



Elec & Eltek 依利安達
Elec & Eltek International Company Limited
(Incorporated in the Republic of Singapore)
Company Registration Number 199300005H

UNAUDITED FINANCIAL STATEMENT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2006

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Income statement of the Group for the first quarter ended 30 September 2006 ("1QFY2007") together with the comparative figures for the first quarter ended 30 September 2005 ("1QFY2006") and the fourth quarter ended 30 June 2006 ("4QFY2006").

US\$'000	1QFY2007	1QFY2006	1QFY2007 vs 1QFY2006 % Change	4QFY2006	1QFY2007 vs 4QFY2006 % Change
Sale of goods	141,621	118,858	19.2%	115,351	22.8%
Cost of sales	(110,235)	(92,981)	18.6%	(87,816)	25.5%
Gross profit	31,386	25,877	21.3%	27,535	14.0%
<i>Gross profit margin</i>	<i>22.2%</i>	<i>21.8%</i>		<i>23.9%</i>	
Other revenue					
Interest income	49	24	104.2%	32	53.1%
Costs and expenses					
Distribution & selling costs	(4,643)	(4,327)	7.3%	(4,103)	13.2%
Administrative costs	(5,885)	(4,857)	21.2%	(6,456)	-8.8%
Other operating expenses	(297)	(211)	40.8%	(387)	-23.3%
Profit from operating activities	20,610	16,506	24.9%	16,621	24.0%
Interest expense	(2,048)	(1,177)	74.0%	(1,771)	15.6%
Share of results of an associate	304	-	n/m	261	16.5%
Profit before taxation	18,866	15,329	23.1%	15,111	24.8%
Taxation	(1,785)	(1,702)	4.9%	(1,577)	13.2%
Profit after taxation	17,081	13,627	25.3%	13,534	26.2%
Attributable to:					
Equity holders of the Company	16,579	12,966	27.9%	12,964	27.9%
Minority interests	502	661	-24.1%	570	-11.9%
	17,081	13,627	25.3%	13,534	26.2%

n/m - percentage not meaningful

Notes to Income Statement:

US\$'000	1QFY2007	1QFY2006	1QFY2007 vs	4QFY2006	1QFY2007 vs
			1QFY2006		4QFY2006
			% Change		% Change
Depreciation and amortisation	10,209	8,675	17.7%	9,603	6.3%
Allowance for doubtful debts	67	63	6.3%	90	-25.6%
Allowance for inventory obsolescence	699	148	n/m	96	n/m
Loss on foreign exchange	141	119	18.5%	166	-15.1%
Loss on disposal of plant and equipment	10	7	42.9%	108	-90.7%

n/m - percentage not meaningful

1. Gross profit margin

The Group's gross profit grew US\$5.5 million to US\$31.4 million, an increase of 21.3% compared to 1QFY2006 due to higher revenue achieved in the quarter under review. As a result of greater economies of scale, gross profit margin reached 22.2% compared to 21.8% a year ago.

2. Depreciation and amortisation expense

Depreciation and amortisation expense increased 17.7% year-on-year to US\$10.2 million for 1QFY2007 mainly due to commissioning of new manufacturing startup and other capacities expansion.

3. Allowance for inventory obsolescence

The increase in allowance for inventory obsolescence in 1QFY2007 was mainly attributed to additional provision made on excessive work-in-progress and finished goods inventory when sales orders were not forthcoming.

4. Distribution and selling costs

Higher distribution and selling costs of US\$4.6 million compared to US\$4.3 million a year ago were largely due to increased overseas shipments.

5. Administrative costs

The administrative costs increased by approximately US\$1.0 million from US\$4.9 million in 1QFY2006 due mainly to provision of management performance related bonuses.

6. Interest expense

Interest expense increased 74.0% year-on-year to US\$2.0 million for 1QFY2007 due to higher interest rates on increased bank borrowings to US\$141.8 million as at 30 September 2006 from US\$111.9 million a year ago.

7. Share of results of an associate

Share of results of an associate of US\$0.3 million in 1QFY2007 referred to equity accounting for share of 49% profit of United Hill Group Limited, a drill bit manufacturer acquired by the Company on 1 December 2005.

