



**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 THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2009**

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

(I) Income Statement of the Group, comprising the Company and its subsidiary companies, for the third quarter (“3QCY09”) and nine months (“YTD 3QCY09”) ended 30 September 2009 together with the comparative figures for the third quarter (“3QCY08”) and nine months (“YTD 3QCY08”) ended 30 September 2008.

US\$'000	3QCY09	3QCY08	% Change	YTD 3QCY09	YTD 3QCY08	% Change
Revenue	119,767	141,211	-15.2%	307,390	420,553	-26.9%
Cost of sales	(97,376)	(118,673)	-17.9%	(253,440)	(348,285)	-27.2%
<b>Gross profit</b>	22,391	22,538	-0.7%	53,950	72,268	-25.3%
<i>Gross profit margin</i>	18.7%	16.0%		17.6%	17.2%	
Interest income	67	501	-86.6%	259	965	-73.2%
Distribution & selling costs	(2,103)	(3,827)	-45.0%	(7,890)	(11,084)	-28.8%
Administrative costs	(5,479)	(6,505)	-15.8%	(16,700)	(20,794)	-19.7%
Other operating income/(expenses)	276	685	-59.7%	504	(174)	n/m
Finance costs	(385)	(986)	-61.0%	(1,375)	(3,449)	-60.1%
Gain on disposal of a subsidiary	-	-	n/m	-	590	n/m
Share of profits of an associate	551	410	34.4%	1,307	1,150	13.7%
<b>Profit before taxation</b>	15,318	12,816	19.5%	30,055	39,472	-23.9%
Income tax expense	(1,092)	(525)	108.0%	(2,145)	(2,042)	5.0%
<b>Profit for the financial period</b>	14,226	12,291	15.7%	27,910	37,430	-25.4%
Attributable to:						
Equity holders of the Company	14,158	12,233	15.7%	27,913	37,505	-25.6%
Minority interests	68	58	17.2%	(3)	(75)	-96.0%
	14,226	12,291	15.7%	27,910	37,430	-25.4%

n/m - percentage not meaningful

(II) Income Statement of the Group for 3QCY09 together with the comparative figures for the second quarter ended 30 June 2009 (“2QCY09”).

US\$'000	3QCY09	2QCY09	% Change
Revenue	119,767	104,251	14.9%
Cost of sales	(97,376)	(85,364)	14.1%
<b>Gross profit</b>	22,391	18,887	18.6%
<i>Gross profit margin</i>	18.7%	18.1%	
Interest income	67	77	-13.0%
Distribution & selling costs	(2,103)	(3,082)	-31.8%
Administrative costs	(5,479)	(4,841)	13.2%
Other operating income	276	11	n/m
Finance costs	(385)	(456)	-15.6%
Share of profits of an associate	551	385	43.1%
<b>Profit before taxation</b>	15,318	10,981	39.5%
Income tax expense	(1,092)	(736)	48.4%
<b>Profit for the financial period</b>	14,226	10,245	38.9%
Attributable to:			
Equity holders of the Company	14,158	10,219	38.5%
Minority interests	68	26	n/m
	14,226	10,245	38.9%

(II) Notes to Income Statement:

US\$'000	3QCY09	3QCY08	% Change	YTD 3QCY09	YTD 3QCY08	% Change
Depreciation and amortisation	11,790	12,713	-7.3%	35,392	37,094	-4.6%
Allowance for doubtful debts	322	719	-55.2%	333	1,706	-80.5%
Write-back of allowance for inventory obsolescence	(215)	(380)	-43.4%	(176)	(836)	-78.9%
Loss / (gain) on foreign exchange	86	(457)	n/m	46	1,386	-96.7%
Loss / (gain) on disposal of plant and equipment	8	32	-75.0%	70	(2)	n/m

