Announcement No. 00108

Elec & Eltek 依利安達

Elec & Eltek International Company Limited

(Incorporated in the Republic of Singapore)

Company Registration Number 199300005H

UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 fourth quarter ("**4QCY09**") and financial year ("**CY2009**") ended 31 December 2009 together with the comparative figures for the fourth quarter ("**4QCY08**") and financial year ("**CY2008**") ended 31 December 2008.

US$'000	**4QCY09**	**4QCY08**	**% Change**	**CY2009**	**CY2008**	**% Change**
Revenue	127,175	97,378	30.6%	434,565	517,931	-16.1%
Cost of sales	(98,317)	(81,946)	20.0%	(351,757)	(430,231)	-18.2%
Gross profit	28,858	15,432	87.0%	82,808	87,700	-5.6%
Gross profit margin	*22.7%*	*15.8%*		*19.1%*	*16.9%*	
Interest income	80	367	-78.2%	339	1,332	-74.5%
Distribution & selling costs	(2,553)	(2,755)	-7.3%	(10,443)	(13,839)	-24.5%
Administrative costs	(7,483)	(6,883)	8.7%	(24,183)	(27,677)	-12.6%
Other operating income	324	475	-31.8%	828	301	n/m
Finance costs	(354)	(1,371)	-74.2%	(1,729)	(4,820)	-64.1%
Gain on disposal of a subsidiary	-	-	n/m	-	590	n/m
Share of profits of an associate	390	400	-2.5%	1,697	1,550	9.5%
Profit before taxation	19,262	5,665	240.0%	49,317	45,137	9.3%
Income tax expense	(1,274)	(584)	118.2%	(3,419)	(2,626)	30.2%
Profit for the financial period	17,988	5,081	254.0%	45,898	42,511	8.0%
Attributable to:						
Equity holders of the Company	17,764	5,123	246.7%	45,677	42,628	7.2%
Minority interests	224	(42)	n/m	221	(117)	n/m
	17,988	5,081	254.0%	45,898	42,511	8.0%

n/m - percentage not meaningful

(II) Notes to Income Statement:

US$'000	4QCY09	4QCY08	% Change	CY2009	CY2008	% Change
Depreciation and amortisation	12,137	10,895	11.4%	47,529	47,989	-1.0%
(Write-back of allowance) / allowance for doubtful debts	(181)	43	n/m	152	1,749	-91.3%
Write-back of allowance for inventory obsolescence	(634)	(355)	78.6%	(810)	(1,191)	-32.0%
Loss / (gain) on foreign exchange	47	(270)	n/m	93	1,116	-91.7%

n/m - percentage not meaningful

Explanatory notes to Income Statement

1. **Gross profit**

Gross profit margin improved to 19.1% in CY2009 compared to 16.9% in CY2008 although there was a decline in revenue by 16.1% to US$434.6 million in CY2009 from US$517.9 million in CY2008. These improvements was contributed by lower material costs and improved operational costs.

2. **Interest income**

The decrease in interest income by 74.5% in CY2009 when compared to last financial year was primarily due to lower deposit rate environment on reducing cash level for deposits placement.

3. **Allowance for doubtful debts**

The allowance for doubtful debts refers to the provision made on overdue receivables.

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 24.5% to US$10.4 million in CY2009 as compared to last financial year as a result of lower shipments made in CY2009.

6. **Administrative costs**

The administrative costs decreased by 12.6% year-on-year to US$24.2 million in CY2009 on tightening of costs.

7. **Other operating income**

The higher other operating income was mainly due to the recognition of lower foreign exchange loss in CY2009 as compared to CY2008.

8. **Finance costs**

The decrease in finance costs by 64.1% year-on-year to US$1.7 million in CY2009 was attributable to reduced bank borrowings and lower interest rate environment.

9. Gain on disposal of a subsidiary

The gain recorded in the last financial year arose on the disposition of equity interest in Elec & Eltek Electronic (Kunshan) Company Limited.