8. Minority interests

Share of profits by minority shareholders decreased 24.1% year-on-year to US\$0.5 million following the reduction of minority interests of the Group's Kaiping subsidiaries in September 2005.

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

US\$'000	Group		Company	
	30.9.2006	30.6.2006	30.9.2006	30.6.2006
Non-current assets				
Property, plant and equipment	346,443	331,449	17	19
Intangible assets	4	5	-	-
Subsidiary companies	-	-	22,186	22,186
Investment in an associate	5,800	5,504	-	-
Deferred tax assets	1,478	1,601	-	-
	<u>353,725</u>	<u>338,559</u>	<u>22,203</u>	<u>22,205</u>
Current assets				
Inventories	71,385	72,877	-	-
Trade receivables	138,252	131,461	-	-
Bill receivables	2,643	4,131	-	-
Other receivables	18,760	21,281	28	10
Due from subsidiary companies	-	-	155,328	149,668
Fixed and call deposits	737	30	25	30
Cash at bank and in hand	15,923	19,893	70	50
	<u>247,700</u>	<u>249,673</u>	<u>155,451</u>	<u>149,758</u>
Total assets	601,425	588,232	177,654	171,963
Current liabilities				
Trade payables	(96,537)	(107,548)	-	(34)
Bill payables	(4,500)	(7,679)	-	-
Accrued operating expenses	(25,878)	(22,932)	(176)	(146)
Due to subsidiary companies	-	-	(10,906)	(4,913)
Due to bankers	(47,388)	(67,315)	-	-
Provision for taxation	(2,671)	(2,127)	(1)	(1)
	<u>(176,974)</u>	<u>(207,601)</u>	<u>(11,083)</u>	<u>(5,094)</u>
Net current assets	70,726	42,072	144,368	144,664
Non-current liabilities				
Due to bankers	(94,433)	(71,164)	-	-
Deferred tax liabilities	(2,038)	(2,035)	-	-
	<u>(96,471)</u>	<u>(73,199)</u>	<u>-</u>	<u>-</u>
Total liabilities	(273,445)	(280,800)	(11,083)	(5,094)
	<u>327,980</u>	<u>307,432</u>	<u>166,571</u>	<u>166,869</u>
Equity attributable to equity holders of the Company				
Share capital	97,050	97,050	97,050	97,050
Reserves	217,566	197,323	69,521	69,819
	<u>314,616</u>	<u>294,373</u>	<u>166,571</u>	<u>166,869</u>
Minority interests	13,364	13,059	-	-
Total equity	327,980	307,432	166,571	166,869

Consolidated Balance Sheet Analysis

Capital expenditure investment of US\$21.6 million was made for capacity and capability upgrading in the Group's various manufacturing facilities in China, Hong Kong and Thailand.

Other receivables decreased by US\$2.5 million or 11.8% from US\$21.3 million to US\$18.8 million as a result of reclassification of down-payments to the respective fixed assets accounts upon commissioning.

The increase in the investment in an associate was related to additional profit sharing of United Hill Group Limited for 1QFY2007.

Total liabilities decreased by 2.6% to US\$273.4 million as of 30 September 2006 due to shortened credit terms by certain suppliers on better prices offered.

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

Amount repayable in one year or less, or on demand

As at 30.9.2006		As at 30.6.2006	
Secured	Unsecured	Secured	Unsecured
Nil	US\$47,388,000	Nil	US\$67,315,000

Amount repayable after one year

As at 30.9.2006		As at 30.6.2006	
Secured	Unsecured	Secured	Unsecured
Nil	US\$94,433,000	Nil	US\$71,164,000

Details of any collateral

Not applicable.

Notes on net borrowings position

US\$'000	As at 30.9.2006	As at 30.6.2006
Due to bankers	141,821	138,479
Less: Bank balances, deposits and cash	(16,660)	(19,923)
Net borrowings position	125,161	118,556

Net borrowings position increased from US\$118.6 million as at 30 June 2006 to US\$125.2 million as at 30 September 2006 to fund the Group's capacity expansion and working capital requirement. Net debt to equity ratio marginally decreased to 38.2% as at 30 September 2006 from 38.6% in 4QFY2006.