n/m - percentage not meaningful

US\$'000	3QCY09	2QCY09	% Change
Depreciation and amortisation	11,790	11,783	0.1%
Allowance / (write-back of allowance) for doubtful debts	322	(181)	n/m
(Write-back of allowance) / Allowance for inventory obsolescence	(215)	200	n/m
Loss on foreign exchange	86	28	n/m
Loss on disposal of plant and equipment	8	41	-80.5%

n/m - percentage not meaningful

### Explanatory notes to Income Statement

#### 1. Gross profit

Notwithstanding the decline in revenue by 15.2% to US\$119.8 million in the quarter under review when compared to same period last year, gross profit margin improved to 18.7% in 3QCY09 compared to 16.0% in 3QCY08 primarily due to lower material costs and usage optimization.

#### 2. Interest income

The decrease in interest income by 86.6% in 3QCY09 when compared to the same period last year was primarily due to lower cash and cash equivalents for deposits placement and the low deposit rate environment. The cash and bank balances reduced to US\$40.7 million as at 30 September 2009 compared to US\$70.2 million a year ago.

#### 3. Allowance for doubtful debts

The allowance for doubtful debts refers to the provision made on overdue receivables as at the respective period end.

#### 4. Write-back of allowance for inventory obsolescence

The write-back of allowance for inventory obsolescence was related to the progressive consumption of slow-moving inventories which provision has been made previously.

#### 5. Distribution & selling costs

The distribution & selling costs reduced by 45.0% to US\$2.1 million in 3QCY09 as compared to 3QCY08 mainly due to the reversal of excessive accrual on distribution costs.

#### 6. Administrative costs

The administrative costs decreased by 15.8% year-on-year to US\$5.5 million in 3QCY09 as a result of improved costs management and lower provision for doubtful debts.

#### 7. Other operating income

The lower other operating income recorded in the quarter under review was due to the recognition of foreign exchange loss versus foreign exchange gain recorded in the same period of last year.

**8. Finance costs**

Finance costs decreased by 61.0% year-on-year to US\$0.4 million in 3QCY09 was attributable to lower interest rates and reduced bank borrowings which stood at US\$124.4 million as at 30 September 2009 as compared to US\$179.9 million a year ago.

**9. Income tax expense**

The increase in the Group's effective tax rate from 4.1% in 3QCY08 to 7.1% in 3QCY09 was mainly attributable to higher corporate tax rate imposed on our PRC subsidiaries as well as the lower tax recorded in 3QCY08 on receipt of income tax rebates in respect of profits re-investments recognized by the Group's PRC subsidiaries.

