



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 2007

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 (“4QCY07”) and financial year (“CY2007”) ended 31 December 2007 together with the comparative figures for the fourth quarter (“4QCY06”) and twelve months (“CY2006”) ended 31 December 2006.

The Company had on 23 August 2006 changed its financial year end from 30 June to 31 December with the previous financial year covering a six months period from 1 July 2006 to 31 December 2006. The CY2007 covers a twelve months period ended 31 December 2007. For the purpose of this announcement, an unaudited income statement for CY2006 has also been provided for comparison.

US\$'000	4QCY07	4QCY06	% Change	CY2007	CY2006	% Change	Audited 6 months 31.12.2006
Revenue	166,576	143,488	16.1%	572,274	515,845	10.9%	285,109
Cost of sales	(134,640)	(114,733)	17.4%	(480,174)	(400,979)	19.8%	(224,968)
Gross profit	31,936	28,755	11.1%	92,100	114,866	-19.8%	60,141
<i>Gross profit margin</i>	<i>19.2%</i>	<i>20.0%</i>		<i>16.1%</i>	<i>22.3%</i>		<i>21.1%</i>
Interest income	69	134	-48.5%	234	264	-11.4%	183
Distribution & selling costs	(4,802)	(4,127)	16.4%	(17,508)	(16,585)	5.6%	(8,770)
Administrative costs	(11,062)	(5,715)	93.6%	(28,931)	(24,172)	19.7%	(11,600)
Other operating expenses	(443)	(603)	-26.5%	(2,651)	(1,574)	68.4%	(900)
Finance costs	(1,763)	(2,127)	-17.1%	(7,507)	(7,432)	1.0%	(4,175)
Redundancy payment made to streamline the Group's manufacturing plants	-	-	n/m	-	(52)	n/m	-
Impairment of property, plant and equipment made to integrate manufacturing plants in Nanjing	-	-	n/m	-	(1,236)	n/m	-
Share of profits of an associate	513	281	82.6%	1,426	1,029	38.6%	585
Profit before taxation	14,448	16,598	-13.0%	37,163	65,108	-42.9%	35,464
Income tax expense	(987)	(1,528)	-35.4%	(2,272)	(6,826)	-66.7%	(3,313)
Profit for the financial period	13,461	15,070	-10.7%	34,891	58,282	-40.1%	32,151
Attributable to:							
Equity holders of the Company	13,314	14,736	-9.6%	34,797	56,535	-38.5%	31,315
Minority interests	147	334	-56.0%	94	1,747	-94.6%	836
	13,461	15,070	-10.7%	34,891	58,282	-40.1%	32,151

n/m - percentage not meaningful

(II) Notes to Income Statement:

US\$'000	4QCY07	4QCY06	% Change	CY2007	CY2006	% Change	Audited 6 months 31.12.2006
Depreciation and amortisation	11,686	11,073	5.5%	46,057	40,031	15.1%	21,282
Allowance for doubtful debts	2,875	85	n/m	3,783	383	n/m	152
Allowance for inventory obsolescence	698	443	57.6%	2,154	1,194	80.4%	1,142
Loss on foreign exchange	403	223	80.7%	1,704	694	145.5%	364
Loss on disposal of plant and equipment	61	402	-84.8%	805	522	54.2%	412

n/m - percentage not meaningful

Explanatory notes to Consolidated Income Statements

1. Gross profit

Group's revenue increased 10.9% to US\$572.3 million while gross profit margin was 16.1% in CY2007 as compared to 22.3% in CY2006 mainly due to high volatility in raw materials prices and under performance of Kaiping plants during the first three quarters of CY2007.

2. Depreciation and amortisation

Depreciation and amortisation charges increased by US\$6.0 million or 15.1% in CY2007 from a year ago on new capital equipment addition.

3. Allowance for inventory obsolescence

The allowance for inventory obsolescence increased by 80.4% to US\$2.2 million in CY2007 when compared to the previous corresponding year was in respect of inventories on raw materials, finished goods and work-in-progress which have reached its product life cycle.

4. Distribution and selling costs

The increase in distribution and selling costs by 5.6% in CY2007 as compared to CY2006 was in line with higher shipments made during CY2007.