10. Share of profits of an associate

The share of profits of an associate of US$1.7 million in CY2009 comprises the share of profits of the associate for the period from January 2009 to November 2009.

11. Income tax expense

The increase in the Group’s effective tax rate to 6.9% in CY2009 from 5.8% in CY2008 was mainly attributable to higher corporate tax rate imposed on our PRC subsidiaries as well as the lower tax recorded in CY2008 on receipt of income tax rebates in respect of profits re-investments recognized by the Group’s PRC subsidiaries.

12. Minority interests

The amount recorded in CY2009 pertained to profit sharing with minority shareholders of the PRC subsidiaries whereas the write-back in the last financial year was related to the over-provision of profit sharing with minority shareholders made previously.

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.

	GROUP			COMPANY		
US$'000	**31.12.2009**	**30.9.2009**	**31.12.2008**	**31.12.2009**	**30.9.2009**	**31.12.2008**
ASSETS						
Non-current assets						
Property, plant and equipment	347,115	356,757	379,905	17	19	26
Deposits for acquisition of plant and equipment	1,253	807	1,664	-	-	-
Investment properties	19,262	15,756	15,756	-	-	-
Subsidiary companies	-	-	-	23,071	22,671	22,671
Interest in an associate	-	9,295	8,388	-	-	-
Deferred tax assets	1,437	1,458	1,446	-	-	-
	369,067	384,073	407,159	23,088	22,690	22,697
Current assets						
Inventories	39,738	37,878	39,582	-	-	-
Trade receivables	130,243	120,552	110,513	-	-	-
Bills receivables	6,367	4,836	4,061	-	-	-
Other receivables and deposits	10,022	14,321	19,675	3	10	3
Amounts due from subsidiary companies	-	-	-	327,154	103,711	106,973
Cash and bank balances	60,054	40,692	68,672	43	48	36
	246,424	218,279	242,503	327,200	103,769	107,012
Total assets	**615,491**	**602,352**	**649,662**	**350,288**	**126,459**	**129,709**
EQUITY AND LIABILITIES						
Capital and reserves						
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	270,765	253,122	242,570	53,110	25,958	30,074
Equity attributable to equity holders of the Company	368,065	350,422	339,870	150,410	123,258	127,374
Minority interests	9,264	9,100	9,606	-	-	-
Total equity	377,329	359,522	349,476	150,410	123,258	127,374
Non-current liabilities						
Bank loans	63,920	60,629	92,536	-	-	-
Deferred tax liabilities	2,416	2,091	1,998	-	-	-
	66,336	62,720	94,534	-	-	-
Current liabilities						
Trade payables	84,573	81,175	88,250	-	-	-
Bills payables	1,588	3,838	12,957	-	-	-
Other payables	30,089	29,109	38,620	371	343	304
Amounts due to subsidiary companies	-	-	-	199,507	2,858	2,031
Provision for taxation	2,044	2,266	762	-	-	-
Bank overdrafts and loans	53,532	63,722	65,063	-	-	-
	171,826	180,110	205,652	199,878	3,201	2,335
Total liabilities	238,162	242,830	300,186	199,878	3,201	2,335
Total liabilities and equity	**615,491**	**602,352**	**649,662**	**350,288**	**126,459**	**129,709**

Financial Position Analysis

The increase in the Group's total assets by US$13.1 million to US$615.5 million as at 31 December 2009 from US$602.4 million in the preceding quarter was mainly due to higher trade receivables and bank balances in tandem with higher sales revenue and higher cash flow generated from operations respectively, in 4QCY09. These were offset by a decrease in an interest in associate following its disposal in December 2009.

The Group's total liabilities decreased slightly from US$242.8 million at 30 September 2009 to US$238.2 million as at 31 December 2009 on repayment of bank borrowings in 4QCY09.