**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		
	30.9.2009	30.6.2009	31.12.2008	30.9.2009	30.6.2009	31.12.2008
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	356,757	365,130	379,905	19	22	26
Deposits for acquisition of plant and equipment	807	456	1,664	-	-	-
Investment properties	15,756	15,756	15,756	-	-	-
Subsidiary companies	-	-	-	22,671	22,671	22,671
Interest in an associate	9,295	8,744	8,388	-	-	-
Deferred tax assets	1,458	1,454	1,446	-	-	-
	<u>384,073</u>	<u>391,540</u>	<u>407,159</u>	<u>22,690</u>	<u>22,693</u>	<u>22,697</u>
<b>Current assets</b>						
Inventories	37,878	38,626	39,582	-	-	-
Trade receivables	120,552	108,811	110,513	-	-	-
Bills receivables	4,836	4,081	4,061	-	-	-
Dividend receivables	-	-	-	-	-	7,800
Other receivables	14,321	14,092	19,675	10	19	3
Amounts due from subsidiary companies	-	-	-	103,711	103,077	99,173
Cash and bank balances	40,692	36,484	68,672	48	37	36
	<u>218,279</u>	<u>202,094</u>	<u>242,503</u>	<u>103,769</u>	<u>103,133</u>	<u>107,012</u>
<b>Total assets</b>	<b><u>602,352</u></b>	<b><u>593,634</u></b>	<b><u>649,662</u></b>	<b><u>126,459</u></b>	<b><u>125,826</u></b>	<b><u>129,709</u></b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity attributable to equity holders of the Company</b>						
Share capital	98,656	98,656	98,656	98,656	98,656	98,656
Treasury shares	(1,356)	(1,356)	(1,356)	(1,356)	(1,356)	(1,356)
Reserves	253,122	240,231	242,570	25,958	26,234	30,074
Equity attributable to equity holders of the Company	350,422	337,531	339,870	123,258	123,534	127,374
Minority interests	9,100	9,206	9,606	-	-	-
Total equity	<u>359,522</u>	<u>346,737</u>	<u>349,476</u>	<u>123,258</u>	<u>123,534</u>	<u>127,374</u>
<b>Non-current liabilities</b>						
Bank loans	60,629	65,705	92,536	-	-	-
Deferred tax liabilities	2,091	1,978	1,998	-	-	-
	<u>62,720</u>	<u>67,683</u>	<u>94,534</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Current liabilities</b>						
Trade payables	81,175	79,935	88,250	-	-	-
Bills payables	3,838	5,996	12,957	-	-	-
Other payables	29,109	29,967	38,620	343	262	304
Amounts due to subsidiary companies	-	-	-	2,858	2,030	2,031
Provision for taxation	2,266	1,568	762	-	-	-
Bank overdrafts and loans	63,722	61,748	65,063	-	-	-
	<u>180,110</u>	<u>179,214</u>	<u>205,652</u>	<u>3,201</u>	<u>2,292</u>	<u>2,335</u>
Total liabilities	<u>242,830</u>	<u>246,897</u>	<u>300,186</u>	<u>3,201</u>	<u>2,292</u>	<u>2,335</u>
<b>Total liabilities and equity</b>	<b><u>602,352</u></b>	<b><u>593,634</u></b>	<b><u>649,662</u></b>	<b><u>126,459</u></b>	<b><u>125,826</u></b>	<b><u>129,709</u></b>

## Financial Position Analysis

The Group's total assets increased by US\$8.7 million to US\$602.3 million as at 30 September 2009 from US\$593.6 million in the preceding quarter was mainly due to an enlarged trade receivables in tandem with higher shipments made in the quarter under review.

The Group's total liabilities decreased slightly from US\$246.9 million at 30 June 2009 to US\$242.8 million as at 30 September 2009 following the repayment of bank borrowings made in 3QCY09.

The increase in Group's shareholders' equity to US\$350.4 million as at 30 September 2009 from US\$337.5 million as at 30 June 2009 was mainly attributable to retained profit for the quarter.

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

#### Amount repayable in one year or less, or on demand

As at 30.9.2009		As at 31.12.2008	
Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Nil	63,722	Nil	65,063

#### Amount repayable after one year

As at 30.9.2009		As at 31.12.2008	
Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Nil	60,629	Nil	92,536

#### Details of any collateral

Not applicable.

#### Notes on net borrowings position

US\$'000	As at 30.9.2009	As at 30.6.2009	As at 31.12.2008
Bank overdrafts and loans	124,351	127,453	157,599
Less: Cash and bank balances	(40,692)	(36,484)	(68,672)
Net borrowings position	83,659	90,969	88,927

Group's net borrowings position decreased by 8.0% to US\$83.7 million as at 30 September 2009 from US\$91.0 million for the June 2009 quarter on repayment of bank borrowings. Accordingly, the Group's net gearing ratio improved to 23.3% at September 2009 quarter end from 26.2% as at 30 June 2009.

