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Announcement of Acquisitions and Realisations of Assets

* Asterisks denote mandatory information

Name of Announcer *	ELEC & ELTEK INT CO LTD
Company Registration No.	199300005H
Announcement submitted on behalf of	ELEC & ELTEK INT CO LTD
Announcement is submitted with respect to *	ELEC & ELTEK INT CO LTD
Announcement is submitted by *	Claudia Heng
Designation *	Company Secretary
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>> Announcement Details

The details of the announcement start here ...

Description

Disposal of Equity Interest in United Hill Group Limited.
Please refer to attachment.

Attachments

 [Announcement_Disposal_of_Equity_Interests_29.12.2009.pdf](#)
Total size = **101K**
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Elec & Eltek 依利安達

Elec & Eltek International Company Limited

(Incorporated in the Republic of Singapore)

Company Registration Number 199300005H

DISPOSAL OF EQUITY INTEREST IN UNITED HILL GROUP LIMITED (THE “DISPOSAL”)

The Board of Directors of Elec & Eltek International Company Limited (the “**Company**”, and together with its subsidiaries, the “**Elec & Eltek Group**”) wishes to announce that, its wholly owned subsidiary, Elec & Eltek Jiangmen (BVI) High Tech Limited (the “**Vendor**”), has entered into a sale & purchase agreement with Ocean Glory Ltd (the “**Purchaser**”) to dispose of its 49% equity interest in United Hill Group Limited (“**United Hill Group**”), an associate of the Company.

Information relating to United Hill Group

United Hill Group is currently owned by Jamplan (BVI) Limited (“**Jamplan**”) and the Vendor in the proportion of 51% and 49%, respectively. Jamplan is a company within the group of Kingboard Chemical Holdings Limited (the Company’s ultimate holding company). United Hill Group in turn owned 100% equity interest in Jiangmen Kingboard High-Tech Co., Ltd, a company engaged in the manufacture and sale of drill bits.

Rationale for the Disposal

The Company decided to dispose its 49% equity interest in United Hill Group so as to re-deploy the sales proceeds for its expansion plans in Kaiping High Density Interconnect centre and Thailand plant which are expected to generate better contribution thereby enhancing shareholders value.

Consideration

The consideration for the Disposal is HK\$82 million (equivalent to US\$10.6 million), being 3.03% of the latest audited consolidated net tangible assets (“**NTA**”) of the Elec & Eltek Group. The consideration was arrived at on arm’s length negotiations, on a “willing buyer willing seller” basis. The consideration shall be payable in cash by the Purchaser upon completion of the disposition.

Financial Effects

Assuming the Disposal was completed on 31 December 2008, the effect on the NTA per share of the Elec & Eltek Group for the latest audited financial statements would be as follows:

	<u>Before the Disposal</u>	<u>After the Disposal</u>
NTA (US\$’ million)	349.5	351.7
NTA per share (US\$)	1.95	1.97

Assuming the Disposal was completed on 1 January 2008, the effect on the earnings per share ("**EPS**") of the Elec & Eltek Group for the latest audited financial statements would be as follows:

	<u>Before the Disposal</u>	<u>After the Disposal</u>
Profit after tax & minority interest (US\$'million)	42.6	44.0
EPS (US cents)	23.83	24.62

The financial effects set out above are based on historical financial information and are only for illustrative purposes and not necessarily indicative or projection of the financial performance and financial positions of the Company and the Elec & Eltek Group after the completion of the Disposal.

Upon completion of the Disposal, United Hill Group will cease to be an associate of the Elec & Eltek Group.

Interests of Directors and Substantial Shareholders

Save for their shareholdings in the Company, none of the directors and substantial shareholders of the Company have any interest, direct or indirect, in connection with the above transaction.