The increase in Group's shareholders' equity to US$368.1 million as at 31 December 2009 from US$350.4 million as at 30 September 2009 was mainly attributable to profit generated for the December 2009 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 31.12.2009		As at 31.12.2008	
Secured US$'000	Unsecured US$'000	Secured US$'000	Unsecured US$'000
Nil	53,532	Nil	65,063

Amount repayable after one year

As at 31.12.2009		As at 31.12.2008	
Secured US$'000	Unsecured US$'000	Secured US$'000	Unsecured US$'000
Nil	63,920	Nil	92,536

Details of any collateral

Not applicable.

Notes on net borrowings position

US$'000	**As at 31.12.2009**	**As at 30.9.2009**	**As at 31.12.2008**
Bank overdrafts and loans	117,452	124,351	157,599
Less: Cash and bank balances	(60,054)	(40,692)	(68,672)
Net borrowings position	57,398	83,659	88,927

Group's net borrowings position decreased by 31.4% to US$57.4 million as at 31 December 2009 from US$83.7 million for the September 2009 quarter as a result of repayment of bank borrowings and generation of robust operating cash flow during 4QCY09. Accordingly, the Group's net gearing ratio improved to 15.2% at December 2009 quarter end from 23.3% as at 30 September 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	4QCY09	4QCY08	CY2009	CY2008
Operating activities:				
Profit before taxation	19,262	5,665	49,317	45,137
Adjustments for:				
Depreciation of property, plant and equipment	12,137	10,895	47,529	47,989
Finance costs	354	1,371	1,729	4,820
Loss on disposal of property, plant and equipment	1,270	2	1,340	-
Gain on disposal of a subsidiary	-	-	-	(590)
Loss on fair value change of investment properties	5	4	5	4
Share-based payment expense	43	90	183	361
(Write-back) / allowance for doubtful debts	(181)	43	152	1,749
Write-back of allowance for inventory obsolescence	(634)	(355)	(810)	(1,191)
Interest income	(80)	(367)	(339)	(1,332)
Share of profits of an associate	(390)	(400)	(1,697)	(1,550)
Operating income before reinvestment in working capital	31,786	16,948	97,409	95,397
(Increase) / decrease in inventories	(1,226)	14,191	654	20,587
(Increase) / decrease in trade and other receivables	(8,460)	25,160	(12,535)	40,045
Increase / (decrease) in trade and other payables	2,128	(8,576)	(23,577)	(16,044)
Net cash generated from operations	24,228	47,723	61,951	139,985
Interest income received	80	367	339	1,332
Interest paid	(354)	(1,371)	(1,729)	(4,820)
Income taxes paid	(1,148)	(1,336)	(1,696)	(3,738)
Net cash from operating activities	22,806	45,383	58,865	132,759
Investing activities:				
Proceeds from disposal of property, plant and equipment	1,436	-	1,462	371
Purchase of property, plant and equipment	(5,754)	(21,120)	(19,574)	(77,609)
(Increase) / decrease in deposits paid for acquisition of property, plant and equipment	(446)	3,146	411	2,161
Disposal of an associate / subsidiary	10,583	-	10,583	(469)
Repayment of advance from an associate	1,718	-	-	-
Dividend received from an associate	-	682	401	682
Net cash from / (used in) investing activities	7,537	(17,292)	(6,717)	(74,864)
Financing activities:				
Proceeds from bank borrowings	8,995	39,922	35,318	108,227
Repayment of bank borrowings	(15,821)	(62,168)	(75,463)	(84,299)
Payment for share buy-back	-	-	-	(460)
Dividends paid by the Company	-	-	(18,783)	(40,250)
Dividends paid by subsidiary companies to minority shareholders	-	(125)	(454)	(386)
Net cash used in financing activities	(6,826)	(22,371)	(59,382)	(17,168)
Net increase / (decrease) in cash and cash equivalents	23,517	5,720	(7,234)	40,727
Cash and cash equivalents at beginning of the financial period	40,619	70,090	68,670	31,539
Effect of foreign exchange rate changes, net	(4,082)	(7,140)	(1,382)	(3,596)
Cash and cash equivalents at end of the financial period	60,054	68,670	60,054	68,670