5. Administrative costs and Allowance for doubtful debts

The administrative costs comprise relevant staff costs, depreciation, allowance for doubtful debts, management bonus and other administrative costs other than those related to the sales and marketing activities. The increase in administrative costs by 19.7% in CY2007 as compared to the previous corresponding year was mainly due to the increase in allowance for doubtful debts on certain disputable receivables pending negotiation with the customers.

6. Other operating expenses

The increase in other operating expenses recorded a 68.4% increase year-on-year to US\$2.7 million in CY2007 from US\$1.6 million was due mainly to higher foreign exchange losses on weakened US\$ against the Group's other non-US denominated currencies, in particular, the Chinese Renminbi, and losses recognised on disposition of redundant plant & equipment during the year.

7. Share of profits of an associate

The increase in share of profits of an associate by 38.6% in CY2007 when compared to the previous corresponding year was attributable to the satisfactory returns generated by our associated investment in Jiangmen Kingboard High Tech Limited.

8. Income tax expense

The Group's overall effective tax rate decreased from 10.5% in CY2006 to 6.1% in CY2007 as a result of income tax privileges on profits re-investments accredited to the Group's Chinese subsidiaries.

9. Minority interests

The 94.6% year-on-year decrease in minority interests was attributed largely to the reduction of minority interests of the Group's subsidiaries in Kaiping and Nanjing as well as lower profits contribution by certain joint venture subsidiaries in CY2007.

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		
	31.12.2007	30.9.2007	31.12.2006	31.12.2007	30.9.2007	31.12.2006
ASSETS						
Current assets						
Cash and bank balances	26,478	16,637	24,435	37	40	70
Trade receivables	152,432	145,562	140,504	-	-	-
Bills receivables	4,265	3,207	2,745	-	-	-
Other receivables	19,346	19,252	13,423	6	9	9
Amounts due from subsidiary companies	-	-	-	117,448	119,952	138,521
Inventories	58,978	66,551	67,549	-	-	-
	<u>261,499</u>	<u>251,209</u>	<u>248,656</u>	<u>117,491</u>	<u>120,001</u>	<u>138,600</u>
Assets classified as held for sale	15,621	-	-	-	-	-
	<u>277,120</u>	<u>251,209</u>	<u>248,656</u>	<u>117,491</u>	<u>120,001</u>	<u>138,600</u>
Non-current assets						
Property, plant and equipment	357,299	363,677	356,158	11	14	14
Deposits for acquisition of plant and equipment	3,825	1,735	1,557	-	-	-
Investment properties	8,733	-	-	-	-	-
Intangible assets	-	-	2	-	-	-
Subsidiary companies	-	-	-	24,571	22,186	22,186
Interest in an associate	8,169	7,511	6,110	-	-	-
Deferred tax assets	1,351	1,323	1,245	-	-	-
	<u>379,377</u>	<u>374,246</u>	<u>365,072</u>	<u>24,582</u>	<u>22,200</u>	<u>22,200</u>
Total assets	656,497	625,455	613,728	142,073	142,201	160,800
LIABILITIES AND EQUITY						
Current liabilities						
Bank overdrafts and loans	83,223	99,011	57,912	-	-	-
Trade payables	119,233	114,001	101,855	-	-	-
Bills payables	2,981	989	1,856	-	-	-
Other payables	32,654	23,380	29,994	757	183	117
Amounts due to subsidiary companies	-	-	-	1,366	1,179	1,947
Provision for taxation	2,189	950	1,856	1	1	2
	<u>240,280</u>	<u>238,331</u>	<u>193,473</u>	<u>2,124</u>	<u>1,363</u>	<u>2,066</u>
Liabilities directly associated with assets classified as held for sale	12,547	-	-	-	-	-
	<u>252,827</u>	<u>238,331</u>	<u>193,473</u>	<u>2,124</u>	<u>1,363</u>	<u>2,066</u>
Non-current liabilities						
Bank loans	50,521	58,224	93,015	-	-	-
Deferred tax liabilities	1,657	1,767	1,780	-	-	-
	<u>52,178</u>	<u>59,991</u>	<u>94,795</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital and reserves						
Share capital	98,656	98,656	97,069	98,656	98,656	97,069
Treasury shares	(896)	-	-	(896)	-	-
Reserves	244,055	218,969	218,174	42,189	42,182	61,665
Equity attributable to equity holders of the Company	<u>341,815</u>	<u>317,625</u>	<u>315,243</u>	<u>139,949</u>	<u>140,838</u>	<u>158,734</u>
Minority interests	9,677	9,508	10,217	-	-	-
	<u>351,492</u>	<u>327,133</u>	<u>325,460</u>	<u>139,949</u>	<u>140,838</u>	<u>158,734</u>
Total liabilities and equity	656,497	625,455	613,728	142,073	142,201	160,800

