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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 FIRST QUARTER ENDED 31 MARCH 2019

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 the 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 (International) ("**SFRS(I)**") and has not been audited or reviewed 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 economic 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.

** For identification purpose only*

FINANCIAL HIGHLIGHTS

	Three months ended		
	31 March 2019 ("1QCY19")	31 March 2018 ("1QCY18")	% Change
	US$'000	US$'000	
Revenue	**138,657**	131,851	5.2%
EBITDA	**16,871**	18,425	-8.4%
EBITDA margin	**12.2%**	14.0%	
Profit before tax	**5,755**	8,887	-35.2%
Net profit attributable to owners of the Company	**4,250**	7,225	-41.2%
Basic and diluted earnings per share	**US2.27 cents**	US3.87 cents	-41.3%
	31 March 2019	31 December 2018	
Net asset value per share	**US$2.22**	US$2.19	1.4%
Net gearing ratio	**20.7%**	20.5%	

RESULTS

The board of directors (the "**Board**") of the Company is pleased to announce the unaudited consolidated results of the Group for the period ended 31 March 2019 ("**1QCY19**") together with the comparative figures for the period ended 31 March 2018 ("**1QCY18**").

Consolidated Statement of Profit or Loss

	Notes	**1QCY19 US$'000 (Unaudited)**	1QCY18 US$'000 (Unaudited)	% Change
Revenue	2	**138,657**	131,851	5.2%
Cost of sales		**(125,537)**	(115,555)	8.6%
Gross profit		**13,120**	16,296	-19.5%
Gross profit margin		**9.5%**	12.4%	
Other operating income and gains		**909**	421	115.9%
Distribution and selling costs		**(2,260)**	(2,439)	-7.3%
Administrative expenses		**(5,487)**	(4,990)	10.0%
Other operating expenses and losses		**(53)**	(105)	-49.5%
Finance costs	3	**(474)**	(296)	60.1%
Profit before taxation		**5,755**	8,887	-35.2%
Income tax expense	4	**(1,297)**	(1,574)	-17.6%
Profit for the period		**4,458**	7,313	-39.0%
Profit attributable to:				
Owners of the Company		**4,250**	7,225	-41.2%
Non-controlling interests		**208**	88	136.4%
		4,458	7,313	-39.0%
Earnings per share (US cents)				
- Basic and diluted	6	**2.27**	3.87	-41.3%

Notes to Consolidated Statement of Profit or Loss:

	1QCY19 US$'000 (Unaudited)	1QCY18 US$'000 (Unaudited)	% Change
Depreciation of property, plant and equipment	**10,633**	9,230	15.2%
Amortisation of prepaid land use rights	**41**	41	n/m
Allowance for expected credit losses	**321**	50	542.0%
Allowance for inventory obsolescence	**1,384**	136	917.6%

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	1QCY19 US$'000 (Unaudited)	1QCY18 US$'000 (Unaudited)	% Change
Profit for the period	**4,458**	7,313	-39.0%
Other comprehensive (expenses) income:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	**(20)**	289	-106.9%
Other comprehensive (expenses) income for the period, net of tax	**(20)**	289	-106.9%
Total comprehensive income for the period	**4,438**	7,602	-41.6%
Total comprehensive income attributable to:			
Owners of the Company	**4,230**	7,514	-43.7%
Non-controlling interests	**208**	88	136.4%
	4,438	7,602	-41.6%

n/m - percentage not meaningful

Statements of Financial Position

	Notes	GROUP		COMPANY	
		31 March 2019	31 December 2018	**31 March 2019**	31 December 2018
		US$'000	US$'000	**US$'000**	US$'000
		(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
ASSETS					
Current assets					
Cash and bank balances		**23,285**	25,077	**83**	98
Trade receivables	9	**176,398**	186,477	**—**	—
Bills receivables	9	**414**	1,148	**—**	—
Other receivables		**15,290**	13,294	**12**	7
Prepaid land use rights		**399**	399	**—**	—
Inventories	10	**43,412**	39,631	**—**	—
Total current assets		**259,198**	266,026	**95**	105
Non-current assets					
Property, plant and equipment	8	**342,084**	335,141	**—**	—
Prepaid land use rights		**12,326**	12,367	**—**	—
Deposits for acquisition of plant and equipment	8	**8,523**	8,398	**—**	—
Investment properties		**104,554**	104,554	**—**	—
Subsidiary companies		**—**	—	**474,645**	474,747
Deferred tax assets		**39**	39	**—**	—
Total non-current assets		**467,526**	460,499	**474,645**	474,747
Total assets		**726,724**	726,525	**474,740**	474,852
LIABILITIES AND EQUITY					
Current liabilities					
Bank loans	12	**55,209**	55,353	**—**	—
Trade payables	11	**144,224**	150,176	**—**	—
Bills payables	11	**18,593**	15,442	**—**	—
Other payables		**29,885**	31,418	**4,433**	4,385
Amounts due to subsidiary companies		**—**	—	**247,445**	247,163
Contract liabilities		**1,690**	679	**—**	—
Provision for taxation		**4,361**	5,095	**—**	—
Total current liabilities		**253,962**	258,163	**251,878**	251,548
Non-current liabilities					
Bank loans	12	**53,812**	53,850	**—**	—
Deferred tax liabilities		**3,403**	3,403	**—**	—
Deferred income		**1,162**	1,162	**—**	—
Total non-current liabilities		**58,377**	58,415	**—**	—
Capital, reserves and non-controlling interests					
Share capital	13	**113,880**	113,880	**113,880**	113,880
Reserves		**288,339**	284,109	**108,982**	109,424
Equity attributable to owners of the Company		**402,219**	397,989	**222,862**	223,304
Non-controlling interests		**12,166**	11,958	**—**	—
Total equity		**414,385**	409,947	**222,862**	223,304
Total liabilities and equity		**726,724**	726,525	**474,740**	474,852

