Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained, or opinions expressed in this announcement.

Elec & Eltek International Company Limited
依利安達集團有限公司*

(Incorporated in the Republic of Singapore with Limited Liability)

Singapore Company Registration Number: 199300005H

(Hong Kong Stock Code: 1151)

(Singapore Stock Code: E16.SI)

UNAUDITED FINANCIAL RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2014

This announcement is made by Elec & Eltek International Company Limited (the **"Company"**) pursuant to the disclosure obligation under Rule 13.10B of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**SEHK**"). This announcement is originally prepared in English. In the case of any inconsistency between the English version and Chinese version, the English version shall prevail.

This announcement is prepared in accordance with the relevant regulations of the Singapore Exchange Securities Trading Limited ("**SGX**"). The financial information, set out in this announcement has been prepared in accordance with the Singapore Financial Reporting Standards ("**FRS**") and has been audited by auditors. Shareholders of the Company and public investors should exercise caution when trading in the shares of the Company.

This announcement contains projections and forward-looking statements regarding the objectives and expectations of the Company and its subsidiaries (collectively referred to as the "**Group**") with respect to its business opportunities and business prospects. Such forward-looking statements do not constitute guarantees of the future performance of the Group and are subject to factors that could cause the Company's actual results, plans and objectives to differ materially from those expressed in the forward-looking statements. These factors include, but are not limited to, general industry and economics conditions, shifts in customer demands, customers and partners, and government and policy changes. The Group undertakes no obligation to update or revise any forward-looking statements contained in this announcement to reflect subsequent events or circumstances.

FINANCIAL HIGHLIGHTS

	Nine months ended 30 September		
	2014	2013	% Change
	US$'000	US$'000	
Revenue	**385,832**	382,517	1%
EBITDA*	**44,648**	47,895	-7%
EBITDA margin*	**11.6%**	12.5%	
Underlying profit before tax*	**8,801**	12,926	-32%
Net profit attributable to owners of the Company			
- Underlying net profit*	**7,823**	12,170	-36%
- Reported profit	**4,353**	12,170	-64%
Basic earnings per share			
- Underlying net profit*	**US4.19 cents**	US6.51 cents	-36%
- Reported profit	**US2.33 cents**	US6.51 cents	-64%
	30 Sept 2014	31 Dec 2013	
Net asset value per share	**US$1.84**	US$1.91	-4%
Net gearing ratio	**19.2%**	14.7%	

* Excluding the restructuring provision of approximately US$3.5 million made in September 2014 quarter mainly attributable to the provision for impairment of production facilities and other forthcoming restructuring cost for the Group.

RESULTS

The board of directors (the "**Board**") of the Company is pleased to announce the unaudited consolidated results of the Group for the third quarter ("**3QCY14**") and nine months ended 30 September 2014 ("**YTD 3QCY14**") together with the comparative figures for the third quarter ("**3QCY13**") and nine months ended 30 September 2013 ("**YTD 3QCY13**").

Consolidated Statement of Profit or Loss

	Notes	**3QCY14 US$'000 (Unaudited)**	3QCY13 US$'000 (Unaudited)	% Change	**YTD 3QCY14 US$'000 (Unaudited)**	YTD 3QCY13 US$'000 (Unaudited)	% Change
Revenue	2	**134,312**	135,751	-1.1%	**385,832**	382,517	0.9%
Cost of sales		**(122,710)**	(122,180)	0.4%	**(353,343)**	(342,215)	3.3%
Gross profit		**11,602**	13,571	-14.5%	**32,489**	40,302	-19.4%
Gross profit margin		***8.6%***	*10.0%*		***8.4%***	*10.5%*	
Other operating income and gains		**722**	601	20.1%	**2,230**	1,992	11.9%
Distribution and selling costs		**(3,800)**	(3,765)	0.9%	**(11,000)**	(10,970)	0.3%
Administrative expenses		**(4,925)**	(5,639)	-12.7%	**(13,434)**	(16,668)	-19.4%
Other operating expenses and losses		**(3,689)**	(185)	n/m	**(3,846)**	(697)	n/m
Finance costs	3	**(384)**	(328)	17.1%	**(1,108)**	(1,033)	7.3%
(Loss) Profit before taxation		**(474)**	4,255	-111.1%	**5,331**	12,926	-58.8%
Income tax expense	4	**(294)**	(173)	69.9%	**(632)**	(636)	-0.6%
(Loss) Profit for the period		**(768)**	4,082	-118.8%	**4,699**	12,290	-61.8%
(Loss) Profit attributable to:							
Owners of the Company		**(940)**	4,010	-123.4%	**4,353**	12,170	-64.2%
Non-controlling interests		**172**	72	138.9%	**346**	120	188.3%
		(768)	4,082	-118.8%	**4,699**	12,290	-61.8%
(Loss) Earnings per share (US cents)	6						
- basic		**(0.50)**	2.15	-123.3%	**2.33**	6.51	-64.2%