**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	3QCY09	3QCY08	YTD 3QCY09	YTD 3QCY08
<b>Operating activities:</b>				
Profit before taxation	15,318	12,816	30,055	39,472
Adjustments for:				
Depreciation of property, plant and equipment	11,790	12,713	35,392	37,094
Finance costs	385	986	1,375	3,449
Loss / (gain) on disposal of plant and equipment	8	32	70	(2)
Gain on disposal of a subsidiary	-	-	-	(590)
Share-based payment expense	43	90	140	271
Allowance for doubtful debts	322	719	333	1,706
Write-back of allowance for inventory obsolescence	(215)	(380)	(176)	(836)
Interest income	(67)	(501)	(259)	(965)
Share of profits of an associate	(551)	(410)	(1,307)	(1,150)
Operating income before reinvestment in working capital	27,033	26,065	65,623	78,449
Decrease in inventories	963	2,252	1,880	6,396
(Increase) / decrease in trade and other receivables	(13,047)	(4,701)	(4,075)	14,885
(Decrease) / increase in trade and other payables	(1,776)	5,427	(25,705)	(7,468)
Net cash generated from operations	13,173	29,043	37,723	92,262
Interest income received	67	501	259	965
Interest paid	(385)	(986)	(1,375)	(3,449)
Income taxes paid	(274)	(1,420)	(548)	(2,402)
<b>Net cash from operating activities</b>	<b>12,581</b>	<b>27,138</b>	<b>36,059</b>	<b>87,376</b>
<b>Investing activities:</b>				
Proceeds from disposal of plant and equipment	6	36	26	371
Purchase of property, plant and equipment	(4,511)	(34,487)	(13,820)	(56,489)
(Increase) / decrease in deposits paid for acquisition of property, plant and equipment	(351)	3,204	857	(985)
Disposal of a subsidiary	-	-	-	(469)
Advance to an associate	-	-	(1,718)	-
Dividend received from an associate	-	-	401	-
<b>Net cash used in investing activities</b>	<b>(4,856)</b>	<b>(31,247)</b>	<b>(14,254)</b>	<b>(57,572)</b>
<b>Financing activities:</b>				
Proceeds from bank borrowings	25,489	1,235	26,323	68,305
Repayment of bank borrowings	(28,461)	(7,381)	(59,642)	(22,131)
Payment for share buy-back	-	(1)	-	(460)
Dividends paid by the Company	-	(17,889)	(18,783)	(40,250)
Dividends paid by subsidiary companies to minority shareholders	(251)	(261)	(454)	(261)
<b>Net cash (used in) / from financing activities</b>	<b>(3,223)</b>	<b>(24,297)</b>	<b>(52,556)</b>	<b>5,203</b>
Net increase / (decrease) in cash and cash equivalents	4,502	(28,406)	(30,751)	35,007
Cash and cash equivalents at beginning of the financial period	36,281	97,048	68,670	31,539
Effect of foreign exchange rate changes, net	(164)	1,448	2,700	3,544
<b>Cash and cash equivalents at end of the financial period</b>	<b>40,619</b>	<b>70,090</b>	<b>40,619</b>	<b>70,090</b>

Cash and cash equivalents comprise the following breakdown:

US\$'000	YTD 3QCY09	YTD 3QCY08
Cash and bank balances	40,692	70,164
Bank overdrafts - unsecured	(73)	(74)
	<b>40,619</b>	<b>70,090</b>

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

US\$'000			YTD	YTD
	3QCY09	3QCY08	3QCY09	3QCY08
<b>Profit for the financial period</b>	14,226	12,291	27,910	37,430
<b>Other comprehensive income :</b>				
Exchange differences on translation foreign operations, net of tax	(1,233)	1,835	1,233	23,334
Other comprehensive (expense) / income for the financial period, net of tax	(1,233)	1,835	1,233	23,334
<b>Total comprehensive income for the financial period</b>	<b>12,993</b>	<b>14,126</b>	<b>29,143</b>	<b>60,764</b>
Total comprehensive income / (expense) attributable to:				
Equity holders of the Company	12,848	14,045	29,195	60,226
Minority interests	145	81	(52)	538
	<b>12,993</b>	<b>14,126</b>	<b>29,143</b>	<b>60,764</b>