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

US\$'000	1QFY2007	1QFY2006	4QFY2006
Cash flow from operating activities:			
Profit before taxation	18,866	15,329	15,111
Adjustments for:			
Amortisation of intangible assets	1	3	1
Depreciation of property, plant and equipment	10,208	8,672	9,602
Interest expense	2,048	1,177	1,771
Loss on disposal of plant and equipment	10	7	108
Share-based payment expense	180	90	374
Allowance for doubtful debts	67	63	90
Allowance for inventory obsolescence	699	148	96
Interest income	(49)	(24)	(32)
Share of results of an associate	(304)	-	(261)
Operating income before changes in working capital	31,726	25,465	26,860
Decrease/(increase) in inventories	1,444	1,288	(19,822)
Increase in trade receivables	(6,427)	(4,686)	(865)
Decrease/(increase) in bill receivables	1,488	(2,726)	480
Decrease/(increase) in other receivables	2,521	(5,246)	(1,417)
(Decrease)/increase in trade payables	(11,011)	2,227	5,694
Decrease in bill payables	(3,179)	(355)	(2,976)
Increase/(decrease) in accrued operating expenses	2,946	(2,887)	2,646
Cash generated from operations	19,508	13,080	10,600
Interest income received	49	24	32
Interest paid	(2,048)	(1,177)	(1,771)
Income taxes paid	(1,097)	(1,409)	(2,262)
Net cash provided by operating activities	16,412	10,518	6,599
Cash flow from investing activities:			
Proceeds from disposal of plant and equipment	7	6	580
Plant and equipment acquired	(21,587)	(6,416)	(24,038)
Acquisition of equity interest in subsidiary companies	-	(2,552)	-
Net cash used in investing activities	(21,580)	(8,962)	(23,458)
Cash flow from financing activities:			
Proceeds from bank borrowings	97,498	12,696	28,090
Repayment of bank borrowings	(91,909)	(27,500)	(12,535)
Share issue expense	-	-	(7)
Capital injection from minority shareholders	-	1,287	-
Dividends paid by subsidiaries to minority shareholders	-	(488)	(350)
Net cash provided by/(used in) financing activities	5,589	(14,005)	15,198
Net increase/(decrease) in cash and cash equivalents	421	(12,449)	(1,661)
Cash and cash equivalents at beginning of financial period	13,836	21,417	14,501
Effect of foreign exchange rate changes, net	(1,437)	(93)	996
Cash and cash equivalents at end of financial period	12,820	8,875	13,836

Cash and cash equivalents comprise the following breakdown:

US\$'000	1QFY2007	1QFY2006	4QFY2006
Fixed and call deposits	737	388	30
Cash at bank and in hand	15,923	17,187	19,893
	16,660	17,575	19,923
Bank overdrafts - unsecured	(3,840)	(8,700)	(6,087)
	12,820	8,875	13,836

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.