Notes to Consolidated Statement of Profit or Loss:

	3QCY14	3QCY13		**YTD 3QCY14**	YTD 3QCY13	
	US$'000	US$'000	% Change	**US$'000**	US$'000	% Change
	(Unaudited)	(Unaudited)		**(Unaudited)**	(Unaudited)	
Depreciation	**12,271**	11,366	8.0%	**34,652**	33,730	2.7%
Amortisation of prepaid land use rights	**41**	114	-64.0%	**123**	342	-64.0%
Reversal of allowance for doubtful debts	**(569)**	(435)	30.8%	**(1,006)**	(804)	25.1%
Allowance (reversal of allowance) for inventory obsolescene	**17**	(101)	-116.8%	**(88)**	239	-136.8%

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	3QCY14	3QCY13		**YTD 3QCY14**	YTD 3QCY13	
	US$'000	US$'000	% Change	**US$'000**	US$'000	% Change
	(Unaudited)	(Unaudited)		**(Unaudited)**	(Unaudited)	
(Loss) Profit for the period	**(768)**	4,082	-118.8%	**4,699**	12,290	-61.8%
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translation of foreign operations	**132**	153	-13.7%	**276**	718	-61.6%
Other comprehensive income for the period, net of tax	**132**	153	-13.7%	**276**	718	-61.6%
Total comprehensive (expenses) income for the period	**(636)**	4,235	-115.0%	**4,975**	13,008	-61.8%
Total comprehensive (expenses) income attributable to:						
Owners of the Company	**(808)**	4,163	-119.4%	**4,629**	12,888	-64.1%
Non-controlling interests	**172**	72	138.9%	**346**	120	188.3%
	(636)	4,235	-115.0%	**4,975**	13,008	-61.8%

n/m - percentage not meaningful

Statements of Financial Position

	Notes	GROUP		COMPANY	
		30 September 2014 US$'000 (Unaudited)	31 December 2013 US$'000 (Audited)	**30 September 2014 US$'000 (Unaudited)**	31 December 2013 US$'000 (Audited)
ASSETS					
Current assets					
Cash and bank balances		**22,458**	20,398	**81**	23
Trade receivables	9	**137,802**	108,620	**—**	—
Bills receivables	9	**2,406**	3,938	**—**	—
Other receivables		**22,301**	23,449	**2**	2
Prepaid land use rights		**399**	399	**—**	—
Dividend receivables		**—**	—	**20,800**	44,750
Inventories	10	**51,983**	41,543	**—**	—
Total current assets		**237,349**	198,347	**20,883**	44,775
Non-current assets					
Property, plant and equipment	8	**309,798**	313,788	**—**	—
Prepaid land use rights		**12,982**	13,105	**—**	—
Deposits for acquisition of plant and equipment	8	**4,583**	6,189	**—**	—
Investment properties		**46,446**	46,446	**—**	—
Subsidiary companies		**—**	—	**455,794**	459,224
Deferred tax assets		**86**	86	**—**	—
Total non-current assets		**373,895**	379,614	**455,794**	459,224
Total assets		**611,244**	577,961	**476,677**	503,999
LIABILITIES AND EQUITY					
Current liabilities					
Bank overdraft and loans	12	**40,327**	41,648	**—**	—
Trade payables	11	**138,418**	105,437	**—**	—
Bills payables	11	**8,456**	8,775	**—**	—
Other payables		**30,675**	31,550	**2,590**	2,662
Amounts due to subsidiary companies		**—**	—	**255,350**	263,155
Provision for taxation		**677**	449	**—**	—
Total current liabilities		**218,553**	187,859	**257,940**	265,817
Non-current liabilities					
Bank loans	12	**48,233**	31,149	**—**	—
Deferred tax liabilities		**621**	1,399	**—**	—
Total non-current liabilities		**48,854**	32,548	**—**	—
Capital, reserves and non-controlling interests					
Share capital	13	**113,880**	113,880	**113,880**	113,880
Reserves		**219,912**	233,975	**104,857**	124,302
Equity attributable to owners of the Company		**333,792**	347,855	**218,737**	238,182
Non-controlling interests		**10,045**	9,699	**—**	—
Total equity		**343,837**	357,554	**218,737**	238,182
Total liabilities and equity		**611,244**	577,961	**476,677**	503,999