**1(e)(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	Treasury shares	Capital reserve	Statutory reserve	Revaluation reserve	Other reserve	Revenue reserve	Foreign currency translation reserve	Share option reserve	Total	Minority interests	
<b>GROUP</b>												
<b>3QCY09</b>												
Balance at 30.6.2009	98,656	(1,356)	2,702	3,606	1,447	166	214,566	15,895	1,849	337,531	9,206	346,737
<b>Changes in equity for 3QCY09</b>												
Total comprehensive income / (expense) for the financial period	-	-	-	-	-	-	14,158	(1,310)	-	12,848	145	12,993
Transfer from revenue reserve to statutory reserve	-	-	-	6	-	-	(6)	-	-	-	-	-
Grant of share options to employees	-	-	-	-	-	-	-	-	43	43	-	43
Transfer to revenue reserve upon lapse of share options	-	-	-	-	-	-	16	-	(16)	-	-	-
Dividend paid in respect of previous financial year	-	-	-	-	-	-	-	-	-	-	(251)	(251)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>14,168</u>	<u>(1,310)</u>	<u>27</u>	<u>12,891</u>	<u>(106)</u>	<u>12,785</u>
Balance at 30.9.2009	98,656	(1,356)	2,702	3,612	1,447	166	228,734	14,585	1,876	350,422	9,100	359,522
<b>3QCY08</b>												
Balance at 30.6.2008	98,656	(1,355)	2,702	2,780	844	166	220,912	39,039	1,613	365,357	10,134	375,491
<b>Changes in equity for 3QCY08</b>												
Total comprehensive income for the financial period	-	-	-	-	-	-	12,233	1,812	-	14,045	81	14,126
Purchase of treasury shares	-	(1)	-	-	-	-	-	-	-	(1)	-	(1)
Transfer from revenue reserve to statutory reserve	-	-	-	160	-	-	(160)	-	-	-	-	-
Transfer to revenue reserve upon lapse of share options	-	-	-	-	-	-	12	-	(12)	-	-	-
Grant of share options to employees	-	-	-	-	-	-	-	-	90	90	-	90
Dividend paid in respect of - previous financial year	-	-	-	-	-	-	-	-	-	-	(261)	(261)
- current financial year	-	-	-	-	-	-	(17,889)	-	-	(17,889)	-	(17,889)
	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>160</u>	<u>-</u>	<u>-</u>	<u>(5,804)</u>	<u>1,812</u>	<u>78</u>	<u>(3,755)</u>	<u>(180)</u>	<u>(3,935)</u>
Balance at 30.9.2008	98,656	(1,356)	2,702	2,940	844	166	215,108	40,851	1,691	361,602	9,954	371,556

Attributable to equity holders of the Company												
US\$'000	Share capital	Treasury shares	Capital reserve	Statutory reserve	Revaluation reserve	Other reserve	Revenue reserve	Foreign currency translation reserve	Share option reserve	Total	Minority interests	Total equity
<b>GROUP</b>												
<b>YTD 3QCY09</b>												
Balance at 31.12.2008	98,656	(1,356)	2,702	3,606	1,447	166	219,582	13,303	1,764	339,870	9,606	349,476
<b>Changes in equity for YTD 3QCY09</b>												
Total comprehensive income / (expense) for the financial period	-	-	-	-	-	-	27,913	1,282	-	29,195	(52)	29,143
Transfer from revenue reserve to statutory reserve	-	-	-	6	-	-	(6)	-	-	-	-	-
Grant of share options to employees	-	-	-	-	-	-	-	-	140	140	-	140
Transfer to revenue reserve upon lapse of share options	-	-	-	-	-	-	28	-	(28)	-	-	-
Dividend paid in respect of previous financial year	-	-	-	-	-	-	(18,783)	-	-	(18,783)	(454)	(19,237)
	-	-	-	6	-	-	9,152	1,282	112	10,552	(506)	10,046
Balance at 30.9.2009	98,656	(1,356)	2,702	3,612	1,447	166	228,734	14,585	1,876	350,422	9,100	359,522
<b>YTD 3QCY08</b>												
Balance at 31.12.2007	98,656	(896)	2,702	2,697	844	166	217,862	18,130	1,654	341,815	9,677	351,492
<b>Changes in equity for YTD 3QCY08</b>												
Total comprehensive income for the financial period	-	-	-	-	-	-	37,505	22,721	-	60,226	538	60,764
Purchase of treasury shares	-	(460)	-	-	-	-	-	-	-	(460)	-	(460)
Transfer from revenue reserve to statutory reserve	-	-	-	243	-	-	(243)	-	-	-	-	-
Transfer to revenue reserve upon lapse of share options	-	-	-	-	-	-	234	-	(234)	-	-	-
Grant of share options to employees	-	-	-	-	-	-	-	-	271	271	-	271
Dividend paid in respect of - previous financial year	-	-	-	-	-	-	(22,361)	-	-	(22,361)	(261)	(22,622)
- current financial year	-	-	-	-	-	-	(17,889)	-	-	(17,889)	-	(17,889)
	-	(460)	-	243	-	-	(2,754)	22,721	37	19,787	277	20,064
Balance at 30.9.2008	98,656	(1,356)	2,702	2,940	844	166	215,108	40,851	1,691	361,602	9,954	371,556