Explanatory notes to Consolidated Balance Sheet

The Group's total assets increased by US\$31.0 million to US\$656.5 million as at 31 December 2007 from US\$625.5 million as at 30 September 2007 due to higher cash and bank balances, increased trade receivables on higher sales revenue made in December 2007 quarter and additional new capital equipment acquired.

The amount of US\$8.7 million classified under investment properties relates to the fair value of one of the factory buildings on lease to an external party.

The valuation was conducted by an independent valuer according to International Valuation Standards and with reference to market evidence of transaction prices for similar properties. The Group's accounting policy is to assess the fair value of investment properties based on directors' valuation at each annual balance sheet date by making reference to independent professional valuation. In this respect, a professional valuation at 31 December 2007 on the Group's investment properties had been obtained and the respective fair value recognized thereon.

The increase of total liabilities by US\$6.7 million to US\$305.0 million as at 31 December 2007 were mainly due to higher trade payable, advanced settlement of disposition proceeds of US\$8.3 million in respect of the disposition of Elec & Eltek Electronic (Kunshan) Company Limited ("EE Kunshan") (explained below) and payables accrued for equipments delivered towards the end of CY2007. These increases were partially offset by repayment of bank borrowings.

The amounts of US\$15.6 million and US\$12.5 million classified under "assets classified as held for sale" and "liabilities directly associated with assets classified as held for sale", respectively were related to leasehold land & building and other liabilities associated with the disposition of our equity interest in EE Kunshan pursuant to a sale and purchase agreement executed on 30 October 2007. As at 31 December 2007, the transfer documentation and other registration procedures were pending for approval by the relevant Chinese authorities.

The increase in the Group shareholders' funds to US\$341.8 million as at 31 December 2007 from US\$317.6 million as at 30 September 2007 was mainly contributed by the attributable profits for the December 2007 quarter and increase in foreign currency translation arising from the translation of the net investment in foreign entities.

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

Amount repayable in one year or less, or on demand

As at 31.12.2007		As at 31.12.2006	
Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Nil	83,223	Nil	57,912

Amount repayable after one year

As at 31.12.2007		As at 31.12.2006	
Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Nil	50,521	Nil	93,015

Details of any collateral

Not applicable.

Notes on net borrowings position

US\$'000	As at 31.12.2007	As at 30.9.2007	As at 31.12.2006
Bank overdrafts and loans	133,744	157,235	150,927
Less: Cash and bank balances (including bank balances classified as held for sale)	(31,614)	(16,637)	(24,435)
Net borrowings position	102,130	140,598	126,492

Group total debt decreased by 14.9% to US\$133.7 million as at 31 December 2007 from the September 2007 quarter on repayment of working capital loan thereby allowing a more flexible borrowing profile. After netting off the cash and bank balance of US\$31.6 million as on the same date, the net gearing ratio was lowered to 29.1% as compared to 43.0% as at 30 September 2007.

