



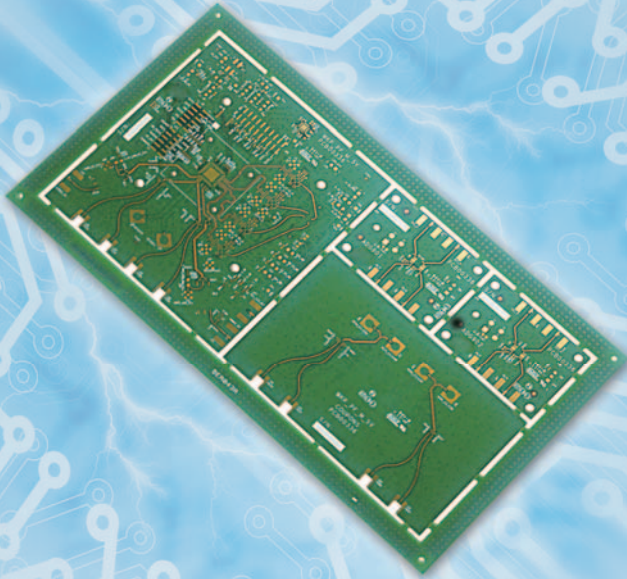
Elec & Eltek 依利安達

ELEC & ELTEK INTERNATIONAL COMPANY LIMITED

依利安達集團有限公司*

(Incorporated in the Republic of Singapore with Limited Liability)

Stock Code: 1151



* For identification purpose only

2011 Interim
Report

RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Elec & Eltek International Company Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the second quarter (“**2QCY11**”) and six months (“**1HCY11**”) ended 30 June 2011 together with the comparative figures for the second quarter (“**2QCY10**”) and six months (“**1HCY10**”) ended 30 June 2010.

Condensed Consolidated Statement of Comprehensive Income

	Notes	2QCY11 US\$'000 (Unaudited)	2QCY10 US\$'000 (Unaudited)	% Change	1HCY11 US\$'000 (Unaudited)	1HCY10 US\$'000 (Unaudited)	% Change
Revenue	3	167,737	155,955	7.6%	314,858	291,247	8.1%
Cost of sales		(138,550)	(119,773)	15.7%	(258,411)	(225,377)	14.7%
Gross profit		29,187	36,182	-19.3%	56,447	65,870	-14.3%
<i>Gross profit margin</i>		17.4%	23.2%		17.9%	22.6%	
Other operating income and gains		722	1,196	-39.6%	1,819	1,869	-2.7%
Distribution & selling expenses		(4,568)	(3,880)	17.7%	(8,742)	(7,705)	13.5%
Administrative expenses		(10,975)	(6,751)	62.6%	(17,455)	(13,367)	30.6%
Other operating expenses and losses		(430)	(367)	17.2%	(562)	(581)	-3.3%
Finance costs	4	(332)	(322)	3.1%	(638)	(594)	7.4%
Profit before taxation		13,604	26,058	-47.8%	30,869	45,492	-32.1%
Income tax expense	5	(1,326)	(1,745)	-24.0%	(2,488)	(2,901)	-14.2%
Profit for the period		12,278	24,313	-49.5%	28,381	42,591	-33.4%
Other comprehensive income:							
Exchange differences on translation of foreign operations		735	753	-2.4%	792	3,598	-78.0%
Other comprehensive income for the period		735	753	-2.4%	792	3,598	-78.0%
Total comprehensive income for the period		13,013	25,066	-48.1%	29,173	46,189	-36.8%
Profit for the period attributable to:							
Owners of the Company		12,047	24,105	-50.0%	27,917	42,162	-33.8%
Non-controlling interests		231	208	11.1%	464	429	8.2%
		12,278	24,313	-49.5%	28,381	42,591	-33.4%

Notes	2QCY11 US\$'000 (Unaudited)	2QCY10 US\$'000 (Unaudited)	% Change	1HCY11 US\$'000 (Unaudited)	1HCY10 US\$'000 (Unaudited)	% Change
Total comprehensive income attributable to:						
Owners of the Company	12,782	24,773	-48.4%	28,709	45,708	-37.2%
Non-controlling interests	231	293	-21.2%	464	481	-3.5%
	13,013	25,066	-48.1%	29,173	46,189	-36.8%
Earnings per share (US cents)	7					
- basic	6.45	12.96	-50.2%	14.95	23.09	-35.3%
- diluted	6.45	12.95	-50.2%	14.94	23.07	-35.2%

Notes to Consolidated Statement of Comprehensive Income:

	2QCY11 US\$'000 (Unaudited)	2QCY10 US\$'000 (Unaudited)	% Change	1HCY11 US\$'000 (Unaudited)	1HCY10 US\$'000 (Unaudited)	% Change
Depreciation	11,109	12,071	-8.0%	22,238	23,775	-6.5%
Amortisation of prepaid land use rights	60	57	5.3%	120	114	5.3%
Allowance / (reversal of allowance) for doubtful debts	94	(6)	n/m	247	49	404.1%
Allowance / (reversal of allowance) for inventory obsolescence	37	(438)	-108.4%	(125)	(681)	-81.6%
Loss / (gain) on foreign exchange	77	(126)	-161.1%	(329)	27	n/m

n/m — percentage not meaningful

Condensed Consolidated Statement of Financial Position

		GROUP		COMPANY	
		30 June	31 December	30 June	31 December
		2011	2010	2011	2010
Notes		US\$'000	US\$'000	US\$'000	US\$'000
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
ASSETS					
Current assets					
		61,540	66,913	45	37
		174,635	150,627	—	—
	10	4,902	3,639	—	—
	10	—	—	—	—
		—	—	4,900	44,900
	11	11,930	10,554	19	4
		242	242	—	—
		62,487	58,065	—	—
		315,736	290,040	4,964	44,941
Non-current assets					
		322,213	326,218	6	10
	9	14,817	14,817	—	—
		1,421	1,815	—	—
		21,300	21,300	—	—
		—	—	356,512	357,394
		827	1,047	—	—
		360,578	365,197	356,518	357,404
		676,314	655,237	361,482	402,345

		GROUP		COMPANY	
		30 June	31 December	30 June	31 December
		2011	2010	2011	2010
Notes		US\$'000	US\$'000	US\$'000	US\$'000
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
LIABILITIES AND EQUITY					
Current liabilities					
Bank overdraft and loans	13	57,337	47,799	—	—
Trade payables	12	117,591	107,514	—	—
Bills payables	12	6,523	4,943	—	—
Other payables		41,860	36,424	402	435
Amount due to subsidiaries		—	—	152,631	146,436
Provision for taxation		1,840	1,858	—	—
Total current liabilities		225,151	198,538	153,033	146,871
Non-current liabilities					
Bank loans	13	64,234	52,666	—	—
Deferred tax liabilities		2,158	2,104	—	—
Total non-current liabilities		66,392	54,770	—	—
Capital, reserves and non-controlling interests					
Share capital	14	113,701	114,665	113,701	114,665
Treasury shares		—	(1,356)	—	(1,356)
Reserves		261,203	279,204	94,748	142,165
Equity attributable to owners of the Company		374,904	392,513	208,449	255,474
Non-controlling interests		9,867	9,416	—	—
Total equity		384,771	401,929	208,449	255,474
Total liabilities and equity		676,314	655,237	361,482	402,345

Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company											
	Share capital US\$'000	Treasury shares US\$'000	Capital reserve US\$'000 (Note a)	Statutory reserve US\$'000 (Note b)	Revaluation reserve US\$'000	Other reserve US\$'000	Share option reserve US\$'000	Foreign currency translation reserve US\$'000	Retained earnings US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
GROUP												
2QCY11												
Balance at 31 March 2011 (unaudited)	113,390	—	1,853	6,508	2,167	166	93	14,986	269,359	408,522	9,649	418,171
Changes in equity for 2QCY11												
Total comprehensive income for the period	—	—	—	—	—	—	—	735	12,047	12,782	231	13,013
Shares issued pursuant to the exercise of share options	311	—	—	—	—	—	—	—	—	311	—	311
Transfer to capital reserve upon exercise of share options	—	—	43	—	—	—	(43)	—	—	—	—	—
Transfer to retained earnings upon lapse of share options	—	—	—	—	—	—	(1)	—	1	—	—	—
Dividend paid in respect of previous year	—	—	—	—	—	—	—	—	(46,711)	(46,711)	(13)	(46,724)
Balance at 30 June 2011 (unaudited)	<u>113,701</u>	<u>—</u>	<u>1,896</u>	<u>6,508</u>	<u>2,167</u>	<u>166</u>	<u>49</u>	<u>15,721</u>	<u>234,696</u>	<u>374,904</u>	<u>9,867</u>	<u>384,771</u>
2QCY10												
Balance at 31 March 2010 (unaudited)	112,792	(1,356)	4,268	3,679	2,167	166	341	16,579	264,510	403,146	9,452	412,598
Changes in equity for 2QCY10												
Total comprehensive income for the period	—	—	—	—	—	—	—	668	24,105	24,773	293	25,066
Shares issued pursuant to the exercise of share options	807	—	—	—	—	—	—	—	—	807	—	807
Transfer to capital reserve upon exercise of share options	—	—	33	—	—	—	(33)	—	—	—	—	—
Amortisation for the vesting period (Share-based payments)	—	—	—	—	—	—	9	—	—	9	—	9
Transfer to retained earnings upon lapse of share options	—	—	—	—	—	—	(93)	—	93	—	—	—
Transfer from retained earnings to statutory reserve	—	—	—	120	—	—	—	—	(120)	—	—	—
Dividend paid in respect of previous year	—	—	—	—	—	—	—	—	(46,460)	(46,460)	(387)	(46,847)
Balance at 30 June 2010 (unaudited)	<u>113,599</u>	<u>(1,356)</u>	<u>4,301</u>	<u>3,799</u>	<u>2,167</u>	<u>166</u>	<u>224</u>	<u>17,247</u>	<u>242,128</u>	<u>382,275</u>	<u>9,358</u>	<u>391,633</u>

Attributable to owners of the Company

	Share capital US\$'000	Treasury shares US\$'000	Capital reserve US\$'000 (Note a)	Statutory reserve US\$'000 (Note b)	Revaluation reserve US\$'000	Other reserve US\$'000	Share option reserve US\$'000	Foreign currency translation reserve US\$'000	Retained earnings US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
GROUP												
1HCY11												
Balance at 31 December 2010 (audited)	114,665	(1,356)	1,842	6,398	2,167	166	103	14,929	253,599	392,513	9,416	401,929
Changes in equity for 1HCY11												
Total comprehensive income for the period	—	—	—	—	—	—	—	792	27,917	28,709	464	29,173
Shares issued pursuant to the exercise of share options	392	—	—	—	—	—	—	—	—	392	—	392
Transfer to capital reserve upon exercise of share options	—	—	54	—	—	—	(54)	—	—	—	—	—
Amortisation for the vesting period (Share-based payments)	—	—	—	—	—	—	1	—	—	1	—	1
Transfer to retained earnings upon lapse of share options	—	—	—	—	—	—	(1)	—	1	—	—	—
Cancellation of treasury shares	(1,356)	1,356	—	—	—	—	—	—	—	—	—	—
Transfer from retained earnings to statutory reserve	—	—	—	110	—	—	—	—	(110)	—	—	—
Dividend paid in respect of previous year	—	—	—	—	—	—	—	—	(46,711)	(46,711)	(13)	(46,724)
Balance at 30 June 2011 (unaudited)	<u>113,701</u>	<u>—</u>	<u>1,896</u>	<u>6,508</u>	<u>2,167</u>	<u>166</u>	<u>49</u>	<u>15,721</u>	<u>234,696</u>	<u>374,904</u>	<u>9,867</u>	<u>384,771</u>
1HCY10												
Balance at 31 December 2009 (audited)	98,656	(1,356)	2,702	3,612	2,167	166	1,919	13,701	246,498	368,065	9,264	377,329
Changes in equity for 1HCY10												
Total comprehensive income for the period	—	—	—	—	—	—	—	3,546	42,162	45,708	481	46,189
Shares issued pursuant to the exercise of share options	14,943	—	—	—	—	—	—	—	—	14,943	—	14,943
Transfer to capital reserve upon exercise of share options	—	—	1,599	—	—	—	(1,599)	—	—	—	—	—
Amortisation for the vesting period (Share-based payments)	—	—	—	—	—	—	19	—	—	19	—	19
Transfer to retained earnings upon lapse of share options	—	—	—	—	—	—	(115)	—	115	—	—	—
Transfer from retained earnings to statutory reserve	—	—	—	187	—	—	—	—	(187)	—	—	—
Dividend paid in respect of previous year	—	—	—	—	—	—	—	—	(46,460)	(46,460)	(387)	(46,847)
Balance at 30 June 2010 (unaudited)	<u>113,599</u>	<u>(1,356)</u>	<u>4,301</u>	<u>3,799</u>	<u>2,167</u>	<u>166</u>	<u>224</u>	<u>17,247</u>	<u>242,128</u>	<u>382,275</u>	<u>9,358</u>	<u>391,633</u>

Notes:

- As at 30 June 2011, capital reserve represents amounts transferred from share option reserve upon the exercise of share options. As at 30 June 2010, capital reserve represents amounts transferred from share option reserve upon the exercise of share options and amounts set aside by subsidiaries operating in Thailand for declaration of dividends as required under the laws of Thailand.
- Statutory reserve represents the Enterprise Expansion Fund and General Reserve set aside by certain subsidiaries in accordance with the relevant laws and regulation of the People's Republic of China. Statutory reserve as at 31 March 2011 and 30 June 2011 also included amounts set aside by subsidiaries operating in Thailand for declaration of dividends as required under the laws of Thailand.

	Share capital US\$'000	Treasury shares US\$'000	Capital reserve US\$'000	Share option reserve US\$'000	Retained earnings US\$'000	Total equity US\$'000
COMPANY						
2QCY11						
Balance at 31 March 2011 (unaudited)	113,390	—	1,853	93	139,884	255,220
Changes in equity for 2QCY11						
Total comprehensive expense for the period	—	—	—	—	(371)	(371)
Shares issued pursuant to the exercise of share options	311	—	—	—	—	311
Transfer to capital reserve upon exercise of share options	—	—	43	(43)	—	—
Transfer to retained earnings upon lapse of share options	—	—	—	(1)	1	—
Dividend paid in respect of previous year	—	—	—	—	(46,711)	(46,711)
Balance at 30 June 2011 (unaudited)	<u>113,701</u>	<u>—</u>	<u>1,896</u>	<u>49</u>	<u>92,803</u>	<u>208,449</u>
2QCY10						
Balance at 31 March 2010 (unaudited)	112,792	(1,356)	1,671	341	89,247	202,695
Changes in equity for 2QCY10						
Total comprehensive income for the period	—	—	—	—	71,399	71,399
Shares issued pursuant to the exercise of share options	807	—	—	—	—	807
Transfer to capital reserve upon exercise of share options	—	—	33	(33)	—	—
Amortisation for the vesting period (Share-based payments)	—	—	—	9	—	9
Transfer to retained earnings upon lapse of share options	—	—	—	(93)	93	—
Dividend paid in respect of previous year	—	—	—	—	(46,460)	(46,460)
Balance at 30 June 2010 (unaudited)	<u>113,599</u>	<u>(1,356)</u>	<u>1,704</u>	<u>224</u>	<u>114,279</u>	<u>228,450</u>