Cash and cash equivalents comprise the following breakdown:

US$'000	CY2009	CY2008
Cash and bank balances	60,054	68,672
Bank overdrafts - unsecured	-	(2)
	60,054	68,670

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	4QCY09	4QCY08	CY2009	CY2008
Profit for the financial period	17,988	5,081	45,898	42,511
Other comprehensive income / (expenses) :				
Exchange differences on translation of foreign operations	258	(27,729)	1,491	(4,395)
Reclassification adjustment for gain included in profit or loss for disposal of an associate	(1,202)	-	(1,202)	-
	(944)	(27,729)	289	(4,395)
Revaluation of property	720	603	720	603
Other comprehensive income / (expense) for the financial period	(224)	(27,126)	1,009	(3,792)
Total comprehensive income / (expense) for the financial period	17,764	(22,045)	46,907	38,719
Total comprehensive income / (expense) attributable to:				
Equity holders of the Company	17,600	(21,822)	46,795	38,404
Minority interests	164	(223)	112	315
	17,764	(22,045)	46,907	38,719

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.

	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
GROUP												
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
Changes in equity for CY2008												
Total comprehensive income / (expense) for the financial year	-	-	-	-	603	-	42,628	(4,827)	-	38,404	315	38,719
Purchase of treasury shares	-	(460)	-	-	-	-	-	-	-	(460)	-	(460)
Transfer from revenue reserve to statutory reserve	-	-	-	909	-	-	(909)	-	-	-	-	-
Amortisation for the vesting period (Share-based payments)	-	-	-	-	-	-	-	-	361	361	-	361
Transfer to revenue reserve upon lapse of share options	-	-	-	-	-	-	251	-	(251)	-	-	-
Dividend paid in respect of												
- previous financial year	-	-	-	-	-	-	(22,361)	-	-	(22,361)	(386)	(22,747)
- current financial year	-	-	-	-	-	-	(17,889)	-	-	(17,889)	-	(17,889)
	-	(460)	-	909	603	-	1,720	(4,827)	110	(1,945)	(71)	(2,016)
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
Changes in equity for CY2009												
Total comprehensive income for the financial year	-	-	-	-	720	-	45,677	398	-	46,795	112	46,907
Transfer from revenue reserve to statutory reserve	-	-	-	6	-	-	(6)	-	-	-	-	-
Amortisation for the vesting period (Share-based payments)	-	-	-	-	-	-	-	-	183	183	-	183
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	720	-	26,916	398	155	28,195	(342)	27,853
Balance at 31.12.2009	98,656	(1,356)	2,702	3,612	2,167	166	246,498	13,701	1,919	368,065	9,264	377,329

US$'000	Share capital	Treasury shares	Revenue reserve	Share option reserve	Total equity
COMPANY					
Balance at 31.12.2007	98,656	(896)	41,345	844	139,949
Changes in equity for CY2008					
Total comprehensive income for the financial year	-	-	27,989	-	27,989
Purchase of treasury shares	-	(460)	-	-	(460)
Transfer to revenue reserve upon lapse of share options	-	-	11	(11)	-
Amortisation for the vesting period (Share-based payments)	-	-	-	146	146
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 31.12.2008	98,656	(1,356)	29,095	979	127,374
Changes in equity for CY2009					
Total comprehensive income for the financial year	-	-	41,736	-	41,736
Amortisation for the vesting period (Share-based payments)	-	-	-	83	83
Dividend paid in respect of previous financial year	-	-	(18,783)	-	(18,783)
Balance at 31.12.2009	98,656	(1,356)	52,048	1,062	150,410

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 since the end of the last financial year. As at 31 December 2009 and 31 December 2008, the Company has a total of 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 31 December 2009, the Company held 748,000 (31 December 2008: 748,000) treasury shares.