Statements of Changes in Equity

	Attributable to owners of the Company									
	Share capital US$'000	Capital reserve US$'000 (Note a)	Statutory reserve US$'000 (Note b)	Revaluation reserve US$'000 (Note c)	Other reserve US$'000 (Note d)	Retained earnings US$'000	Foreign currency translation reserve US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
THE GROUP										
3QCY14										
Balance at 30 June 2014 (unaudited)	113,880	1,916	5,345	2,940	166	198,944	17,017	340,208	9,873	350,081
Total comprehensive income for the period										
(Loss) Profit for the period	—	—	—	—	—	(940)	—	(940)	172	(768)
Exchange differences arising on translation of foreign operations	—	—	—	—	—	—	132	132	—	132
Other comprehensive income for the period, net of tax	—	—	—	—	—	—	132	132	—	132
Total	—	—	—	—	—	(940)	132	(808)	172	(636)
Transactions with owners, recognised directly in equity										
Transfer from retained earnings to statutory reserve	—	—	4	—	—	(4)	—	—	—	—
Dividend paid in respect of current year	—	—	—	—	—	(5,608)	—	(5,608)	—	(5,608)
Total	—	—	4	—	—	(5,612)	—	(5,608)	—	(5,608)
Balance at 30 September 2014 (unaudited)	113,880	1,916	5,349	2,940	166	192,392	17,149	333,792	10,045	343,837
3QCY13										
Balance at 30 June 2013 (unaudited)	113,880	1,916	5,345	2,277	166	214,277	16,839	354,700	9,597	364,297
Total comprehensive income for the period										
Profit for the period	—	—	—	—	—	4,010	—	4,010	72	4,082
Exchange differences arising on translation of foreign operations	—	—	—	—	—	—	153	153	—	153
Other comprehensive income for the period, net of tax	—	—	—	—	—	—	153	153	—	153
Total	—	—	—	—	—	4,010	153	4,163	72	4,235
Transactions with owners, recognised directly in equity										
Dividend paid in respect of current year	—	—	—	—	—	(13,085)	—	(13,085)	—	(13,085)
Total	—	—	—	—	—	(13,085)	—	(13,085)	—	(13,085)
Balance at 30 September 2013 (unaudited)	113,880	1,916	5,345	2,277	166	205,202	16,992	345,778	9,669	355,447

Statements of Changes in Equity (Continued)