	Share capital US\$'000	Treasury shares US\$'000	Capital reserve US\$'000	Share option reserve US\$'000	Retained earnings US\$'000	Total equity US\$'000
COMPANY						
1HCY11						
Balance at 31 December 2010 (audited)	114,665	(1,356)	1,842	103	140,220	255,474
Changes in equity for 1HCY11						
Total comprehensive expense for the period	—	—	—	—	(707)	(707)
Shares issued pursuant to the exercise of share options	392	—	—	—	—	392
Transfer to capital reserve upon exercise of share options	—	—	54	(54)	—	—
Amortisation for the vesting period (Share-based payments)	—	—	—	1	—	1
Transfer to retained earnings upon lapse of share options	—	—	—	(1)	1	—
Cancellation of treasury shares	(1,356)	1,356	—	—	—	—
Dividend paid in respect of previous year	—	—	—	—	(46,711)	(46,711)
	<u>113,701</u>	<u>—</u>	<u>1,896</u>	<u>49</u>	<u>92,803</u>	<u>208,449</u>
Balance at 30 June 2011 (unaudited)	113,701	—	1,896	49	92,803	208,449
1HCY10						
Balance at 31 December 2009 (audited)	98,656	(1,356)	—	1,062	52,048	150,410
Changes in equity for 1HCY10						
Total comprehensive income for the period	—	—	—	—	108,586	108,586
Shares issued pursuant to the exercise of share options	14,943	—	—	—	—	14,943
Amortisation for the vesting period (Share-based payments)	—	—	—	971	—	971
Transfer to capital reserve upon exercise of share options	—	—	1,704	(1,704)	—	—
Transfer to retained earnings upon lapse of share options	—	—	—	(105)	105	—
Dividend paid in respect of previous year	—	—	—	—	(46,460)	(46,460)
	<u>113,599</u>	<u>(1,356)</u>	<u>1,704</u>	<u>224</u>	<u>114,279</u>	<u>228,450</u>
Balance at 30 June 2010 (unaudited)	113,599	(1,356)	1,704	224	114,279	228,450

Condensed Consolidated Statement of Cash Flows

	2QCY11 <i>US\$'000</i> <i>(Unaudited)</i>	2QCY10 <i>US\$'000</i> <i>(Unaudited)</i>	1HCY11 <i>US\$'000</i> <i>(Unaudited)</i>	1HCY10 <i>US\$'000</i> <i>(Unaudited)</i>
Operating activities:				
Profit before taxation	13,604	26,058	30,869	45,492
Adjustments for:				
Allowance / (reversal of allowance) for doubtful debts	94	(6)	247	49
Depreciation of property, plant and equipment	11,109	12,071	22,238	23,775
Amortisation of prepaid land use rights	60	57	120	114
Finance costs	332	322	638	594
Loss on disposal of property, plant and equipment	235	398	222	393
Allowance / (reversal of allowance) for inventory obsolescence	37	(438)	(125)	(681)
Share-based payment expense	—	9	1	19
Interest income	(136)	(162)	(257)	(315)
	<hr/>	<hr/>	<hr/>	<hr/>
Operating income before movements in working capital	25,335	38,309	53,953	69,440
Increase in inventories	(2,201)	(5,578)	(4,297)	(16,846)
Increase in trade and other receivables	(21,790)	(10,005)	(26,894)	(21,960)
Increase in trade and other payables	14,196	9,371	17,093	34,973
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash generated from operations	15,540	32,097	39,855	65,607
Interest income received	136	162	257	315
Interest paid	(285)	(322)	(570)	(594)
Income taxes paid	(1,858)	(1,835)	(2,182)	(2,198)
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash from operating activities	13,533	30,102	37,360	63,130

	2QCY11 <i>US\$'000</i> <i>(Unaudited)</i>	2QCY10 <i>US\$'000</i> <i>(Unaudited)</i>	1HCY11 <i>US\$'000</i> <i>(Unaudited)</i>	1HCY10 <i>US\$'000</i> <i>(Unaudited)</i>
Investing activities:				
Proceeds from disposal of property, plant and equipment	2,583	141	2,597	141
Purchase of property, plant and equipment	(8,446)	(6,842)	(13,944)	(13,458)
Acquisition of prepaid land use rights	(86)	—	(113)	—
Deposits paid for acquisition of property, plant and equipment	(2,466)	(811)	(6,817)	(6,430)
Net cash used in investing activities	(8,415)	(7,512)	(18,277)	(19,747)
Financing activities:				
Proceeds from bank borrowings	53,721	6,101	55,148	35,091
Repayment of bank borrowings	(21,120)	(18,011)	(34,035)	(38,469)
Proceeds from share issue pursuant to the exercise of share options	311	807	392	14,943
Dividends paid by the Company	(46,711)	(46,460)	(46,711)	(46,460)
Dividends paid by subsidiaries to non-controlling interests	(13)	(387)	(13)	(387)
Net cash used in financing activities	(13,812)	(57,950)	(25,219)	(35,282)
Net (decrease) / increase in cash and cash equivalents	(8,694)	(35,360)	(6,136)	8,101
Cash and cash equivalents at the beginning of the period	69,624	104,588	66,906	60,054
Effect of foreign exchange rate changes on the balances of cash held in foreign currencies, net	610	(372)	770	701
Cash and cash equivalents at the end of the period	61,540	68,856	61,540	68,856

Cash and cash equivalents comprise the following breakdown:

	30 June 2011 <i>US\$'000</i>	30 June 2010 <i>US\$'000</i>
Bank balances and cash	61,540	68,856
Bank overdrafts	—	—
	61,540	68,856

Notes:

1. General

Elec & Eltek International Company Limited (Registration Number 199300005H) (the "**Company**") is a limited liability company incorporated and domiciled in Singapore. The Company's ultimate holding company is Kingboard Chemical Holdings Limited ("**Kingboard**"), incorporated in Cayman Islands. Related companies in these financial statements refer to the ultimate holding company and its subsidiary companies. Related parties in these financial statements refer to entities with common directors or shareholders of the ultimate holding company and its subsidiary companies.

The Company is listed on the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX**") and The Stock Exchange of Hong Kong Limited ("**SEHK**"). The financial statements are expressed in United States Dollars, which is the functional currency of the Company.

The Group's manufacturing operations are located in Hong Kong, Thailand and the People's Republic of China (the "**PRC**"). The principal activity of the Company is investment holding. Its subsidiary companies are primarily engaged in the fabrication and distribution of double-sided, multi-layer and high density interconnect ("**HDI**") printed circuit boards ("**PCB**"). There have been no significant changes in the nature of these activities for the six-month period ended 30 June 2011.

2. Basis of preparation and principal accounting policies

The unaudited interim condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on SEHK and Singapore Financial Reporting Standards 34 "Interim Financial Reporting" ("**FRS 34**").

The same accounting policies and methods of computation have been applied in the preparation of the interim condensed consolidated financial statements for the six-month period ended 30 June 2011 as the most recent audited financial statements as at 31 December 2010.