US\$'000	Attributable to equity holders of the Company									Total equity
	Share capital	Share premium	Capital reserve	Statutory reserve	Revenue reserve	Foreign currency translation reserve	Share option reserve	Total	Minority shareholders	
Group										
1QFY2006										
Balance at 30.6.2005	75,435	21,626	2,597	1,930	188,044	(30,603)	-	259,029	15,445	274,474
Foreign currency translation	-	-	-	-	-	5,068	-	5,068	(729)	4,339
Acquisition of minority interests	-	-	-	-	-	-	-	-	(2,552)	(2,552)
Capital injection from minority shareholders	-	-	-	-	-	-	-	-	1,287	1,287
Profit for the financial period	-	-	-	-	12,966	-	-	12,966	661	13,627
Recognition of share options granted to employees	-	-	-	-	-	-	90	90	-	90
Dividend paid in respect of previous financial year	-	-	-	-	-	-	-	-	(488)	(488)
Balance at 30.9.2005	75,435	21,626	2,597	1,930	201,010	(25,535)	90	277,153	13,624	290,777
4QFY2006										
Balance at 31.3.2006	97,057	-	2,597	1,930	195,175	(19,105)	460	278,114	14,064	292,178
Shares issue expense	-	(7)	-	-	-	-	-	(7)	-	(7)
Transfer from share premium to share capital	(7)	7	-	-	-	-	-	-	-	-
Foreign currency translation	-	-	-	-	-	2,131	-	2,131	(428)	1,703
Negative goodwill arising from acquisition of minority interests	-	-	-	-	797	-	-	797	(797)	-
Profit for the financial period	-	-	-	-	12,964	-	-	12,964	570	13,534
Recognition of share options granted to employees	-	-	-	-	-	-	389	389	-	389
Lapse of share options granted to employees	-	-	-	-	-	-	(15)	(15)	-	(15)
Dividend paid in respect of previous financial year	-	-	-	-	-	-	-	-	(350)	(350)
Balance at 30.6.2006	97,050	-	2,597	1,930	208,936	(16,974)	834	294,373	13,059	307,432
1QFY2007										
Balance at 30.6.2006	97,050	-	2,597	1,930	208,936	(16,974)	834	294,373	13,059	307,432
Transfer from revenue reserve to statutory reserve	-	-	-	180	(180)	-	-	-	-	-
Foreign currency translation	-	-	-	-	-	3,285	-	3,285	2	3,287
Negative goodwill arising from acquisition of minority interests	-	-	-	-	199	-	-	199	(199)	-
Profit for the financial period	-	-	-	-	16,579	-	-	16,579	502	17,081
Recognition of share options granted to employees	-	-	-	-	-	-	180	180	-	180
Balance at 30.9.2006	97,050	-	2,597	2,110	225,534	(13,689)	1,014	314,616	13,364	327,980

US\$'000	Share capital	Share premium	Revenue reserve	Share option reserve	Total equity
Company					
1QFY2006					
Balance as 30.6.2005	75,435	21,626	63,350	-	160,411
Profit for the financial period	-	-	(104)	-	(104)
Recognition of share options granted to employees	-	-	-	38	38
Balance at 30.9.2005	75,435	21,626	63,246	38	160,345
4QFY2006					
Balance at 31.3.2006	97,057	-	56,395	201	153,653
Share issue expense	-	(7)	-	-	(7)
Transfer from share premium to share capital	(7)	7	-	-	-
Profit for the financial period	-	-	13,022	-	13,022
Recognition of share options granted to employees	-	-	-	201	201
Balance as 30.6.2006	97,050	-	69,417	402	166,869
1QFY2007					
Balance at 30.6.2006	97,050	-	69,417	402	166,869
Profit for the financial period	-	-	(395)	-	(395)
Recognition of share options granted to employees	-	-	-	97	97
Balance at 30.9.2006	97,050	-	69,022	499	166,571

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 also the number of shares that may be issued on conversion of all the outstanding convertibles 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.

Share capital

The issued and paid up share capital at the end of 1QFY2007 was US\$97.1 million comprising 178,844,862 ordinary shares. No share was issued in 1QFY2007.

Share options

As at 30 September 2006, there were outstanding share options for 11,070,000 (30 September 2005: 9,780,000) unissued ordinary shares under The 2002 Elec & Eltek Employees' Share Option Scheme (the "2002 Scheme"). No share option was granted to employees under the 2002 Scheme in 1QFY2007.

The movement of outstanding share options of the Company in 1QFY2007 was set out below:

Date of grant	Subscription price per share (US\$)	Outstanding balance as at 1.7.2006	Lapsed	Outstanding balance as at 30.9.2006	Expiry date
24 Jun 2005	2.033	11,190,000	(300,000)	10,890,000	24 May 2010
29 Sep 2005	2.375	180,000	-	180,000	4 Sep 2010
TOTAL		11,370,000	(300,000)	11,070,000	

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

The figures for 1QFY2007 have not been audited or reviewed by the auditors.

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

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, and 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

The Group and the Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period compared with the audited financial statements for the year ended 30 June 2006.