Share options

As at 31 December 2009, there were outstanding share options to subscribe for 9,126,200 (31 December 2008 : 9,333,800) 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 year from 1 January 2009 to 31 December 2009 was set out below:

Date of grant	Subscription price per share (US$)	Outstanding balance as at 1.1.2009	Lapsed	Outstanding balance as at 31.12.2009	Expiry date
24 Jun 2005	2.033	8,380,800	(105,600)	8,275,200	24 May 2010
29 Sep 2005	2.375	120,000	-	120,000	4 Sep 2010
12 Dec 2006	2.400	833,000	(102,000)	731,000	12 Nov 2011
TOTAL		**9,333,800**	**(207,600)**	**9,126,200**	

There was no share option granted in CY2009 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 CY2009 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

In the current financial year, the Group has adopted all the new and revised Singapore Financial Reporting Standards ("FRSs") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2009. The adoption of these new/revised FRSs and INT FRS does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior years, except as disclosed below:

FRS 1 - Presentation of Financial Statements (Revised)

FRS 1 (2008) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard requires the presentation of a third statement of financial position at the beginning of the earliest comparative period presented if the entity applies new accounting policies retrospectively or makes retrospective restatements or reclassifies items in the financial statements.

Amendments to FRS 107 Financial Instruments : Disclosures - Improving Disclosures about Financial Instruments

The amendments to FRS 107 expand the disclosures required in respect of fair value measurements and liquidity risk. The Group has elected not to provide comparative information for these expanded disclosures in the current year in accordance with the transitional reliefs offered in these amendments.

FRS 108 - Operating Segments

The Group adopted FRS 108 with effective from 1 January 2009. FRS 108 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, the predecessor Standard (FRS 14 Segment Reporting) required an entity to identify two sets of segments (Business and Geographical), using a risks and rewards approach, with the entity's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments. The adoption of FRS 108 did not result in any change to the segmental disclosure as presented in the previous audited financial statements.

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	4QCY09	4QCY08	CY2009	CY2008
Earnings per share				
5.1 Based on weighted average number of ordinary shares in issue	9.93	2.86	25.53	23.83
Weighted average number of ordinary shares in issue ('000)	178,887	178,887	178,887	178,911
5.2 On a fully diluted basis	9.93	2.86	25.53	23.83
Adjusted weighted average number of ordinary shares ('000)	178,887	178,887	178,887	178,911

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	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Net asset value (including minority interests) per ordinary share based on total number of issued shares excluding treasury shares at end of financial period *	2.11	1.95	0.84	0.71

* Based on 178,887,062 issued shares excluding treasury shares as at 31 December 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 Group concluded financial year 2009 with satisfactory performance in the fourth quarter in which we again delivered growth in margins, profit and earnings. Fourth quarter net profit after tax was US$18.0 million compared with US$5.1 million in the fourth quarter of CY2008, represent an increase of 254.0% on the back of 30.6% increase in sales revenue to US$127.2 million from US$97.4 million in the same period last year.

Sales revenue for CY2009 reduced by US$83.3 million or 16.1% to US$434.6 million compared with US$517.9 million in CY2008. In spite of weaker performance in first quarter, net profit after tax for CY2009 increased by 8.0% to US$45.9 million from US$42.5 million in the year-ago period, as a result of excellent execution and a strong team spirit to weather through the adverse economic conditions.

The encouraging performance was driven by strengthening demand in nearly all of our served markets in the fourth quarter and the Group's strong commitment on continuous technological development and customers focus. Our ongoing efforts focused on improving yields and operational costs in a proactive and dynamic manner helped to further strengthen the Group's financial performance.