In the current period, the Group has applied, for the first time, the following new and revised Financial Reporting Standards ("**FRS**"), amendments and interpretation of FRS that are effective for annual periods beginning on or after 1 January 2011.

- *FRS 24 (Revised) Related party disclosures*
- Amendment to FRS 32 *Financial Instruments: Presentation* *Financial Instruments: Presentation - Amendments relating to Classification of Rights Issues*
- INT FRS 119 *Extinguishing Financial Liabilities with Equity Instruments*

The application of these new and revised FRSs does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for current and prior periods.

The Group has not early adopted the following new and revised standards or amendments that have been issued but are not yet effective.

- Improvements to Financial Reporting Standards (issued in October 2010)¹
- FRS 107 *Amendments Disclosures – Transfers of Financial Assets*²
- FRS 12 *Amendments Deferred Tax – Recovery of Underlying Asset*³

- ¹ Effective for annual periods beginning on or after 1 March 2011
² Effective for annual periods beginning on or after 1 July 2011
³ Effective for annual periods beginning on or after 1 January 2012

The Group is in the process of making an assessment of the impact of these new and revised standards and amendments upon initial application but is not yet in a position to state whether these new and revised standards and amendments would have a significant impact on its results of operations and financial position of the Group.

3. Revenue and segment information

The Group's operating activities are attributable to a single reporting segment focusing on manufacture and distribution of PCBs. This reportable segment has been identified on the basis of internal management reports prepared in accordance with accounting policies to conform with FRSs, that are regularly reviewed by the Executive Directors of the Company in order to allocate resources to this reportable segment and to assess its performance. Accordingly, no analysis of this single reporting segment is represented.

4. Finance costs

	1HCY11 US\$'000 (Unaudited)	1HCY10 US\$'000 (Unaudited)
Interest on bank loans wholly repayable within five years	706	624
Less: Amounts capitalised	(68)	(30)
	638	594

5. Income tax expenses

	1HCY11 US\$'000 (Unaudited)	1HCY10 US\$'000 (Unaudited)
Current tax:		
Singapore income tax	3	3
PRC enterprise income tax	1,450	1,452
Hong Kong income tax	357	526
Other jurisdictions	354	441
	2,164	2,422
Deferred tax	324	479
	2,488	2,901

The Group's profit is subject to taxation from the place of its operations where its profit is generated. Taxation arising in other jurisdictions is calculated at rates prevailing in the relevant jurisdictions.

6. Interim dividend

The Directors have resolved to declare an interim dividend (one-tier tax exempt) for the six months ended 30 June 2011 of US15.0 cents (2010: US15.0 cents) per share to the shareholders whose names appear on the register of members of the Company at the close of business on 17 August 2011. The dividend will be paid on 31 August 2011.

7. Earnings per share

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following:

	Earnings		Earnings	
	2QCY11 US\$'000 (Unaudited)	2QCY10 US\$'000 (Unaudited)	1HCY11 US\$'000 (Unaudited)	1HCY10 US\$'000 (Unaudited)
Profit attributable to owners of the Company	<u>12,047</u>	<u>24,105</u>	<u>27,917</u>	<u>42,162</u>
	Number of shares		Number of shares	
	2QCY11 '000	2QCY10 '000	1HCY11 '000	1HCY10 '000
Weighted average number of ordinary shares used to compute basic earnings per share	<u>186,841</u>	<u>186,027</u>	<u>186,776</u>	<u>182,592</u>
Add: Effect of dilutive potential ordinary shares on share options	<u>47</u>	<u>74</u>	<u>69</u>	<u>199</u>
Weighted average number of ordinary shares used to compute diluted earnings per share	<u>186,888</u>	<u>186,101</u>	<u>186,845</u>	<u>182,791</u>
Earnings per share (US cents)				
– basic	<u>6.45</u>	<u>12.96</u>	<u>14.95</u>	<u>23.09</u>
– diluted	<u>6.45</u>	<u>12.95</u>	<u>14.94</u>	<u>23.07</u>

8. Net asset value

	Group		Company	
	30 June 2011 US\$	31 December 2010 US\$	30 June 2011 US\$	31 December 2010 US\$
Net asset value (including non-controlling interests) per ordinary share based on total number of issued shares excluding treasury shares at the end of the period*	<u>2.06</u>	<u>2.15</u>	<u>1.12</u>	<u>1.37</u>

* Based on 186,845,362 issued shares as at 30 June 2011 (31 December 2010: 186,681,962 issued shares excluding treasury shares).

9. Additions to property, plant and equipment

During the reporting period, the Group spent approximately US\$20.9 million (six months ended 30 June 2010: approximately US\$19.9 million) on acquisition of property, plant and equipment including deposits paid.

10. Trade and bills receivables

	GROUP	
	30 June 2011 US\$'000 (Unaudited)	31 December 2010 US\$'000 (Audited)
Trade receivables		
– Third parties	170,171	148,437
– Related companies	10,360	7,881
Less: Allowance for doubtful debts	(5,896)	(5,691)
	<hr/>	<hr/>
	174,635	150,627
Bills receivables	4,902	3,639
	<hr/>	<hr/>
Total	<u>179,537</u>	<u>154,266</u>

The following is an aging analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period:

	GROUP	
	30 June 2011 US\$'000 (Unaudited)	31 December 2010 US\$'000 (Audited)
Within 90 days	153,697	128,400
91 to 180 days	19,382	20,777
Over 180 days	1,556	1,450
	<hr/>	<hr/>
	<u>174,635</u>	<u>150,627</u>

At the end of the reporting period, the bills receivables are aged within 180 days (31 December 2010: within 180 days).

Trade receivables are non-interest bearing and generally on 30 to 120 days' terms.

11. Other receivables

	GROUP	
	30 June 2011 US\$'000 (Unaudited)	31 December 2010 US\$'000 (Audited)
Deposits	1,425	378
Prepaid expenses	2,189	2,267
Other tax receivables	6,071	6,975
Others	2,245	934
	11,930	10,554

12. Trade and bills payables

	GROUP	
	30 June 2011 US\$'000 (Unaudited)	31 December 2010 US\$'000 (Audited)
Trade payables		
– Third parties	59,859	58,944
– Related companies	57,732	48,570
	117,591	107,514
Bills payables	6,523	4,943
Total	124,114	112,457

Trade payables are non-interest bearing and generally on 15 to 120 days' terms. The following is an aging analysis of trade payables presented based on the invoice date at the end of the reporting period:

	GROUP	
	30 June 2011 US\$'000 (Unaudited)	31 December 2010 US\$'000 (Audited)
Within 90 days	93,819	86,587
91 to 180 days	20,896	18,174
Over 180 days	2,876	2,753
	117,591	107,514

At the end of the reporting period, the bills payables are aged within 180 days (31 December 2010: within 180 days).

13. Bank borrowings

	GROUP	
	30 June 2011 US\$'000 (Unaudited)	31 December 2010 US\$'000 (Audited)
Unsecured:		
Bank loans	119,698	100,458
Trust receipts	1,873	—
Bank overdraft	—	7
	121,571	100,465
Comprising amounts following due:		
– within one year	57,337	47,799
– more than one year	64,234	52,666
	121,571	100,465

The Group's total debts increased by 21% to approximately US\$121.6 million as at 30 June 2011 from 31 December 2010 as additional loans were drawn down to fund for the new capital investment.