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	4QCY07	4QCY06	CY2007	CY2006	Audited 6 months 31.12.2006
Operating activities:					
Profit before taxation	14,448	16,598	37,163	65,108	35,464
Adjustments for:					
Amortisation of intangible assets	-	1	2	4	2
Depreciation of property, plant and equipment	11,686	11,072	46,055	40,027	21,280
Interest expense	1,763	2,127	7,507	7,432	4,175
Loss on disposal of plant and equipment	61	402	805	522	412
Share-based payment expense	131	243	570	864	423
Allowance for doubtful debts	2,875	85	3,783	383	152
Allowance for inventory obsolescence	698	443	2,154	1,194	1,142
Interest income	(69)	(134)	(234)	(264)	(183)
Share of profits of an associate	(513)	(281)	(1,426)	(1,029)	(585)
Operating income before reinvestment in working capital	31,080	30,556	96,379	114,241	62,282
Decrease/(increase) in inventories	6,875	3,393	6,417	(21,004)	4,186
(Increase)/decrease in trade and other receivables	(11,267)	860	(23,524)	4,597	(5,486)
Increase/(decrease) in trade and other payables	20,737	3,098	29,094	(7,631)	(8,146)
Cash generated from operations	47,425	37,907	108,366	90,203	52,836
Interest income received	69	134	234	264	183
Interest paid	(1,763)	(2,127)	(7,507)	(7,432)	(4,175)
Income taxes refunded/(paid)	150	(2,318)	(2,089)	(7,031)	(3,415)
Net cash from operating activities	45,881	33,596	99,004	76,004	45,429
Investing activities:					
Proceeds from disposal of plant and equipment	75	282	333	869	289
Purchase of property, plant and equipment	(15,369)	(13,222)	(47,000)	(71,231)	(34,809)
Proceeds received in advance relating to "assets held for sale"	8,308	-	8,308	-	-
(Increase)/decrease in deposits paid for acquisition of property, plant and equipment	(2,090)	481	(2,268)	3,158	3,978
Acquisition of equity interest in an associate	-	-	(441)	(5,000)	-
Acquisition of equity interest in subsidiary companies	-	-	(3,692)	-	-
Net cash used in investing activities	(9,076)	(12,459)	(44,760)	(72,204)	(30,542)
Financing activities:					
Proceeds from bank borrowings	-	22,528	136,046	160,673	106,087
Repayment of bank borrowings	(23,380)	(9,945)	(152,941)	(120,912)	(87,915)
Proceeds from share issue pursuant to the exercise of share options	-	19	1,587	19	19
Share issue expense	-	-	-	(7)	-
Payment for share buy-back	(896)	-	(896)	-	-
Capital injection from minority shareholders	1,511	210	1,511	210	210
Dividends paid by the Company	-	(22,356)	(34,131)	(36,663)	(22,356)
Dividends paid by subsidiary companies to minority shareholders	(1,187)	(491)	(2,575)	(2,013)	(491)
Net cash (used in)/from financing activities	(23,952)	(10,035)	(51,399)	1,307	(4,446)
Net increase in cash and cash equivalents	12,853	11,102	2,845	5,107	10,441
Cash and cash equivalents at beginning of the financial period	16,451	12,820	24,072	12,906	13,836
Effect of foreign exchange rate changes, net	2,235	150	4,622	6,059	(205)
Cash and cash equivalents at end of the financial period	31,539	24,072	31,539	24,072	24,072

Cash and cash equivalents comprise the following breakdown:

US\$'000	CY2007	CY2006	31.12.2006
Cash and bank balances	26,478	24,435	24,435
Cash and bank balance classified as held for sale	5,136	-	-
Bank overdrafts - unsecured	(75)	(363)	(363)
	<u>31,539</u>	<u>24,072</u>	<u>24,072</u>

During the financial year, the Group's capital expenditure was US\$47.0 million, of which US\$7.1 million was in respect of the leasehold land and building of Kunshan and was classified as assets held for sale.