US\$'000	Share capital	Treasury shares	Revenue reserve	Share option reserve	Total equity
<b>COMPANY</b>					
<b>3QCY09</b>					
Balance at 30.6.2009	98,656	(1,356)	25,213	1,021	123,534
<b>Changes in equity for 3QCY09</b>					
Total comprehensive expense for the financial period	-	-	(297)	-	(297)
Grant of share options to employees	-	-	-	21	21
Balance at 30.9.2009	98,656	(1,356)	24,916	1,042	123,258
<b>3QCY08</b>					
Balance at 30.6.2008	98,656	(1,355)	18,229	906	116,436
<b>Changes in equity for 3QCY08</b>					
Total comprehensive income for the financial period	-	-	16,857	-	16,857
Purchase of treasury shares	-	(1)	-	-	(1)
Grant of share options to employees	-	-	-	37	37
Dividend paid in respect of current financial year	-	-	(17,889)	-	(17,889)
Balance at 30.9.2008	98,656	(1,356)	17,197	943	115,440
<b>YTD 3QCY09</b>					
Balance at 31.12.2008	98,656	(1,356)	29,095	979	127,374
<b>Changes in equity for YTD 3QCY09</b>					
Total comprehensive income for the financial period	-	-	14,604	-	14,604
Grant of share options to employees	-	-	-	63	63
Dividend paid in respect of previous financial year	-	-	(18,783)	-	(18,783)
Balance at 30.9.2009	98,656	(1,356)	24,916	1,042	123,258
<b>YTD 3QCY08</b>					
Balance at 31.12.2007	98,656	(896)	41,345	844	139,949
<b>Changes in equity for YTD 3QCY08</b>					
Total comprehensive income for the financial period	-	-	16,091	-	16,091
Purchase of treasury shares	-	(460)	-	-	(460)
Transfer to revenue reserve upon lapse of share options	-	-	11	(11)	-
Grant of share options to employees	-	-	-	110	110
Dividend paid in respect of previous financial year	-	-	(22,361)	-	(22,361)
Dividend paid in respect of current financial year	-	-	(17,889)	-	(17,889)
Balance at 30.9.2008	98,656	(1,356)	17,197	943	115,440

**1(e)(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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.**

**1(e)(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**

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

### Share capital

There was no movement in the share capital in 3QCY09 and as at 30 September 2009, the Company has a total of 178,887,062 (31 December 2008: 178,887,062) issued shares excluding treasury shares.

The treasury shares held by the Company were not used for any allowed application and as at 30 September 2009, the Company held 748,000 (30 September 2008: 748,000) treasury shares.