14. Share capital

	No. of shares	US\$'000
Issued and fully paid:		
As at 1 January 2010 (audited)	179,635,062	98,656
Exercise of share options	7,794,900	16,009
As at 31 December 2010 (audited)	187,429,962	114,665
Exercise of share options	163,400	392
Cancelled during the period	(748,000)	(1,356)
As at 30 June 2011 (unaudited)	186,845,362	113,701

As at 30 June 2011, the Company has a total of 186,845,362 (31 December 2010: 186,681,962) issued ordinary shares excluding treasury shares.

On 15 February 2011, the Company cancelled a total of 748,000 issued ordinary shares. These shares were repurchased by the Company in previous years and held as treasury shares. The treasury shares were cancelled by the Company on 15 February 2011 pursuant to Section 76K(d) of the Companies Act (Cap. 50), Singapore Statutes. There was no (30 June 2010: 748,000) treasury shares held by the Company as at 30 June 2011.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction and has no par value.

At the end of the reporting period, there are options outstanding granted to employees of the Group to subscribe for unissued shares totaling of 149,200 (31 December 2010: 316,100) ordinary shares as described in note 15.

15. Share options

Consequent to the issuance of 129,800 ordinary shares to the eligible share option holders and following the lapse of 3,500 options in 2QCY11, option to subscribe for 149,200 ordinary shares remain outstanding as at 30 June 2011 compared to 766,000 ordinary shares as at 30 June 2010. Options granted and outstanding under the 2002 Elec & Eltek Employees' Share Option Scheme (the "**2002 Scheme**") will continue to be valid and be subject to the rules of the 2002 Scheme.

The movement of the outstanding share options of the Company for the period from 31 March 2011 to 30 June 2011 was set out below:

Date of grant	Subscription price per share (US\$)	Outstanding balance as at 31 March 2011	Lapsed	Exercised	Outstanding balance as at 30 June 2011	Expiry date
12 Dec 2006	2.400	282,500	(3,500)	(129,800)	149,200	12 Nov 2011
TOTAL		<u>282,500</u>	<u>(3,500)</u>	<u>(129,800)</u>	<u>149,200</u>	

No share option has been granted under the 2008 Elec & Eltek Employees' Share Option Scheme (the "**2008 Scheme**") since its adoption by the Company on 9 May 2008.

Details of the 2002 Scheme and the 2008 Scheme are set out under the section "D. Other Information" of Appendix VI of the listing document of the Company dated 30 June 2011.

16. Contingent Liabilities

One of the Group's trading subsidiaries filed a claim against one of the customers in France for approximately US\$4.2 million after failed attempts to negotiate an amicable settlement with that customer. The customer in France countersued and sought to have the sales and purchase agreements between the customer and the Group declared null and void. On 5 May 2011, the court ordered the customer in France to pay the trading subsidiary the total amounts of approximately US\$2.9 million in principal, plus interest on the principal calculated from 1 July 2009 and EUR10,000 in court fees. The court dismissed a portion of the Company's claims for unpaid trade receivables which were delivered to the French customer's Tunisian and Brazilian operating subsidiaries even though the French customer placed the order, stating that the operating subsidiaries are separate legal entities. The customer in France lodged an appeal on 17 June 2011 although no date has been fixed for hearing the appeal. The Group has made full provision for the disputed trade receivables of approximately US\$3.8 million, which is in line with the Company's doubtful debt provision policy to provide for any overdue debts greater than 360 days.

One of the Group's subsidiaries in Kaiping ("**Ksub**") is currently involved in potential lawsuits, claims and proceedings with one of the PRC customers amounting to approximately RMB30.0 million (approximately US\$4.7 million), arising from some negative feedback from the end users of the assembled products using PCBs supplied by Ksub. At the same time, the Group is seeking to recover the long overdue trade receivables of approximately RMB1.0 million (approximately US\$0.2 million) from the same customer. In the court hearing on 17 June 2011, the PRC customer submitted evidence to the court which has yet to be examined. Based on the legal advice obtained by the Group, it is premature to assess the potential outcome of the case. The Board is of opinion that the abovementioned lawsuit will not have a material adverse financial effect on the Group.

Please refer to page 205 of the listing document of the Company dated 30 June 2011 for more details.

17. Capital commitments

	GROUP	
	30 June 2011 US\$'000 (Unaudited)	31 December 2010 US\$'000 (Audited)
Capital expenditure not provided for in the consolidated financial statements:		
Commitments in respect of contracts placed for plant expansion	49,821	24,565

18. Material acquisitions / Disposals, Significant investments and Charge on assets

The Group did not have any material acquisition or disposals, significant investments during 1HCY11. There was no charge on assets as at 30 June 2011.

19. Net current assets and Total assets less current liabilities

As at 30 June 2011, the Group's net current assets, defined as current assets less current liabilities, amounted to approximately US\$90.6 million (31 December 2010: net current assets approximately US\$91.5 million).

As at 30 June 2011, the Group's total assets less current liabilities amounted to approximately US\$451.2 million (31 December 2010: approximately US\$456.7 million).

20. Related party transactions / Connected transactions

	1HCY11 US\$'000 (Unaudited)	1HCY10 US\$'000 (Unaudited)
Income		
Sales to related companies	16,485	13,302
Sales to a minority shareholder of a subsidiary	62	—
Rental income from a minority shareholder of a subsidiary	940	947
Sharing of office space and office expenses received from related companies	92	10
Expenses		
Purchase from related companies	92,893	84,730
Purchase from a minority shareholder of a subsidiary	—	80
Consultation fees paid to a related party	—	10
Sharing of office space and office expenses paid to related companies	427	348
Management fee paid to related companies	—	3,691

21. Reconciliation between FRSs and International Financial Reporting Standards ("IFRSs")

For the six months ended 30 June 2011, there were no material differences between the condensed consolidated financial statements of the Group prepared under FRSs and IFRSs.

BUSINESS REVIEW AND OUTLOOK

Business Review

On behalf of the Board, it is my honor and privilege to present to all of our valued shareholders our first interim results since our successful dual primary listing on the main board of The Stock Exchange of Hong Kong Limited (“SEHK”) on 8 July 2011.

The milestone achieved by the Group in having a dual listing status of the Company's shares on SEHK has given the Group access to another buoyant capital market, thereby giving greater financial agility to capture additional growth opportunities as and when they arise.

Underpinned by healthy economic conditions in the region and the vertical-integrated business model we have developed over the past years, the Group was able to deliver profitable results on the back of higher sales revenue during the six-month period in spite of the inflationary cost environment. Benefiting from our strong position in China, and continuous strategic focus on high technology printed circuit board (“PCB”) sectors and related production capacity expansion, the Group was able to capture the ever-increasing demand for High Density Interconnect (“HDI”) PCB from major OEM customers.

In view of the sustainable good performance and the positive cash flow generating capability, the Directors have resolved to declare an interim dividend of US15.0 cents per share to reward our existing shareholders and to welcome our new shareholders for their confidence in and support given to the Company.

Financial Highlights

	1HCY11 US\$'000	1HCY10 US\$'000	Change
Revenue	314,858	291,247	+8%
EBITDA*	58,608	69,660	-16%
EBITDA margin*	18.6%	23.9%	-5%
Underlying profit before tax*	35,869	45,492	-21%
Net profit attributable to owners of the Company			
– Underlying net profit*	32,917	42,162	-22%
– Reported net profit	27,917	42,162	-34%
Basic earnings per share			
– Based on underlying net profit*	US17.62 cents	US23.09 cents	-24%
– Based on reported net profit	US14.95 cents	US23.09 cents	-35%
Interim dividend per share	US15.0 cents	US15.0 cents	0%
Dividend payout ratio	100.4%	66.4%	
Net asset value per share	US\$2.06	US\$2.10	-2%
Net gearing ratio	15.6%	11.5%	

* excluding the professional expenses of approximately US\$5.0 million for the six months ended 30 June 2011 in relation to the Company's dual primary listing for its shares on SEHK.