The Group and the Company have taken into consideration the new or revised Singapore Financial Reporting Standards (FRS) that are applicable beginning on or after 1 January 2006 and have determined that the adoption of the new / revised FRS does not have a material financial impact on the Group and the Company.

5. 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.

United States cents	1QFY2007	1QFY2006	4QFY2006
Earnings per share			
5.1 Based on weighted average number of ordinary shares in issue	9.27	7.25	7.25
Weighted average number of ordinary shares in issue ('000)	178,845	178,845	178,845
5.2 On a fully diluted basis	9.16	7.20	7.18
Adjusted weighted average number of ordinary shares ('000)	180,964	179,967	180,432

6. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

(a) current financial period reported on; and

(b) immediately preceding financial year.

US\$	Group		Company	
	30.9.2006	30.6.2006	30.9.2006	30.6.2006
Net asset value per ordinary share based on issued share capital at end of financial period	1.76	1.65	0.93	0.93

Net asset value per ordinary share was computed based on issued share capital of 178,844,862 ordinary shares as at 30 September 2006.

7. 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.

The Group kicked off the new financial year with an encouraging first-quarter performance on the back of positive market condition.

The Group's revenue increased by 19.2% over 1QFY2006 and by 22.8% over 4QFY2006 to US\$141.6 million, boosted by increased demand from customers across most of the business sectors.

Sales for the European markets in 1QFY2007 remained stable with 1QFY2006 while sales for the US markets grew by 14.4% year-on-year and 46.0% sequentially. Sales for Asia markets grew US\$18.7 million or 21.7% to US\$105.1 million in 1QFY2007 as compared to 1QFY2006 on increasing outsourcing requirements from the global OEM customers of the Group.

As a result of gaining market share in the computer & peripheral sectors, two-layered and four-layered printed circuit board ("PCBs") made up 59.4% of the Group's revenue in 1QFY2007 and leveled with 4QFY2006. This was higher than the 56.1% proportion of the two-layered and four-layered business in 1QFY2006.

Despite higher unit shipments for lower layered count PCBs, average selling prices for individual layer count have indeed strengthened on buoyant demands. Weighted average selling prices for PCB stayed firm with 1QFY2006 and 4QFY2006.

In line with the overall higher Group revenue, the Group's pre-tax operating profits grew by 23.1% from US\$15.3 million in 1QFY2006 to US\$18.9 million in 1QFY2007. On the sequential front, the Group's pre-tax operating profits increased by 24.8% over 4QFY2006.

The Group's effective tax rate fell from 11.1% in 1QFY2006 to 9.5% in 1QFY2007 mainly due to higher tax-exempted profit contribution from the Group's new manufacturing setups in China.

Despite the higher bonuses provision as a result of sterling performance, the Group achieved an attributable profit to shareholders of US\$16.6 million in 1QFY2007 compared to US\$13.0 million a year ago. Overall net profit margin has improved further to 11.7% in 1QFY2007 from 11.2% in 4QFY2006.

In the opinion of the Directors, no item, transaction or event of material or unusual nature has occurred during the period from 1 October 2006 to the date of this report that would materially affect the results of the Company and/or the Group in the financial period in which this announcement is made.

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

The Group's performance for 1QFY2007 was in line with the SGXNET prospect statement released for 4QFY2006 on 23 August 2006.

9. 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.

The business environment continues to remain competitive, and the Chinese authorities are reforming its taxation policies which may possibly pose higher taxation costs to the Group. However, the oil prices have come off its peak recently and its effect on copper and resin prices would be felt soon.

As our ability to leverage on outsourcing trend in China, shipments as well as the prevailing order backlogs on PCB continue to show strong momentum, the Group strives to tap on these growth opportunities and provides quality PCB at competitive prices to the customers as and when needs arise.

As the Group has been keeping a tight rein on costs and implement all necessary measures to improve its operational landscape, the long term outlook remains favourable supported by our strong team, process capability, quality reputation, and solid track records. To capitalize on this up-cycle, the Group will continue to add new manufacturing facilities in China to meet increasing consumer demands.