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											Minority interests	Total equity
	Share capital	Treasury Shares	Share premium	Capital reserve	Statutory reserve	Revaluation reserve	Other reserve	Revenue reserve	Foreign currency translation reserve	Share option reserve	Total		
GROUP													
Balance at 31.12.2005	89,535	-	7,522	2,597	1,930	-	-	197,226	(24,812)	393	274,391	14,335	288,726
Profit for the financial year	-	-	-	-	-	-	-	56,535	-	-	56,535	1,747	58,282
Foreign currency translation	-	-	-	-	-	-	-	-	19,141	-	19,141	593	19,734
Total recognised income for the financial period	-	-	-	-	-	-	-	56,535	19,141	-	75,676	2,340	78,016
Shares issued pursuant to the exercise of share options	19	-	-	-	-	-	-	-	-	-	19	-	19
Share issue expense	-	-	(7)	-	-	-	-	-	-	-	(7)	-	(7)
Transfer from share premium to share capital	7,515	-	(7,515)	-	-	-	-	-	-	-	-	-	-
Transfer from revenue reserve to statutory reserve	-	-	-	-	304	-	-	(304)	-	-	-	-	-
Lapse of share options to employees	-	-	-	-	-	-	-	-	-	(15)	(15)	-	(15)
Grant of share options to employees	-	-	-	-	-	-	-	-	-	879	879	-	879
Capital injection from minority shareholders	-	-	-	-	-	-	-	-	-	-	-	210	210
Negative goodwill arising from acquisition of minority interests	-	-	-	-	-	-	-	797	-	-	797	(797)	-
Acquisition of additional interest in subsidiaries	-	-	-	-	-	-	166	-	-	-	166	(3,858)	(3,692)
Dividend paid in respect of - previous financial year	-	-	-	-	-	-	-	(22,356)	-	-	(22,356)	(2,013)	(24,369)
- current financial year	-	-	-	-	-	-	-	(14,307)	-	-	(14,307)	-	(14,307)
	7,534	-	(7,522)	-	304	-	166	(36,170)	-	864	(34,824)	(6,458)	(41,282)
Balance at 31.12.2006	97,069	-	-	2,597	2,234	-	166	217,591	(5,671)	1,257	315,243	10,217	325,460
Profit for the financial year	-	-	-	-	-	-	-	34,797	-	-	34,797	94	34,891
Foreign currency translation	-	-	-	-	-	-	-	-	23,801	-	23,801	430	24,231
Total recognised income for the financial period	-	-	-	-	-	-	-	34,797	23,801	-	58,598	524	59,122
Shares issued pursuant to the exercise of share options	1,587	-	-	-	-	-	-	-	-	-	1,587	-	1,587
Purchase of treasury shares	-	(896)	-	-	-	-	-	-	-	-	(896)	-	(896)
Transfer from revenue reserve to statutory reserve	-	-	-	-	463	-	-	(463)	-	-	-	-	-
Arising from revaluation of properties	-	-	-	-	-	844	-	-	-	-	844	-	844
Transfer to capital reserve upon exercise of share options	-	-	-	105	-	-	-	-	-	(105)	-	-	-
Transfer to revenue reserve upon lapse of share options	-	-	-	-	-	-	-	68	-	(68)	-	-	-
Grant of share options to employees	-	-	-	-	-	-	-	-	-	570	570	-	570
Capital injection from minority shareholders	-	-	-	-	-	-	-	-	-	-	-	1,511	1,511
Dividend paid in respect of - previous financial year	-	-	-	-	-	-	-	(19,760)	-	-	(19,760)	(2,575)	(22,335)
- current financial year	-	-	-	-	-	-	-	(14,371)	-	-	(14,371)	-	(14,371)
	1,587	(896)	-	105	463	844	-	(34,526)	-	397	(32,026)	(1,064)	(33,090)
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

US\$'000	Share capital	Treasury shares	Share premium	Revenue reserve	Share option reserve	Total equity
COMPANY						
Balance at 31.12.2005	89,535	-	7,522	65,407	169	162,633
Shares issued pursuant to the exercise of share options	19	-	-	-	-	19
Share issue expense	-	-	(7)	-	-	(7)
Transfer from share premium to share capital	7,515	-	(7,515)	-	-	-
Profit for the financial year	-	-	-	32,309	-	32,309
Grant of share options to employees	-	-	-	-	443	443
Dividend paid in respect of previous financial year	-	-	-	(22,356)	-	(22,356)
Dividend paid in respect of current financial year	-	-	-	(14,307)	-	(14,307)
Balance at 31.12.2006	97,069	-	-	61,053	612	158,734
Shares issued pursuant to the exercise of share options	1,587	-	-	-	-	1,587
Purchase of treasury shares	-	(896)	-	-	-	(896)
Profit for the financial year	-	-	-	14,423	-	14,423
Grant of share options to employees	-	-	-	-	232	232
Dividend paid in respect of previous financial year	-	-	-	(19,760)	-	(19,760)
Dividend paid in respect of current financial year	-	-	-	(14,371)	-	(14,371)
Balance at 31.12.2007	98,656	(896)	-	41,345	844	139,949