Performance

Our Company attained an approximately 8.1% revenue growth to approximately US\$314.9 million for the six-month reporting period ended 30 June 2011, and continued to advance its market share. Our increase in revenue was primarily due to an increase in demand for HDI PCBs used in mobile phones coupled with an increase in the average selling prices of PCBs across all segments.

The Group's proportion of sales of HDI PCBs grew to approximately 14.4% in 1HCY11 over approximately 8.4% in 1HCY10. Sales of PCBs of 2-layers to 6-layers, and 8-layers and above, accounted for approximately 62.1% and approximately 23.5% respectively of total PCBs sales in 1HCY11 as compared to approximately 67.4% and approximately 24.2% respectively of total PCBs sales in 1HCY10.

While sales have improved for this six-month period, inflationary pressure has certain impact on our margin due to higher materials and labor costs coupled with Renminbi ("RMB") appreciation for our manufacturing facilities. As a result, the Group's gross profit margin has contracted to approximately 17.9% at this interim period as compared to approximately 22.6% a year ago.

The increase in distribution and selling expenses by approximately 13.5% to approximately US\$8.7 million in 1HCY11 from approximately US\$7.7 million in 1HCY10 was largely attributable to the increased sales activities. Administrative expenses increased by approximately 30.6% to approximately US\$17.5 million in 1HCY11 from approximately US\$13.4 million which was mainly attributable to the professional expenses of approximately US\$5.0 million relating to the Company's dual primary listing of its shares on SEHK. Our finance costs increased by approximately 7.4% to approximately US\$0.64 million for 1HCY11 from approximately US\$0.59 million for 1HCY10 as a result of increase in outstanding bank borrowings during the six-month reporting period.

Taking the above factors into account, our Group achieved net profit and net profit margin of approximately US\$27.9 million and 8.9%, respectively, after accounting the one-off SEHK listing related expenses. Excluding the one-off SEHK listing related expenses, the Group's net profit and net profit margin for the six-month period was approximately US\$32.9 million and 10.5%, respectively.

In the opinion of the Board, no factor has arisen during the period from 30 June 2011 to the date of this report that would materially affect the results of the Company and/or the Group for that period.

LIQUIDITY AND CAPITAL RESOURCES

As at 30 June 2011, the Group's net current assets was approximately US\$90.6 million (31 December 2010: approximately US\$91.5 million) while current ratio was 1.40 as compared to 1.46 as at 31 December 2010.

The net working capital cycle increased to 42 days as at 30 June 2011 from 32 days as at 31 December 2010 on the following key metrics:

- Inventories, in terms of stock turnover days, increased to 35 days as the Group stocked up key raw materials strategically in 1HCY11 (31 December 2010: 29 days).
- Trade receivables, in terms of debtors turnover days, increased to 93 days which was in line with increased sales revenue in 2QCY11 (31 December 2010: 84 days).
- Trade payables, in terms of creditors turnover days, increased to 86 days which was in line with increased business volume in 2QCY11 (31 December 2010: 81 days).

The Group's net gearing ratio (ratio of interest bearing borrowings net of cash and cash equivalents to total equity) as at 30 June 2011 was approximately 15.6% (31 December 2010: approximately 8.3%). The proportion of bank borrowings between short term and long term stood at 47%:53% (31 December 2010: 48%:52%). The total equity of the Group as at 30 June 2011 was approximately US\$384.8 million (31 December 2010: approximately US\$401.9 million). As at 30 June 2011, the Group had cash on hand and undrawn loan facilities of approximately US\$61.5 million and US\$63.6 million respectively.

The Group's transactions and the monetary assets are principally denominated in United States dollars, RMB or Hong Kong dollars. The Group has not experienced any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchange rates during the six months ended 30 June 2011.

With cash on hand as well as available banking facilities, the Group's liquidity position remains healthy. Leveraging on our steady cash flows generating capability, we are well placed to respond quickly to the various challenges and opportunities as they arise.

HUMAN RESOURCES

As at 30 June 2011, the Group had approximately 12,141 employees (31 December 2010: 11,233). The increase in headcount was in line with the expanded business activities in 1HCY11 against last year. Salaries of employees are maintained at a competitive level and are reviewed annually, with close reference to the relevant labour market as well as the minimum wages guideline as prescribed by the local government from time to time. The Group awards discretionary bonuses to eligible employees based upon profits achievements of the Company and individual performance.

The Company has also implemented share option scheme in order to attract and retain the best available personnel and to provide additional incentives to employees of the Group.

PROSPECTS

The conditions on the global economy, in particular, as caused by the sovereign debt problem in the Euro areas, are still uncertain. Nevertheless, the Group's overall order intake for PCBs is showing modest growth as we enter into the third quarter of 2011. This phenomenon reaffirms our belief that the global economy and corporate spending is likely to continue its positive growth momentum, albeit at a slower pace and with many challenges ahead.

We believe that the continuing proliferation of semiconductor technology into a wider range of electronic products, especially mobile phones, tablets and e-readers, will continually be the growth driver for the PCB industry in 2011. In order to capture additional market share and to gain new customers in the HDI PCB product sector, the Group is making headway to invest in more laser-drilling capacity so as to gear up for increasing demand. Additionally, we are expanding our conventional PCB capacity in order to support our customers' growth. We are on track to complete the construction of our new manufacturing plant in Yangzhou by the end of year 2011.

We would continue to take initiatives on reviewing our operations and improving manufacturing processes, so as to manage the rising costs of our operations in China. At the same time, the Group will fuel our growth with an advanced product portfolio as well as better services and support to our customers. These strategic moves are essential to the Group to maintain its competitiveness and profitability and to maximize shareholders' return.

CLOSURE OF REGISTER OF MEMBERS

The Transfer Books and the Registers of Members were closed from 18 August 2011 to 19 August 2011, both dates inclusive, for the purpose of determining the entitlements for the interim dividend.

The interim dividend will be paid on 31 August 2011 in US\$ to shareholders whose names appeared on the Singapore principal register of members and the Hong Kong branch register of members of the Company at the close of business on 17 August 2011.

DIRECTORS' INTERESTS IN SHARES

As at 30 June 2011, the interests of the Directors and their associates in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

Long Position

(a) *Ordinary shares of the Company ("Shares")*

Name of Director	Capacity	Number of issued Shares held	Approximate percentage of the issued share capital of the Company
Mr. Cheung Kwok Wing	Beneficial owner	1,448,200	0.78%
Mr. Chadwick Mok Cham Hung	Beneficial owner	1,120,200	0.60%
Mr. Li Muk Kam	Beneficial owner	1,803,876	0.97%
Mr. Philip Chan Sai Kit	Beneficial owner	734,481	0.39%
Mr. Clement Sun	Beneficial owner	110,000	0.06%
Ms. Claudia Heng Nguan Leng	Beneficial owner	474,800	0.25%
Mr. Li Chiu Cheuk	Beneficial owner	10,000	0.01%
Mr. Chan Wai Leung	Beneficial owner	34,000	0.02%
Mr. Ng Hon Chung	Beneficial owner	60,000	0.03%
Mr. Chan Wing Kwan (<i>Note</i>)	Beneficial owner / Interest of spouse	1,018,600	0.55%
Mr. Chang Wing Yiu	Beneficial owner	486,600	0.26%
Mr. Lai Chong Tuck	Beneficial owner	40,000	0.02%

Note: Out of the 1,018,600 Shares, 978,600 and 40,000 Shares were held by Mr. Chan Wing Kwan and his spouse respectively.