### Share options

As at 30 September 2009, there were outstanding share options to subscribe for 9,126,200 (30 September 2008 : 9,363,800) unissued ordinary shares under the expired 2002 Elec & Eltek Employees' Share Option Scheme (the "2002 Scheme"). Options granted and outstanding under the 2002 Scheme will continue to be valid and be subject to the rules of the 2002 Scheme.

The movement of outstanding share options of the Company for the financial period from 1 July 2009 to 30 September 2009 was set out below:

<b>Date of grant</b>	<b>Subscription price per share (US\$)</b>	<b>Outstanding balance as at 1.7.2009</b>	<b>Lapsed</b>	<b>Outstanding balance as at 30.9.2009</b>	<b>Expiry date</b>
24 Jun 2005	2.033	8,335,200	(60,000)	8,275,200	24 May 2010
29 Sep 2005	2.375	120,000	-	120,000	4 Sep 2010
12 Dec 2006	2.400	771,000	(40,000)	731,000	12 Nov 2011
<b>TOTAL</b>		<b>9,226,200</b>	<b>(100,000)</b>	<b>9,126,200</b>	

There was no share option granted in 3QCY09 under the new share option scheme, namely, the 2008 Elec & Eltek Employees' Share Option Scheme which was adopted by the Company on 9 May 2008.

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

The figures for 3QCY09 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 adopted revised Financial Reporting Standard ("FRS"), FRS 1 - Presentation of Financial Statement (Revised), which is effective for annual period beginning on or after 1 January 2009 and has changed the basis for presentation and structure of the financial statements. The adoption of the above FRS does not change the recognition, measurement or disclosure of specific transactions and other events required by other FRSs and has no material effect on the amounts reported for the current or prior periods.

**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	3QCY09	3QCY08	TD 3QCY09	TD 3QCY08
Earnings per share				
5.1 Based on weighted average number of ordinary shares in issue	7.91	6.84	15.60	20.96
Weighted average number of ordinary shares in issue ('000)	178,887	178,887	178,887	178,919
5.2 On a fully diluted basis	7.91	6.84	15.60	20.96
Adjusted weighted average number of ordinary shares ('000)	178,887	178,887	178,887	178,919

**6. 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.**

US\$	GROUP		COMPANY	
	30.9.2009	31.12.2008	30.9.2009	31.12.2008
Net asset value per ordinary share based on total number of issued shares excluding treasury shares at end of financial period *	2.01	1.95	0.69	0.71

\* Based on 178,887,062 issued shares excluding treasury shares as at 30 September 2009 (31 December 2008: 178,887,062 issued shares).

**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 global economy has shown some signs of recovery in the past quarter. Against this backdrop, the Group has turned in another solid performance for the third quarter. Our sales revenue edged up by 14.9% to US\$119.8 million in 3QCY09 as compared to the immediately preceding quarter mainly contributed by increased shipments, but was 15.2% down from US\$141.2 million recorded in the same period of last year.

In spite of lower sales revenue when compared to 3QCY08, gross profit margin improved to 18.7% in 3QCY09 from 16.0% recorded a year ago primarily due to lower material costs and usage optimization. The Group's net profit after tax and minority interest grew 15.7% to US\$14.2 million in 3QCY09 from US\$12.2 million in 3QCY08. Both EBIT margin and net profit margin improved to 13.1% and 11.8% in 3QCY09 compared to 9.4% and 8.7%, respectively, over same period last year.

The proportion of sales from 2- to 6- layers printed circuits boards ("PCBs") increased to 67.4% in 3QCY09 as compared to 65.1% a year ago whilst the proportion of 8-layer and above as well as microvia PCBs accounted for to 32.6% in the quarter under review.

The proportion of sales revenue from the Computer and Peripherals sector and the Communication and Networking sector increased to 53.4% and 19.5% of total PCBs sales in the quarter under review from 52.1% and 14.8%, respectively on a year-on-year basis. Sales to the Consumer Electronics sector accounted for 12.7% of total PCBs sales in 3QCY09 as compared to 14.8% in the same period last year.