	Attributable to owners of the Company									
	Share capital US$'000	Capital reserve US$'000 (Note a)	Statutory reserve US$'000 (Note b)	Revaluation reserve US$'000 (Note c)	Other reserve US$'000 (Note d)	Retained earnings US$'000	Foreign currency translation reserve US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
THE GROUP										
YTD 3QCY14										
Balance at 31 December 2013 (audited)	113,880	1,916	5,345	2,940	166	206,735	16,873	347,855	9,699	357,554
Total comprehensive income for the period										
Profit for the period	—	—	—	—	—	4,353	—	4,353	346	4,699
Exchange differences arising on translation of foreign operations	—	—	—	—	—	—	276	276	—	276
Other comprehensive income for the period, net of tax	—	—	—	—	—	—	276	276	—	276
Total	—	—	—	—	—	4,353	276	4,629	346	4,975
Transactions with owners, recognised directly in equity										
Transfer from retained earnings to statutory reserve	—	—	4	—	—	(4)	—	—	—	—
Dividend paid in respect of										
- previous year	—	—	—	—	—	(13,084)	—	(13,084)	—	(13,084)
- current year	—	—	—	—	—	(5,608)	—	(5,608)	—	(5,608)
Total	—	—	4	—	—	(18,696)	—	(18,692)	—	(18,692)
Balance at 30 September 2014 (unaudited)	113,880	1,916	5,349	2,940	166	192,392	17,149	333,792	10,045	343,837
YTD 3QCY13										
Balance at 31 December 2012 (audited)	113,880	1,916	5,345	2,277	166	226,678	16,274	366,536	9,923	376,459
Total comprehensive income for the period										
Profit for the period	—	—	—	—	—	12,170	—	12,170	120	12,290
Exchange differences arising on translation of foreign operations	—	—	—	—	—	—	718	718	—	718
Other comprehensive income for the period, net of tax	—	—	—	—	—	—	718	718	—	718
Total	—	—	—	—	—	12,170	718	12,888	120	13,008
Transactions with owners, recognised directly in equity										
Dividend paid in respect of										
- previous year	—	—	—	—	—	(20,561)	—	(20,561)	(374)	(20,935)
- current year	—	—	—	—	—	(13,085)	—	(13,085)	—	(13,085)
Total	—	—	—	—	—	(33,646)	—	(33,646)	(374)	(34,020)
Balance at 30 September 2013 (unaudited)	113,880	1,916	5,345	2,277	166	205,202	16,992	345,778	9,669	355,447

Notes:

a. Capital reserve represents amounts transferred from share option reserve upon the exercise of share options.

b. Statutory reserve represents amounts set aside by subsidiary companies operating in the People's Republic of China (the "PRC") and Thailand for declaration of dividends as required under the laws of the PRC and Thailand.

c. The revaluation reserve of the Group represents the gain on revaluation of certain properties of the Group as a result of the transfer from property for own use to investment properties.

d. The amount credited to other reserve represents the difference between the fair value of consideration and the carrying amount of the net assets attributable to the additional interest in subsidiaries being acquired from non-controlling shareholders, which will be recognised to the profit and loss upon the disposal of the subsidiaries or the disposal by the subsidiaries.

Statements of Changes in Equity (continued)

	Share capital US$'000	Capital reserve US$'000	Retained earnings US$'000	Total equity US$'000
THE COMPANY				
3QCY14				
Balance at 30 June 2014 (unaudited)	113,880	1,916	108,738	224,534
Loss for the period, representing total comprehensive expenses for the period	—	—	(189)	(189)
Transactions with owners, recognised directly in equity				
Dividend paid in respect of current year	—	—	(5,608)	(5,608)
Balance at 30 September 2014 (unaudited)	113,880	1,916	102,941	218,737
3QCY13				
Balance at 30 June 2013 (unaudited)	113,880	1,916	131,407	247,203
Profit for the year, representing total comprehensive income for the year	—	—	1,510	1,510
Transactions with owners, recognised directly in equity				
Dividend paid in respect of current year	—	—	(13,085)	(13,085)
Balance at 30 September 2013 (unaudited)	113,880	1,916	119,832	235,628
YTD 3QCY14				
Balance at 31 December 2013 (audited)	113,880	1,916	122,386	238,182
Loss for the period, representing total comprehensive expenses for the period	—	—	(753)	(753)
Transactions with owners, recognised directly in equity				
Dividend paid in respect of				
- previous year	—	—	(13,084)	(13,084)
- current year	—	—	(5,608)	(5,608)
Balance at 30 September 2014 (unaudited)	113,880	1,916	102,941	218,737
YTD 3QCY13				
Balance at 31 December 2012 (audited)	113,880	1,916	82,370	198,166
Profit for the year, representing total comprehensive income for the year	—	—	71,108	71,108
Transactions with owners, recognised directly in equity				
Dividend paid in respect of				
- previous year	—	—	(20,561)	(20,561)
- current year	—	—	(13,085)	(13,085)
Balance at 30 September 2013 (unaudited)	113,880	1,916	119,832	235,628