- (b) Ordinary shares of HK\$0.10 each (“**Kingboard Shares**”) of Kingboard Chemical Holdings Limited (“**Kingboard**”)

Name of Director	Capacity	Number of issued Kingboard Shares held	Approximate percentage of the issued share capital of Kingboard
Mr. Cheung Kwok Wing	Beneficial owner	3,269,675	0.38%
Mr. Chan Wing Kwan (Note 1)	Beneficial owner / Interest of spouse	1,655,250	0.19%
Mr. Chang Wing Yiu (Note 2)	Beneficial owner / Interest of spouse	4,115,274	0.48%
Mr. Chadwick Mok Cham Hung (Note 3)	Beneficial owner / Interest of spouse	2,940,000	0.34%
Mr. Philip Chan Sai Kit	Beneficial owner	28,000	0.00%
Mr. Chan Wai Leung (Note 4)	Beneficial owner / Interest of spouse	50,500	0.01%

Note 1: Out of the 1,655,250 Kingboard Shares, 1,595,250 and 60,000 Kingboard Shares were held by Mr. Chan Wing Kwan and his spouse respectively.

Note 2: Out of the 4,115,274 Kingboard Shares, 3,397,074 and 718,200 Kingboard Shares were held by Mr. Chang Wing Yiu and his spouse respectively.

Note 3: Out of the 2,940,000 Kingboard Shares, 2,830,000 and 110,000 Kingboard Shares were held by Mr. Chadwick Mok Cham Hung and his spouse respectively.

Note 4: Out of the 50,500 Kingboard Shares, 50,000 and 500 Kingboard Shares were held by Mr. Chan Wai Leung and his spouse respectively.

- (c) Share options of Kingboard (“**Kingboard Share Options**”)

Name of Director	Capacity	Interest in underlying Kingboard Shares pursuant to Kingboard Share Options
Mr. Cheung Kwok Wing	Beneficial owner	2,800,000
Mr. Chang Wing Yiu	Beneficial owner	2,600,000
Mr. Chadwick Mok Cham Hung	Beneficial owner	2,600,000
Mr. Chan Wai Leung	Beneficial owner	2,440,000

(d) Warrants of Kingboard (“Kingboard Warrants”)

Name of Director	Capacity	Interest in underlying Kingboard Shares pursuant to the Kingboard Warrants
Mr. Cheung Kwok Wing	Beneficial owner	165,222
Mr. Chan Wing Kwan (Note 1)	Beneficial owner / Interest of spouse	78,025
Mr. Chang Wing Yiu (Note 2)	Beneficial owner / Interest of spouse	335,527
Mr. Chadwick Mok Cham Hung (Note 3)	Beneficial owner / Interest of spouse	182,000

Note 1: Out of the 78,025 Kingboard Warrants, 72,025 and 6,000 Kingboard Warrants were held by Mr. Chan Wing Kwan and his spouse respectively.

Note 2: Out of the 335,527 Kingboard Warrants, 267,707 and 67,820 Kingboard Warrants were held by Mr. Chang Wing Yiu and his spouse respectively.

Note 3: Out of the 182,000 Kingboard Warrants, 181,000 and 1,000 Kingboard Warrants were held by Mr. Chadwick Mok Cham Hung and his spouse respectively.

(e) Ordinary shares of HK\$0.10 each (“KLHL Shares”) of Kingboard Laminates Holdings Limited (“KLHL”), a non-wholly owned subsidiary of Kingboard

Name of Director	Capacity	Number of issued KLHL Shares held	Approximate percentage of the issued share capital of KLHL
Mr. Cheung Kwok Wing	Beneficial owner	253,500	0.01%
Mr. Chan Wing Kwan (Note 1)	Interest of spouse	100,000	0.00%
Mr. Chang Wing Yiu (Note 2)	Interest of spouse	100,000	0.00%
Mr. Chadwick Mok Cham Hung (Note 3)	Interest of spouse	60,000	0.00%
Mr. Li Muk Kam (Note 4)	Beneficial owner / Interest of spouse	137,500	0.00%
Mr. Philip Chan Sai Kit	Beneficial owner	52,500	0.00%
Mr. Clement Sun	Beneficial owner	30,000	0.00%
Mr. Li Chiu Cheuk (Note 5)	Interest of spouse	20,000	0.00%
Mr. Chan Wai Leung	Beneficial owner	40,000	0.00%
Mr. Ng Hon Chung	Beneficial owner	20,000	0.00%

Note 1: The 100,000 KLHL Shares were held by the spouse of Mr. Chan Wing Kwan.

Note 2: The 100,000 KLHL Shares were held by the spouse of Mr. Chang Wing Yiu.

Note 3: The 60,000 KLHL Shares were held by the spouse of Mr. Chadwick Mok Cham Hung.

Note 4: Out of the 137,500 KLHL Shares, 117,500 and 20,000 KLHL Shares were held by Mr. Li Muk Kam and his spouse respectively.

Note 5: The 20,000 KLHL Shares were held by the spouse of Mr. Li Chiu Cheuk.

(f) *Share options of KLHL (“KLHL Share Options”)*

Name of Director	Capacity	Interest in underlying KLHL Shares pursuant to KLHL Share Options
Mr. Chadwick Mok Cham Hung (Note)	Interest of spouse	10,000,000
Mr. Chan Wai Leung	Beneficial owner	9,000,000

Note: The 10,000,000 KLHL Share Options were held by the spouse of Mr. Chadwick Mok Cham Hung.

(g) *Non-voting deferred shares of HK\$1 each in the share capital of Kingboard Laminates Limited, a non-wholly owned subsidiary of Kingboard*

Name of Director	Capacity	Number of non-voting deferred shares held (Note)
Mr. Cheung Kwok Wing	Beneficial owner	1,904,400
Mr. Chan Wing Kwan	Beneficial owner	1,481,200
Mr. Chang Wing Yiu	Beneficial owner	423,200

Note: These non-voting deferred shares carry no rights to receive notice of or to attend or vote at any general meeting of Kingboard Laminates Limited and have practically no rights to dividends or to participate in any distribution on winding up.

(h) *Ordinary shares of US\$0.10 each (“KCFH Shares”) of Kingboard Copper Foil Holdings Limited (“KCFH”), a non-wholly owned subsidiary of Kingboard*

Name of Director	Capacity	Number of issued KCFH Shares held	Approximate percentage of the issued share capital of KCFH
Mr. Cheung Kwok Wing	Beneficial owner	1,000,000	0.14%

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2011, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, other than the interests disclosed above in respect of certain Directors, the following shareholders had notified the Company of their relevant interests in the issued share capital of the Company:

Long Position

Ordinary shares of the Company (“Shares”)

Name of shareholder	Nature of interest	Number of issued Shares held	Approximate percentage of the issued share capital of the Company
Elec & Eltek International Holdings Limited (“ EEIH ”)	Beneficial owner	90,741,550	48.56%
Elitelink Holdings Limited (“ Elitelink ”)	Beneficial owner	34,321,615	18.37%
Ease Ever Investments Limited (“ Ease Ever ”)	Interest in controlled corporation (<i>Note 1</i>)	90,741,550	48.56%
Kingboard Investments Limited (“ Kingboard Investments ”)	Interest in controlled corporation (<i>Note 2</i>)	125,063,165	66.93%
Jamplan (BVI) Limited (“ Jamplan ”)	Beneficial owner	3,601,000	1.93%
Kingboard	Interest in controlled corporation (<i>Note 3</i>)	128,664,165	68.86%
Kingboard	Interest in controlled corporation (<i>Note 4</i>)	128,664,165	68.86%
Hallgain Management Limited (“ HML ”)	Beneficial owner	587,000	0.31%
Hallgain Management Limited (“ HML ”)	Interest in controlled corporation (<i>Note 5</i>)	129,251,165	69.17%

Note 1: The entire issued share capital of EEIH is owned approximately 77.34% by Ease Ever, approximately 11.59% by Kingboard and approximately 11.07% by Kingboard Investments. Ease Ever is deemed to have an interest in 90,741,550 Shares held by EEIH, under the provisions of the SFO.