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 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(d)(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(d)(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

Since the end of the last financial year, the share capital of the Company increased from US\$97.1 million to US\$98.7 million as 780,600 shares (6 months ended 31 December 2006: 9,600) were allotted and issued pursuant to the exercise of share options under The 2002 Elec & Eltek Employees' Share Option Scheme (the "2002 Scheme").

During the fourth financial quarter ended 31 December 2007, the Company acquired 487,000 shares of its own shares through on-market purchases on the Singapore Exchange Securities Trading Limited. Such shares are held as treasury shares for future application. The total consideration paid to acquire the shares was US\$896,056 and this was deducted against shareholders' equity.

The treasury shares bought by the Company in CY2007 were not used for any allowed application and as at 31 December 2007, the Company held 487,000 (31 December 2006: Nil) treasury shares.

Consequent to the above, the Company has a total of 179,148,062 (31 December 2006: 178,854,462) issued shares excluding treasury shares as at 31 December 2007.

Share options

As at 31 December 2007, there were outstanding share options to subscribe for 10,687,000 (31 December 2006: 11,906,400) unissued ordinary shares under the 2002 Scheme.

The movement of outstanding share options of the Company for the financial year from 1 January 2007 to 31 December 2007 was set out below:

Date of grant	Subscription price per share (US\$)	Outstanding balance as at	Lapsed	Exercised	Outstanding balance as at	Expiry date
		1.1.2007			31.12.2007	
24 Jun 2005	2.033	10,706,400	(346,800)	(780,600)	9,579,000	24 May 2010
29 Sep 2005	2.375	180,000	-	-	180,000	4 Sep 2010
12 Dec 2006	2.400	1,020,000	(92,000)	-	928,000	12 Nov 2011
TOTAL		11,906,400	(438,800)	(780,600)	10,687,000	

There were no share options granted to employees under the 2002 Scheme in CY2007.

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

The figures for CY2007 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 financial year ended 31 December 2007, the Group has adopted all the new and revised 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 2007. The adoption of these new/revised FRSs and INT FRSs 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 follows.

FRS 107 - Financial Instruments: Disclosures and amendments to FRS 1 Presentation of Financial Statements relating to capital disclosures

The Group has adopted FRS 107 with effect from annual periods beginning on or after 1 January 2007. The new standard has resulted in an expansion of the disclosures in the financial statements regarding the Group's financial instruments. The Group has also presented information regarding its objectives, policies and processes for managing capital as required by the amendments to FRS 1 which are effective from annual periods beginning on or after 1 January 2007.

FRS 40 - Investment Property

FRS 40 is effective for annual periods beginning on or after 1 January 2007. The Group adopted the fair value model under FRS 40 whereby all changes in fair value of the Group's investment properties are recognised in profit or loss.

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	4QCY07	4QCY06	CY2007	CY2006	Audited 6 months 31.12.2006
Earnings per share					
5.1 Based on weighted average number of ordinary shares in issue	7.42	8.24	19.39	31.61	17.51
Weighted average number of ordinary shares in issue ('000)	179,456	178,846	179,498	178,845	178,845
5.2 On a fully diluted basis	7.42	8.12	19.27	31.21	17.27
Adjusted weighted average number of ordinary shares ('000)	179,456	181,547	180,610	181,162	181,277

**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	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Net asset value per ordinary share based on total number of issued shares excluding treasury shares at end of financial period	1.91	1.76	0.78	0.89

Net asset value per ordinary share was computed based on total number of issued shares excluding treasury shares of 178,854,462 and 179,148,062 ordinary shares as at 31 December 2006 and 31 December 2007, respectively.

**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's revenue for the financial year under review recorded an increase of US\$56.4 million or 10.9% to US\$572.3 million in tandem with higher shipment made during the year.