Consolidated Statement of Cash Flows

	3QCY14	3QCY13	**YTD 3QCY14**	YTD 3QCY13
	US$'000	US$'000	**US$'000**	US$'000
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Operating activities				
(Loss) / Profit before taxation	**(474)**	4,255	**5,331**	12,926
Adjustments for:				
Reversal of allowance for doubtful debts	**(569)**	(435)	**(1,006)**	(804)
Finance costs	**384**	328	**1,108**	1,033
Depreciation of property, plant and equipment	**12,271**	11,366	**34,652**	33,730
Amortisation of prepaid land use rights	**41**	114	**123**	342
(Gain) / Loss on disposal of property, plant and equipment	**—**	51	**(55)**	(11)
Impairment loss recognised in respect of property, plant and equipment	**2,374**	—	**2,374**	—
Allowance / (reversal of allowance) for inventory obsolescence	**17**	(101)	**(88)**	239
Interest income	**(5)**	(23)	**(36)**	(136)
Operating income before movements in working capital	**14,039**	15,555	**42,403**	47,319
Increase in inventories	**(4,013)**	(204)	**(10,352)**	(8,512)
(Increase) / decrease in trade and other receivables	**(5,666)**	(1,902)	**(25,196)**	3,443
Increase in trade and other payables	**14,524**	9,427	**31,787**	14,916
Net cash generated from operations	**18,884**	22,876	**38,642**	57,166
Interest income received	**5**	23	**36**	136
Interest paid	**(459)**	(410)	**(1,271)**	(1,173)
Income taxes paid	**(117)**	(65)	**(1,190)**	(1,374)
Net cash from operating activities	**18,313**	22,424	**36,217**	54,755
Investing activities				
Proceeds from disposal of property, plant and equipment	**—**	1	**209**	69
Purchase of property, plant and equipment	**(8,831)**	(11,239)	**(21,423)**	(22,027)
Deposits paid for acquisition of property, plant and equipment	**(1,734)**	(7,017)	**(10,257)**	(13,849)
Net cash used in investing activities	**(10,565)**	(18,255)	**(31,471)**	(35,807)

	3QCY14	3QCY13	YTD 3QCY14	YTD 3QCY13
	US$'000	US$'000	**US$'000**	US$'000
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Financing activities				
Proceeds from bank borrowings	**12,744**	11,675	**47,134**	34,909
Repayment of bank borrowings	**(13,203)**	(11,931)	**(31,415)**	(42,793)
Dividends paid by the Company	**(5,608)**	(13,085)	**(18,692)**	(33,646)
Dividends paid by subsidiary companies to non-controlling shareholders	**—**	—	**—**	(374)
Net cash used in financing activities	**(6,067)**	(13,341)	**(2,973)**	(41,904)
Net increase (decrease) in cash and cash equivalents	**1,681**	(9,172)	**1,773**	(22,956)
Cash and cash equivalents at the beginning of the period	**20,436**	29,539	**20,387**	43,076
Effect of foreign exchange rate changes on the balances of cash held in foreign currencies, net	**286**	17	**243**	264
Cash and cash equivalents at the end of the period	**22,403**	20,384	**22,403**	20,384

Cash and cash equivalents consists of:

	30 Sept 2014	30 Sept 2013
	US$'000	US$'000
Cash and bank balances	**22,458**	20,700
Bank overdrafts - unsecured	**(55)**	(316)
	22,403	20,384

Notes:

1. **Basis of preparation and principal accounting policies**

The same accounting policies and methods of computation have been applied in the preparation of the interim consolidated financial statements for the nine months ended 30 September 2014 as the most recent audited financial statements as at 31 December 2013.

In the current period, the Group has applied, the following new and revised Financial Reporting Standards ("**FRS**"), amendments and interpretation of FRS ("**INT FRS**") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2014:

- *Amendments to FRS 32 Financial Instruments : Presentation*
- *Amendments to FRS 36 Impairment of Assets*
- *Improvements to FRSs (Issued in January 2014 and February 2014)*
- *Amendments to FRS 19 : Defined Benefit Plans: Employee Contributions*

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

The Group has not early adopted the following new and revised standards or amendments to FRS which would take effect from financial periods beginning on or after 1 January 2015:

- *FRS 114 Regulatory Deferral Accounts*

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.

2. **Revenue and segment information**

The Group's operating activities are attributable to a single reporting and operating segment focusing on manufacture and distribution of printed circuit boards ("**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.