The proportion of sales from 2- to 6- layers and High Density Interconnect ("HDI") printed circuits boards ("**PCBs**") increased to 68.2% and 6.2% in CY2009 as compared to 66.6% and 2.9% respectively in the last financial year whilst the proportion of 8-layer and above PCBs accounted for 25.6% in CY2009.

Our focus on operating leverage and prudence working capital management enabled the Group to further expand margins and generate strong cash flow. The Group ended CY2009 with US$60.0 million of cash on hand and generated positive cash flow of US$58.9 million. Net gearing ratio has further improved to 15.2% as at year end from 23.3% as at 30 September 2009. Accordingly, the Group is able to propose a high dividend payout ratio and well positioned to take advantage of any prospective growth opportunities as supported by its strong balance sheet.

In the opinion of the Directors, no factor has arisen during the period from 31 December 2009 to the date of this report that would materially affect the results of the Company and/or the Group for the year.

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.

Although overall economic conditions remain less than certain, we have seen both an improvement in demand levels, as well as stabilization of demand patterns in our served markets. In anticipation of increased corporate spending, order momentum after December festival has been steady. All of our manufacturing facilities are operating near full capacity.

With more balanced PCB supply and demand in the region, we expect critical raw material prices, such as fibre glass, copper foils, and copper clad laminates to trend further upward, and as a result, PCB selling prices should be able to hold well and even move slightly upwards in the coming quarters. This, together with anticipated higher business proportion on HDI in the new financial year, would further improve our blended average selling prices.

The Group's significant actions undertaken in 2009 to enhance our competitive advantage and build sustainable financial strength have created a solid base for future performance. Our dedicated new Kaiping HDI centre is in stage of mass volume ramp up. It is expected a few of the high value-added customers will start to contribute positively to the Group's HDI business in the new financial year 2010.

To ensure we are well positioned to exploit business opportunities as the electronics sector turns around, the Group will cautiously evaluate the business opportunities available from both existing customers and newly-developed customers, especially in the HDI business sector, and will launch another expansion plan when the right market opportunities warrant. We are moving forward with investments in support of previously announced capacity expansion on conventional PCBs. The Group will continue to review and fortify our extensive business, and further sharpen our competitive edge from time to time.

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. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Final	Special
Dividend Type	Cash	Cash
Dividend Amount per Share (in cents)	US 15.0 cents per ordinary share (one-tier tax exempt)	US 10.0 cents per ordinary share (one-tier tax exempt)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Interim	Final	Special
Dividend Type	Cash	Cash	Cash
Dividend Amount per Share (in cents)	US 10.0 cents per ordinary share (one-tier tax exempt)	US 5.0 cents per ordinary share (one-tier tax exempt)	US 5.5 cents per ordinary share (one-tier tax exempt)

(c) Date payable

The proposed one-tier tax exempt final dividend, comprising the final and special dividend, which shall be subject to shareholders' approval at the forthcoming annual general meeting of the Company, is payable on 21 April 2010 to members registered in the books of the Company at the close of business on 9 April 2010.

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Transfer books and the Register of Members will be closed from 5:00 p.m. 9 April 2010 to 10 April 2010, both dates inclusive, for the preparation of dividend warrants. Duly completed transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. of 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, up to the close of business at 5:00 p.m. on 9 April 2010 will be registered to determine shareholders' entitlement to the one-tier tax exempt final dividend.

All shareholders will receive their dividends in United States Dollars. Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited ("**CDP**") are credited with shares as at 5:00 p.m. on 9 April 2010 will be entitled to the one-tier tax exempt final dividend.

In respect of ordinary shares in the securities account with CDP, the one-tier tax exempt final dividend will be paid by the Company to CDP which will distribute the dividend to the depositors of the securities accounts.

11. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

The Group operates principally in one business segment, namely, the manufacture and distribution of PCBs. All the Group's productive assets are employed in Asia with plants located in Hong Kong, Thailand and mainland China. The analysis of the Group's revenue, results, assets and liabilities are set out in the consolidated income statement and consolidated balance sheet.