Revenue from the Automotive and Consumer Electronics sectors grew 33.6% and 50.8% to US\$58.5 million and US\$99.6 million in CY2007 respectively as compared to the previous corresponding year. The proportion of sales from 2- to 6- layers printed circuits boards ("PCBs") marginally increased to 69.9% in CY2007 from 68.8% in CY2006 whilst the proportion of 8-layers and above PCBs declined to 30.1% in CY2007 from 31.2% a year ago. Nevertheless, the blended ASP expanded by 3.6% in CY2007 as compared to CY2006 as the Group managed to pass on the higher material costs to our customers in the form of price adjustment. Being one of the key players in the PCB industry with materials support from its parent company, Kingboard Chemical Holdings Limited, the Group was able to enhance its corporate profile with both existing and new customers and continued to maintain our market share.

The gross margin for CY2007 was 16.1% as compared to 22.3% a year ago mainly due to (a) seasonal fluctuation on computer industry in the first quarter of CY2007; (b) high volatility in raw materials prices; and (c) under performance of Kaiping plants during the year.

As a result of the foregoing factors, along with higher provision for doubtful debts and weakened US\$, the Group's net profit attributable to the equity holders declined by 38.5% to US\$34.8 million in CY2007 as compared to its previous corresponding year. On a brighter note, we are gratified and encouraged that our continuous efforts in sharpening the operations allow the Group to post a healthy 65.4% jump in net attributable profits to US\$13.3 million in 4QCY07 from US\$8.1 million in the third quarter of CY2007.

The Directors having considered the Group's continued ability on free cash flow generation and their confidence in the corporate performance going forward, hereby recommend a one-tier tax exempt final dividend of US 12.5 cents, comprising a one-tier tax exempt final dividend of US 4.5 cents and a one-tier tax exempt special dividend of US 8.0 cents (collectively "one-tier tax exempt final dividend"). This together with the one-tier tax exempt interim dividend of US 8.0 cents paid in September 2007, represents 105.7% of the earnings per share for CY2007.

In the opinion of the Directors, no item, transaction or event of material or unusual nature has occurred during the period from 1 January 2008 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 4QCY07 was in line with the SGXNET prospect statement released on 30 October 2007.

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 Group began the new financial year, in line with seasonal effect, with softening order backlog. We are mindful of the challenges facing the industry due to the US economy slowdown. However, the restructuring initiatives made by the Group in CY2007 were taken to ensure a strong financial position as we took the steps toward the rationalisation and revitalisation of our businesses. Equipped with a strong balance sheet and lower net borrowings, the Group is well positioned to meet the challenges ahead.

Our plants in Kaiping start to improve its production yield in the last quarter of CY2007. We plan to keep a steady focus on quality, cost and operational improvements to mitigate the effects of uncertain economics environment, especially the chain effects of the possible adverse global financial markets.

In CY2008, we will continue to grow our business as well as develop new capabilities to address changing customers' needs. The high density interconnect ("HDI") products remain one of our key growth drivers in the year ahead as exemplified by its anticipated profit contribution. The Group's new HDI plant in Kaiping South is underway of construction and is expected to fully ramp-up its phase one by the end of year 2008.

We are also expanding our production capacities of our Guangzhou and Thailand facilities so as to step up our business development efforts to meet increasing demand.

Barring unforeseen circumstances, the Directors expect the Group to achieve growth and progress in the first quarter of CY2008.

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	Interim	Final	Special
Dividend Type	Cash	Cash	Cash
Dividend Amount per Share (in cents)	US 8.0 cents per ordinary share (one-tier tax exempt)	US 4.5 cents per ordinary share (one-tier tax exempt)	US 8.0 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	Final	Special
Dividend Type	Cash	Cash
Dividend Amount per Share (in cents)	US 5.0 cents per ordinary share (one-tier tax exempt)	US 6.0 cents per ordinary share (one-tier tax exempt)

The above dividends were declared in respect of the 6 months financial period ended 31 December 2006.

(c) Date payable

The proposed one-tier tax exempt final dividend which shall be subject to shareholders' approval at the forthcoming annual general meeting of the Company, is payable on 30 April 2008 to members registered in the books of the Company at the close of business on 18 April 2008.