3. **Finance costs**

	YTD 3QCY14 US$'000 (Unaudited)	YTD 3QCY13 US$'000 (Unaudited)
Interest on bank loans wholly repayable within five years	**1,271**	1,173
Less: Amounts capitalised	**(163)**	(140)
	1,108	1,033

4. **Income tax expense**

	YTD 3QCY14 US$'000 (Unaudited)	YTD 3QCY13 US$'000 (Unaudited)
Current tax:		
Singapore income tax	**2**	3
PRC enterprise income tax	**496**	344
Hong Kong income tax	**14**	35
Other jurisdictions	**21**	19
	533	401
Deferred tax	**99**	235
	632	636

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.

5. **Dividend**

No dividend has been declared or recommended for the third quarter ended 30 September 2014 and the same period last year.

6. **Earnings per share**

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

	Earnings		**Earnings**	
	3QCY14	3QCY13	**YTD 3QCY14**	YTD 3QCY13
	US$'000	US$'000	**US$'000**	US$'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Earnings for the purpose of basic earnings per share	**(940)**	4,010	**4,353**	12,170

	Number of shares		**Number of shares**	
	3QCY14	3QCY13	**YTD 3QCY14**	YTD 3QCY13
	'000	*'000*	***'000***	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**186,920**	186,920	**186,920**	186,920
Earnings per share (US cents) - basic	**(0.50)**	2.15	**2.33**	6.51

The Group had no granted options over shares. There are no dilutive potential ordinary shares.

7. **Net asset value**

	Group		**Company**	
	30 September 2014	31 December 2013	**30 September 2014**	31 December 2013
	US$	US$	**US$**	US$
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
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*	**1.84**	1.91	**1.17**	1.27

* Based on 186,919,962 issued shares as at 30 September 2014 (31 December 2013: 186,919,962 issued shares net of treasury shares).

8. **Additions to property, plant and equipment**

During the reporting period, the Group spent approximately US$31.7 million (nine months ended 30 September 2013: approximately US$35.9 million) on acquisition of property, plant and equipment including deposits paid.

The deposits for acquisition of plant and equipment relate to down payments made when new plant and equipment are purchased for operational needs. The amount of down payment reported at each quarter end will depend on factors such as (but not limited to) timing of orders placed for respective equipment, the delivery and the commissioning of the equipment purchase.

9. **Trade and bills receivables**

	GROUP	
	30 September 2014	31 December 2013
	US$'000	US$'000
	(Unaudited)	(Audited)
Trade receivables		
- Third parties	**138,735**	113,580
- Related parties (note)	**2,496**	110
Less: Allowance for doubtful debts	**(3,429)**	(5,070)
	137,802	108,620
Bills receivables	**2,406**	3,938
Total	**140,208**	112,558

Note: Related parties are subsidiaries of the ultimate holding company other than the Group.

The following is an ageing 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 September 2014	31 December 2013
	US$'000	US$'000
	(Unaudited)	(Audited)
Within 90 days	**116,994**	99,098
91 to 180 days	**19,844**	9,205
Over 180 days	**964**	317
	137,802	108,620

At the end of the reporting period, the bills receivables are aged within 180 days (31 December 2013: within 180 days). Trade receivables are non-interest bearing and generally on 30 to 120 days' credit terms.

10. **Inventories**

	GROUP	
	30 September 2014	31 December 2013
	US$'000	US$'000
	(Unaudited)	(Audited)
Raw materials	**14,731**	10,275
Work-in-progress	**26,343**	18,316
Finished goods	**10,909**	12,952
	51,983	41,543

11. **Trade and bills payables**

	GROUP	
	30 September 2014	31 December 2013
	US$'000	US$'000
	(Unaudited)	(Audited)
Trade payables		
- Third parties	**83,743**	64,034
- Related parties (note)	**54,675**	41,403
	138,418	105,437
Bills payables	**8,456**	8,775
Total	**146,874**	114,212

Note: Related parties are subsidiaries of the ultimate holding company other than the Group.

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

	GROUP	
	30 September 2014	31 December 2013
	US$'000	US$'000
	(Unaudited)	(Audited)
Within 90 days	**99,928**	78,718
91 to 180 days	**34,678**	21,548
Over 180 days	**3,812**	5,171
	138,418	105,437

At the end of the reporting period, the bills payables are aged within 180 days (31 December 2013: within 180 days). The bills payable was mainly related to the purchase of equipment through issuing irrevocable letters of credits payment mode.