The sale of goods of the Group by geographical segment which is based upon the shipment locations, are provided below:

US$'000	**CY2009**	**CY2008**
Asia		
The People's Republic of China (including Hong Kong)	265,306	297,531
South East Asia	93,640	100,631
Others	4,949	15,108
	363,895	413,270
Europe	38,137	68,966
North & Central America	29,231	28,438
Rest of the world	3,302	7,257
	434,565	517,931

The proportion of PCBs sales by layer count is provided below:

	CY2009	CY2008
2 to 6-Layer	68.2%	66.6%
8-Layer & above	25.6%	30.5%
HDI	6.2%	2.9%
	100.0%	100.0%

12. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

13. A breakdown of sales.

	US$'000	GROUP CY2009	CY2008	% Change
(a)	Sales reported for first half year	187,623	279,342	-32.8%
(b)	Operating profit/loss after tax before deducting minority interests reported for first half year	13,684	25,139	-45.6%
(c)	Sales reported for second half year	246,942	238,589	3.5%
(d)	Operating profit/loss after tax before deducting minority interests reported for second half year	32,214	17,372	85.4%

14. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Latest Full Year (US$'000)	Previous Full Year (US$'000)
Ordinary	44,722	36,672
Preference	0	0
Total:	44,722	36,672

15. Interested Persons Transactions

Name of Interested Person	Aggregate value of all interested person transactions during the financial year 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	**CY2009**	**CY2008**	**CY2009**	**CY2008**
<u>Purchase of plant and equipment</u>				
Chung Shun Laminates (Macao Commercial Offshore) Limited *formerly known as Kingboard Laminates (Macao Commercial Offshore) Limited*	191	-	-	-
	191	-	-	-
<u>Purchases of goods and services</u>				
Chung Shun Copper Foil (Macao Commercial Offshore) Limited *formerly known as Kingboard Copper Foil (Macao Commercial Offshore) Limited*	-	-	25,543	44,527
Chung Shun Laminates (Macao Commercial Offshore) Limited *formerly known as Kingboard Laminates (Macao Commercial Offshore) Limited*	-	-	56,651	44,287
Elec & Eltek Corporate Services Limited	516	509	-	-
Heng Yang Kingboard Chemical Co., Ltd	-	-	8,948	7,405
Hong Kong Fibre Glass Company Limited	-	-	1,116	2,884
Huizhou Chung Shun Chemical Co., Ltd.	-	-	225	346
Jiangmen Glory Faith PCB Co. Ltd.	-	-	18	19
Joyful Source Group Limited	1,798	1,507	-	-
Kingboard Investments Limited	356	775	-	-
Kingboard (Lian Zhou) Electronic Materials Ltd	-	-	-	14,135
Techwise (Macao Commercial Offshore) Circuits Limited	-	-	31	-
Top Faith PCB Co. Ltd.	-	-	1,682	51
	2,670	**2,791**	**94,214**	**113,654**
<u>Provision of goods and services</u>				
Chung Shun Laminates (Macao Commercial Offshore) Limited *formerly known as Kingboard Laminates (Macao Commercial Offshore) Limited*	1,254	259	30	-
E & E Magnetic Products Limited	-	7	-	-
Elec & Eltek Display Technology Limited	19	42	-	-
Express Electronics Ltd	-	-	881	-
Express Electronics (Suzhou) Co. Ltd	-	-	-	12
Jiangmen Glory Faith PCB Co. Ltd.	-	-	3,781	4,687
Techwise (Macao Commercial Offshore) Circuits Limited	-	-	773	332
Top Faith PCB Co. Ltd.	-	-	833	573
Shenzhen Wing Fung PCB Company Limited	-	-	71	124
	1,273	**308**	**6,369**	**5,728**

BY ORDER OF THE BOARD

Chadwick Mok Cham Hung
Vice-Chairman
25 February 2010