The Group continued to maintain its healthy consolidated financial and liquidity position, generating a positive net operating cash flow of US\$36.1 million for the nine-month period ended 30 September 2009 and improving its net gearing ratio to 23.3% at September 2009 quarter end from 26.2% as at 30 June 2009.

In the opinion of the Directors, no factor has arisen during the period from 30 September 2009 to the date of this report that would materially affect the results of the Company and/or the Group for the quarter.

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

Not applicable.

**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.**

With stabilizing global economic situations, the Group believes a gradual improvement may be on the horizon. Thanks to the management commitment and dedicated employees, the Group has finally emerged from the economic downturn with stronger profitability and, most notably, a solid balance sheet.

Although the PCB industry would depend very much on the magnitude of the global economic recovery, the Board of Directors remains cautiously optimistic for our financial performance in the fourth quarter.

Starting from September 2009, the Group observed an increased demand due to seasonal factors on computers and computer peripherals, consumer and high-end communication products. To maintain its competitive edge, we are committed to invest continuously in state-of-the-art machinery and new technology. The Group is stepping up its investment on HDI capacity so as to cope with anticipated business from a few of the high value-added customers in the telecommunication sectors. In parallel, the Group is also expanding its production capacity on conventional PCB.

*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 3QCY09 (3QCY08: 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	YTD 3QCY09	YTD 3QCY08	YTD 3QCY09
<b>Purchases of goods and services</b>				
Elec & Eltek Corporate Services Limited	351	343	-	-
Heng Yang Kingboard Chemical Co., Ltd	-	-	6,998	5,470
Hong Kong Fibre Glass Company Limited	-	-	898	2,229
Huizhou Chung Shun Chemical Co., Ltd.	-	-	138	279
Jiangmen Glory Faith PCB Co. Ltd.	-	-	18	19
Joyful Source Group Limited	1,261	2,421	-	-
Kingboard Copper Foil (Macao Commercial Offshore) Limited	-	-	19,056	36,817
Kingboard Investments Limited	255	510	-	-
Kingboard Laminates (Macao Commercial Offshore) Limited	-	-	37,365	37,407
Kingboard (Lian Zhou) Electronic Materials Ltd	-	-	1,313	12,330
Techwise (Macao Commercial Offshore) Circuits Limited	-	-	25	-
Top Faith PCB Co. Ltd.	-	-	1,556	10
	1,867	3,274	67,367	94,561
<b>Provision of goods and services</b>				
Elec & Eltek Display Technology Limited	14	33	-	-
E & E Magnetic Products Limited	-	5	-	-
Express Electronics (Suzhou) Co. Ltd	-	-	-	12
Jiangmen Glory Faith PCB Co. Ltd.	-	-	2,662	3,941
Techwise (Macao Commercial Offshore) Circuits Limited	-	-	365	291
Top Faith PCB Co. Ltd.	-	-	669	174
Shenzhen Wing Fung PCB Company Limited	-	-	61	122
	14	38	3,757	4,540

### BY ORDER OF THE BOARD

Chadwick Mok Cham Hung  
Vice-Chairman  
4 November 2009

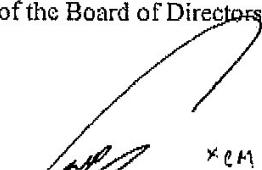


**Elec & Eltek 依利安達**  
**Elec & Eltek International Company Limited**  
*(Incorporated in the Republic of Singapore)*  
Company Registration Number 19930000511

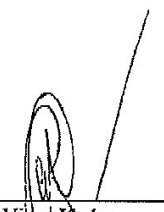
**CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

We, Chadwick Mok Cham Hung and Chan Wing Kwan, 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 third quarter and nine months ended 30 September 2009 to be false or misleading.

On behalf of the Board of Directors

  
\_\_\_\_\_  
Chadwick Mok Cham Hung  
Vice-Chairman

x CM

  
\_\_\_\_\_  
Chan Wing Kwan  
Director

x CWK

4 November 2009

JA