12. **Bank borrowings**

	GROUP	
	30 September 2014 US$'000 (Unaudited)	31 December 2013 US$'000 (Audited)
Unsecured:		
Bank loans	**88,505**	72,786
Bank overdraft	**55**	11
Bank loans - unsecured	**88,560**	72,797
Comprising amounts following due:		
- within one year	**40,327**	41,648
- more than one year	**48,233**	31,149
	88,560	72,797

The Group's total external borrowings increased by approximately 21.7% to approximately US$88.6 million as at 30 September 2014 from 31 December 2013 as additional loans have been drawn down to fund for the new capital investment.

13. **Share capital**

As at 30 September 2014, the Company has a total of 186,919,962 (31 December 2013: 186,919,962) issued ordinary shares excluding treasury shares.

14. **Share options**

There was no share options outstanding as at 30 September 2014 and 30 September 2013, respectively. No share option has been granted under the 2008 Elec & Eltek Employees' Share Option Scheme since its adoption by the Company on 9 May 2008 and as at the date of this announcement.

15. **Net current assets and Total assets less current liabilities**

As at 30 September 2014, the Group's net current assets, defined as current assets less current liabilities, amounted to approximately US$18.8 million (31 December 2013: net current assets approximately US$10.5 million).

As at 30 September 2014, the Group's total assets less current liabilities amounted to approximately US$392.7 million (31 December 2013: approximately US$390.1 million).

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

For the nine months ended 30 September 2014, there were no material differences between the consolidated financial statements of the Group prepared under FRSs and IFRSs.

BUSINESS REVIEW

The Group continues to expand our market share in the automotive, communication and mobile phone segments. In the third quarter of 2014, communications & networking products (including mobile phones) accounted for around 49% of our total PCB sales (3QCY13: 41%) while automotive PCB sales account for around 19% of our total PCB sales (3QCY13: 16%). Sales of High Density Interconnect ("**HDI**") PCBs continued to show robust growth momentum and accounted for approximately 37% of total PCB sales in 3QCY14 as compared with about 28% in 3QCY13. However, the impact caused by decline in customer demand for servers and other computer related products was not fully compensated by the ramp up of HDI and other more advanced PCB output. Hence, the Group's revenue for 3QCY14 decreased by 1.1% from same quarter last year to approximately US$134.3 million and gross profit margin in 3QCY14 was 8.6% compared to 10.0% in 3QCY13.

In line with the on-going strategy to upgrade our product mix to improve productivity and cost efficiency, some of our production equipments will be upgraded to meet current customer requirements. Accordingly, management has made a restructuring provision of approximately US$3.5 million recognised under "Other operating expenses and losses" in the current quarter which was mainly attributable to the provision for impairment of production facilities and other forthcoming restructuring costs for the Group.

Taking the above factors into account, the Group's underlying net attributable profit (profit after tax and non-controlling interests excluding the restructuring provision of US$3.5 million) was approximately US$2.5 million in 3QCY14, as compared with US$4.0 million in 3QCY13. The underlying earnings before interest, tax, depreciation and amortization for the Group ("EBITDA") for 3QCY14 was approximately US$15.7 million (3QCY13: US$16.0 million). The Group continues to generate steady operating cash flow. As at end of September 2014, our net gearing ratio was maintained at a comfortable level of 19.2%. The Group's financial position remained healthy.

LIQUIDITY AND CAPITAL RESOURCES

As at 30 September 2014, the Group's net current assets was approximately US$18.8 million (31 December 2013: approximately US$10.5 million), making the current ratio 1.09 as compared to 1.06 as at 31 December 2013.

The net working capital cycle decreased to 14 days as at 30 September 2014 from 15 days as at 31 December 2013 on the following key metrics:

- Inventories, in terms of stock turnover days, increased to 33 days (31 December 2013: 29 days).

- Trade receivables, in terms of debtors turnover days, increased to 87 days (31 December 2013: 82 days).

- Trade payables, in terms of creditors turnover days, increased to 106 days (31 December 2013: 96 days).