Note 2: The entire issued share capital of Elitelink and Ease Ever are owned by Kingboard Investments. Kingboard Investments is deemed to have an interest in 34,321,615 Shares held by Elitelink and 90,741,550 Shares which Ease Ever is deemed to have an interest in, under the provisions of the SFO.

Note 3: The entire issued share capital of Kingboard Investments is owned by Jamplan. Jamplan is deemed to have an interest in 3,601,000 Shares held by Kingboard Investments and 125,063,165 Shares which Kingboard Investments is deemed to have an interest in, under the provisions of the SFO.

Note 4: The entire issued share capital of Jamplan is owned by Kingboard. Kingboard is deemed to have an interest in 128,664,165 Shares which Jamplan is deemed to have an interest in, under the provisions of the SFO.

Note 5: Approximately 31.18% of the issued share capital of Kingboard is owned by HML. HML is deemed to have an interest in 587,000 Shares held by Kingboard and 128,664,165 Shares which Kingboard is deemed to have an interest in, under the provisions of the SFO. There is no shareholder of HML who is entitled to exercise, or control the exercise of, directly or indirectly, one-third or more of the voting power at HML's general meetings. HML and its directors are not accustomed to act in accordance with any shareholder's direction. Mr. Cheung Kwok Wing and Mr. Chan Wing Kwan are directors of HML.

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30 June 2011.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six-month period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The audit committee of the Company has reviewed with the management the accounting principles and practices adopted by the Group and discussed the auditing, internal control and financial reporting matters including the review of the unaudited interim financial statements of the Group for the six months ended 30 June 2011.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has complied with the code provisions listed in the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on SEHK throughout the six months ended 30 June 2011.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS (“Model Code”)

The Company has adopted the Model Code set out in Appendix 10 of the Rules Governing the Listing of Securities on SEHK as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, all members of the Board confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2011. The Model Code also applies to other specified senior management of the Group.

AUDIT OR REVIEW OF THE INTERIM FINANCIAL RESULTS

The figures for 2QCY11 and 1HCY11, prepared in accordance with Singapore FRS, have not been audited or reviewed by the Group's auditors.

FORECAST STATEMENT

No forecast statement has been previously disclosed to shareholders of the Company.

DISCLOSURE ON THE WEBSITE OF THE EXCHANGES

This interim report shall be published on the website of SGX (<http://www.sgx.com>), the SEHK (<http://www.hkexnews.hk>) and on the Company's website (<http://www.eleceltek.com>).

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express our appreciation to all who have contributed to the Company's successful listing on SEHK, and a warm welcome to all new shareholders. We are also grateful for the guidance and unreserved supports from both the Company's independent non-executive Directors as well as our non-executive Directors, customers, bankers, the management and employees over the past years. We are looking forward to receive the same supports in the future.

INTERESTED PERSONS TRANSACTIONS

Interested persons transactions carried out during the reporting period which fall under Chapter 9 of the SGX Listing Manual are as follows:

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)	
	1HCY11 US\$'000	1HCY10 US\$'000	1HCY11 US\$'000	1HCY10 US\$'000
Purchases of plant and equipment				
Chung Shun Laminates (Macao Commercial Offshore) Limited	2,035	2,231	—	—
廣東駿好建築工程有限公司	220	—	—	—
	<u>2,255</u>	<u>2,231</u>	<u>—</u>	<u>—</u>

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)	
	1HCY11	1HCY10	1HCY11	1HCY10
	US\$'000	US\$'000	US\$'000	US\$'000
Purchases of goods and services				
Chung Shun Copper Foil (Macao Commercial Offshore) Limited	—	—	32,000	26,455
Chung Shun Laminates (Macao Commercial Offshore) Limited	—	1,883	38,480	38,443
Elec & Eltek Corporate Services Limited	401	322	—	—
Heng Yang Kingboard Chemical Co., Ltd.	—	—	2,598	2,433
Hong Kong Fibre Glass Company Limited	—	—	1,318	5,123
Huizhou Chung Shun Chemical Company Limited	—	—	533	299
Jiangmen Glory Faith P.C.B. Company Limited	—	—	—	4
Jiangmen Kingboard High-tech Company Limited	—	—	5,738	1,515
Joyful Source Group Limited	26	1,418	—	—
Kingboard Investments Limited	—	416	—	—
Kingfai (Lian Zhou) Electronic Materials Ltd.	—	—	9,971	8,158
Oriental Faith Investment Ltd.	—	10	—	—
Techwise (Macao Commercial Offshore) Circuits Limited	—	—	—	1
Top Faith P.C.B. Company Limited	—	—	—	68
	<u>427</u>	<u>4,049</u>	<u>90,638</u>	<u>82,499</u>
Sales of plant and equipment				
Chung Shun Laminates (Macao Commercial Offshore) Limited	2,577	—	—	—
	<u>2,577</u>	<u>—</u>	<u>—</u>	<u>—</u>

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)	
	1HCY11	1HCY10	1HCY11	1HCY10
	US\$'000	US\$'000	US\$'000	US\$'000
Provision of goods and services				
Chung Shun Laminates (Macao Commercial Offshore) Limited	—	—	205	—
Elec & Eltek Display Technology Limited	92	10	—	—
Express Electronics Limited	—	—	2,794	3,323
Express Electronics (Suzhou) Co. Ltd.	—	—	70	553
Jiangmen Glory Faith P.C.B. Company Limited	—	—	2,613	3,681
Shenzhen Wing Fung P.C. Board Company Limited	—	—	47	64
Techwise (Macao Commercial Offshore) Circuits Limited	—	—	5,246	968
Top Faith P.C.B. Company Limited	—	—	2,933	4,713
	<u>92</u>	<u>10</u>	<u>13,908</u>	<u>13,302</u>

CONFIRMATION BY THE BOARD

We, Chadwick Mok Cham Hung and Chan Wai Leung, being two of the Directors, do hereby confirm on behalf of the Board that, to the best of their knowledge, nothing has come to the attention of the Board which may render the unaudited financial statements for the second quarter and six months ended 30 June 2011 to be false or misleading.

On behalf of the Board

Chadwick Mok Cham Hung
Executive Director

Chan Wai Leung
Executive Director

By order of the Board
Elec & Eltek International Company Limited
Chadwick Mok Cham Hung
Vice Chairman

Singapore and Hong Kong, 3 August 2011

The Board of the Company comprises the following Directors:

Executive Directors:-

Chadwick Mok Cham Hung (*Vice Chairman*)
Li Muk Kam
Philip Chan Sai Kit
Clement Sun
Claudia Heng Nguan Leng
Li Chiu Cheuk
Chan Wai Leung
Ng Hon Chung

Non-executive Directors:-

Cheung Kwok Wing (*Chairman*)
Chan Wing Kwan
Chang Wing Yiu

Independent non-executive Directors:-

Lai Chong Tuck
Raymond Leung Hai Ming
Stanley Chung Wai Cheong