(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. 18 April 2008 to 19 April 2008, 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 3 Church Street #08-01 Samsung Hub, Singapore 049483, up to the close of business at 5:00 p.m. on 18 April 2008 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 18 April 2008 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.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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, 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 segments based upon the shipment locations are provided below:

US\$'000	CY2007	CY2006	Audited 6 months 31.12.2006
<i>Asia</i>			
The People's Republic of China (including Hong Kong)	291,300	246,349	133,228
South East Asia	114,793	108,124	60,254
Others	21,973	20,926	12,670
	428,066	375,399	206,152
Europe	104,331	95,992	52,621
North & Central America	35,011	39,166	24,112
Rest of the world	4,866	5,288	2,224
	572,274	515,845	285,109

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	CY2007	GROUP	
		CY2006	% Change
(a) Sales reported for first half year	254,999	230,736	10.5%
(b) Operating profit/loss after tax before deducting minority interests reported for first half year	13,278	26,131	-49.2%
(c) Sales reported for second half year	317,275	285,109	11.3%
(d) Operating profit/loss after tax before deducting minority interests reported for second half year	21,613	32,151	-32.8%

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

Total Annual Dividend (*Refer to Para 16 of Appendix 7.2 for the required details*)

	Latest Full Year (US\$'000)	Previous Full Year (US\$'000)
Ordinary	36,744	19,760
Preference	0	0
Total:	36,744	19,760

The dividend of US\$19.76 million reflected above for previous full year was paid in respect of the 6 months financial period ended 31 December 2006.

15 Interested Persons Transactions

Name of Interested Person US\$'000	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)	
	CY2007	CY2006	CY2007	CY2006
Acquisition of an associate				
Jamplan (BVI) Limited	-	441	-	-
	-	441	-	-
Sale of plant and equipment				
Techwise (Macao Commercial Offshore) Circuits Limited	161	553	-	-
	161	553	-	-
Sale of subsidiary				
Top Faith PCB (Kunshan) Co. Ltd.	8,308	-	-	-
	8,308	-	-	-
Purchases of goods and services				
Hong Kong Fibre Glass Company Limited	-	-	5,976	4,439
Heng Yang Kingboard Chemical Co., Ltd	-	-	5,648	915
Kingboard Copper Foil (Macao Commercial Offshore) Limited	-	-	51,784	44,112
Kingboard Laminates (Macao Commercial Offshore) Limited	-	-	50,313	44,175
Kingboard Investments Limited	410	-	-	64
Techwise Circuits Co. Ltd.	6	-	-	-
Techwise (Macao Commercial Offshore) Circuits Limited	-	-	75	6
Top Faith PCB Co. Ltd	-	-	284	59
Elec & Eltek Corporate Services Limited	372	-	-	269
Elec & Eltek Display Technology (Qingyuan) Co. Ltd	118	-	-	-
Joyful Source Group Limited	2,416	-	-	-
Kingboard (Lian Zhou) Electronic Materials Ltd	-	-	10,209	-
	3,322	-	124,289	94,039
Provision of goods and services				
Jiangmen Glory Faith PCB Co. Ltd.	3	-	2,819	4,950
Techwise (Macao Commercial Offshore) Circuits Limited	7	-	1,230	3,830
Techwise Circuits Co. Ltd.	-	-	-	331
Top Faith PCB Co. Ltd	1	-	2	-
Smark Foundate (H.K.) Ltd.	1	-	-	-
Topsearch Printed Circuits (H.K.) Ltd.	10	-	-	-
Wing Fung PCB Company Limited	1	-	118	-
Elec & Eltek Display Technology Limited	45	-	-	47
E & E Magnetic Products Limited	13	-	-	18
	81	-	4,169	9,176

16 Subsequent Events

Share Buy-Back

Subsequent to the end of the financial year, the Company purchased 163,000 ordinary shares pursuant to the shareholders' mandate approved by the shareholders of the Company at the extraordinary general meeting held on 12 April 2007. These shares are acquired via on-market share purchase by the Company and will be held as treasury shares, with no voting rights and dividend entitlement.

BY ORDER OF THE BOARD

Cheung Kwok Wing
Chairman
27 February 2008