The Group's net gearing ratio (ratio of interest bearing borrowings net of cash and cash equivalents to total equity) as at 30 September 2014 was approximately 19.2% (31 December 2013: 14.7%). The proportion of short-term and long-term bank borrowings stood at 46%:54% (31 December 2013: 57%:43%). The total equity of the Group as at 30 September 2014 was approximately US$343.8 million (31 December 2013: approximately US$357.6 million). As at 30 September 2014, the Group had cash on hand and undrawn loan facilities of approximately US$22.5 million and US$42.7 million respectively.

The Group's transactions and monetary assets are principally denominated in United States dollars, Renminbi and Hong Kong dollars. There was no material foreign exchange exposure to the Group during the period under review.

PROSPECTS

As we approach the last quarter of the year, order intake is likely to be moderately soft as customers would start to control their inventory level in line with normal seasonality. However, as our sales and marketing team started to negotiate with our customers on order allocation next year, we are confident that we would be able to capture a higher market share in our target market segments including communications and automotive industries.

Meanwhile, the Group is in the process of upgrading our production facilities with additional investment in our manufacturing plants over the next 12 months to gear up the production capabilities to meet customer demand in the PCB market.

AUDIT OR REVIEW OF THE INTERIM FINANCIAL RESULTS

The figures for 3QCY14 and YTD 3QCY14, 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.

DISCLOSURE ON THE WEBSITE OF THE EXCHANGES

This announcement 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 the Board of Directors and our global employees for their continued loyalty, diligence and unreserved support to the Group.

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 US$'000	Aggregate value of all interested person transactions during the period under review (including transactions less than S$100,000 and excluding transactions conducted under shareholders' mandate pursuant to Rule 920) **YTD 3QCY14**	YTD 3QCY13	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (including transactions less than S$100,000) **YTD 3QCY14**	YTD 3QCY13
Purchases of plant and equipment				
Chung Shun Laminates (Macao Commercial Offshore) Limited	**—**	—	**5,665**	8,385
	—	—	**5,665**	8,385
Purchases of goods and services				
Chung Shun Laminates (Macao Commercial Offshore) Limited	**—**	—	**89,479**	71,397
Elec & Eltek Corporate Services Limited	**171**	529	**—**	—
Heng Yang Kingboard Chemical Co., Ltd.	**—**	—	**1,651**	4,708
Hong Kong Fibre Glass Company Limited	**—**	—	**10,912**	6,210
Huizhou Chung Shun Chemical Company Limited	**—**	—	**555**	332
Jiangmen Kingboard High-tech Company Limited	**—**	—	**—**	3,129
Joyful Source Group Limited	**21**	24	**—**	—
Kingfai (Lian Zhou) Electronic Materials Company Ltd.	**—**	—	**—**	5,598
	192	553	**102,597**	91,374
Provision of goods and services				
Elec & Eltek Computers Limited	**37**	30	**—**	—
Elec & Eltek Display Technology Limited	**28**	33	**—**	—
Express Electronics Limited	**—**	—	**1,420**	1,865
Heng Yang Kingboard Chemical Co., Ltd.	**—**	—	**—**	1,874
Techwise (Macao Commercial Offshore) Circuits Limited	**—**	—	**1,173**	1,375
Top Faith P.C.B. Company Limited	**—**	—	**—**	5
	65	63	**2,593**	5,119

CONFIRMATION BY THE BOARD

We, Stephanie Cheung Wai Lin and Chang Wing Yiu, being two of the Directors of Elec & Eltek International Company Limited (the "**Company**"), do hereby confirm on behalf of the Board of Directors of the Company (the "**Board**") that, to the best of their knowledge, nothing has come to the attention of the Board which may render the unaudited financial statements for the third quarter and nine months ended 30 September 2014 to be false or misleading.

On behalf of the Board of Directors

Stephanie Cheung Wai Lin
Executive Director

Chang Wing Yiu
Executive Director

By order of the Board
Elec & Eltek International Company Limited
Stephanie Cheung Wai Lin
Vice Chairman

Hong Kong, 3 November 2014

As of the date of this announcement, the Board of the Company comprises the following directors:

Executive Directors:-
Stephanie Cheung Wai Lin (Vice Chairman)
Chang Wing Yiu
Ng Hon Chung

Non-executive Directors:-
Cheung Kwok Wing (Chairman)

Independent Non-executive Directors:-
Larry Lai Chong Tuck
Raymond Leung Hai Ming
Stanley Chung Wai Cheong

* *For identification purpose only*