May 2011

Mr Nick Geddes
Company Secretary
EL Corporation Limited
99 Mount Street
North Sydney NSW 2060

By Email

Dear Nick

EL Corporation Limited (the "Company")

I refer to the Company's Quarterly Report in the form of Appendix 4C for the period ended 31 March 2011, released to ASX Limited ("ASX") on 29 April 2011 (the "Appendix 4C").

ASX notes that the Company has reported the following.

1. Receipts from customers of \$0.
2. Net negative operating cash flows for the quarter of \$28,950.
3. Cash at end of quarter of \$31,133.

In light of the information contained in the Appendix 4C please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 4C, taking into account future administration costs, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 4C for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?



5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response may be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me by e-mail or by facsimile on facsimile number (02) 9241 7620. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **not later than 9.30 a.m. A.E.S.T. on Wednesday, 11 May 2011.**

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries, please do not hesitate to contact.

Yours sincerely,

[Sent electronically without signature]

Stephanie Yong
Senior Adviser, Listings (Sydney)