The new Kaiping South manufacturing setup is expected to reap full economies of scale in the new financial year following aggressive business development efforts undertaken by the top management. The Group has completed acquiring the 95,115 square metres land in Zhang Pu Town in Kunshan for future business expansion. All of these manufacturing capabilities will come to fruition in the year when full-scale of production take off.

In addition, the Group would continue to leverage on business synergies with the parent company, Kingboard group for better vertical integration and technological advancement.

Barring unforeseen circumstances, the Directors are confident that the Group would continue to perform satisfactorily in the second quarter of FY2007.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economics conditions, shifts in customer demands, customers and partners, and government and policy changes. You are cautioned not to place undue reliance on these forward looking statements which are based on current view of management on future events.

10. If no dividend has been declared/recommended, a statement to that effect.

No dividend will be declared for 1QFY2007 (1QFY2006: Nil).

11. Interested Persons Transactions

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (including transactions less than S\$100,000 and excluding transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (including transactions less than S\$100,000)	
	US\$'000	1QFY2007	1QFY2006	1QFY2007
<u>Purchases of goods and services</u>				
Hong Kong Copper Foil Limited	-	-	-	3,112
Hong Kong Fibre Glass Company Limited	-	-	688	3,395
Kingboard Laminates Limited	-	-	-	6,715
Kingboard Copper Foil (Macao Commercial Offshore) Limited	-	-	11,816	2,738
Kingboard Laminates (Macao Commercial Offshore) Limited	-	-	10,100	92
Kingboard Investments Limited	-	-	32	-
Techwise (Macao Commercial Offshore) Circuits Limited	-	-	-	328
Top Faith PCB Co. Ltd	-	-	-	13
Elec & Eltek Corporate Services Limited	-	-	73	65
	-	-	22,709	16,458
<u>Provision of goods and services</u>				
Jiangmen Glory Faith PCB Co. Ltd.	-	-	584	22
Techwise (Macao Commercial Offshore) Circuits Limited	-	-	913	684
Techwise Circuits Co. Ltd.	-	-	13	48
Top Faith PCB Co. Ltd	-	-	-	2
Elec & Eltek Display Technology Limited	-	-	11	12
E & E Magnetic Products Limited	-	-	4	2
	-	-	1,525	770

12. Subsequent Events

- (i) Elec & Eltek Electronic (Kunshan) Company Limited (“EE Kunshan”), a new wholly-owned foreign enterprise was incorporated in Kunshan of The People’s Republic of China with a registered capital of US\$19,000,000 to undertake distribution and manufacturing of high density interconnect and multilayered PCB for Eastern China market. EE Kunshan is held through Elec & Eltek Huangpu (Singapore) Pte. Ltd., a wholly-owned investment holding subsidiary of the Company.
- (ii) Pursuant to Rule 704(7) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board of Directors of the Company wishes to announce that Ms Marian Ho has resigned as the joint Company Secretary of the Company with effect from 30 October 2006.

BY ORDER OF THE BOARD

Cheung Kwok Wing
Chairman
8 November 2006



Elec & Eltek 依利安達

Elec & Eltek International Company Limited

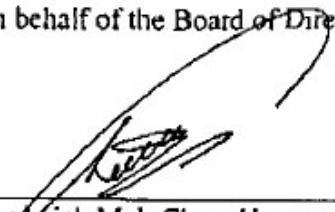
(Incorporated in the Republic of Singapore)

Company Registration Number 199300005H


CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(4) OF THE LISTING MANUAL

We, Chadwick Mok Cham Hung and Sammy Leung Tin Po, being two of the Directors of Elec & Eltek International Company Limited (the "Company"), do hereby confirm on behalf of the Board of Directors of the Company (the "Board") that, to the best of their knowledge, nothing has come to the attention of the Board which may render the financial statements for the first quarter ended 30 September 2006 to be false or misleading.

On behalf of the Board of Directors



Chadwick Mok Cham Hung
Vice-Chairman



Sammy Leung Tin Po
Chief Executive Officer

8 November 2006