Consolidated Statement of Changes in Equity

	Attributable to owners of the Company									
	Share capital US$'000	Capital reserve US$'000 (Note i)	Statutory reserve US$'000 (Note ii)	Revaluation reserve US$'000 (Note iii)	Other reserve US$'000 (Note iv)	Retained earnings US$'000	Foreign currency translation reserve US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
THE GROUP										
1QCY19										
Balance at 1 January 2019 (audited)	113,880	1,916	9,947	42,684	166	216,569	12,827	397,989	11,958	409,947
Change in equity for 1QCY19										
Total comprehensive income for the period										
Profit for the period	—	—	—	—	—	4,250	—	4,250	208	4,458
Exchange differences arising on translation of foreign operations	—	—	—	—	—	—	(20)	(20)	—	(20)
Other comprehensive expenses for the period, net of tax	—	—	—	—	—	—	(20)	(20)	—	(20)
Total	—	—	—	—	—	4,250	(20)	4,230	208	4,438
Balance at 31 March 2019 (unaudited)	113,880	1,916	9,947	42,684	166	220,819	12,807	402,219	12,166	414,385
1QCY18										
Balance at 1 January 2018 (audited)	113,880	1,916	6,826	42,684	166	210,345	14,209	390,026	11,342	401,368
Change in equity for 1QCY18										
Total comprehensive income for the period										
Profit for the period	—	—	—	—	—	7,225	—	7,225	88	7,313
Exchange differences arising on translation of foreign operations	—	—	—	—	—	—	289	289	—	289
Other comprehensive income for the period, net of tax	—	—	—	—	—	—	289	289	—	289
Total	—	—	—	—	—	7,225	289	7,514	88	7,602
Balance at 31 March 2018 (unaudited)	113,880	1,916	6,826	42,684	166	217,570	14,498	397,540	11,430	408,970

Notes:

(i) Capital reserve represents amounts transferred from the share option reserve upon the exercise of share options.

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

(iii) 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.

(iv) 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 of assets by the subsidiaries in prior years.

	Share capital US$'000	Capital reserve US$'000	Retained earnings US$'000	Total equity US$'000
THE COMPANY				
1QCY19				
Balance at 1 January 2019 (audited)	113,880	1,916	107,508	223,304
Loss for the period, representing total comprehensive expenses for the period	—	—	(442)	(442)
Balance at 31 March 2019 (unaudited)	113,880	1,916	107,066	222,862
1QCY18				
Balance at 1 January 2018 (audited)	113,880	1,916	120,996	236,792
Loss for the period, representing total comprehensive expenses for the period	—	—	(264)	(264)
Balance at 31 March 2018 (unaudited)	113,880	1,916	120,732	236,528

Consolidated Statement of Cash Flows

	1QCY19	1QCY18
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Operating activities		
Profit before taxation	**5,755**	8,887
Adjustments for:		
Allowance for expected credit losses	**321**	50
Finance costs	**474**	296
Depreciation of property, plant and equipment	**10,633**	9,230
Amortisation of prepaid land use rights	**41**	41
Gain on disposal of property, plant and equipment	**(1)**	(8)
Allowance for inventory obsolescence	**1,384**	136
Interest income	**(32)**	(29)
Operating income before movements in working capital	**18,575**	18,603
Increase in inventories	**(5,165)**	(1,521)
Decrease in trade, bills and other receivables	**8,327**	6,396
(Decrease) increase in trade, bills and other payables	**(4,367)**	982
Net cash generated from operations	**17,370**	24,460
Interest income received	**32**	29
Interest paid	**(587)**	(362)
Income taxes paid	**(1,233)**	(1,490)
Net cash from operating activities	**15,582**	22,637

	1QCY19	1QCY18
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Investing activities		
Proceeds from disposal of property, plant and equipment	**90**	84
Purchase of property, plant and equipment	**(12,953)**	(22,143)
Deposits paid for acquisition of property, plant and equipment	**(4,549)**	(4,160)
Net cash used in investing activities	**(17,412)**	(26,219)
Financing activities		
Proceeds from bank borrowings	**10,938**	13,389
Repayment of bank borrowings	**(11,120)**	(8,732)
Net cash (used in) from financing activities	**(182)**	4,657
Net (decrease) increase in cash and cash equivalents	**(2,012)**	1,075
Cash and cash equivalents at the beginning of the period	**25,077**	25,985
Effect of foreign exchange rate changes on the balances of cash held in foreign currencies, net	**220**	137
Cash and cash equivalents at the end of the period	**23,285**	27,197
Cash and cash equivalents consists of:		
Cash and bank balances	**23,285**	27,197

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 quarterly consolidated financial statements for 1QCY19 as the most recent audited financial statements as at 31 December 2018.

The Group adopted the following Singapore Financial Reporting Standards (International) ("**SFRS(I)**") pronouncements that are effective for annual periods beginning on or after 1 January 2019:

- *SFRS(I) 16 Leases*
- *SFRS(I) INT 23 Uncertainty over Income Tax Treatments*

The adoption of these new and revised SFRS(I) 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 financial period.

2. Revenue and segment information

The Group's operating activities are attributable to two single reporting and operating segments on (i) fabrication and distribution of printed circuit boards ("**PCB**"); and (ii) property investment. These segments have been identified on the basis of internal management reports prepared in accordance with accounting policies conforming to SFRS(I) that are regularly reviewed by the Executive Directors of the Company.

Period ended 31 March 2019

	Fabrication and distribution of PCB US$'000	Property investment US$'000	Total US$'000
Segment revenue			
Revenue from external customers	136,786	1,871	138,657
Segment results	4,665	1,532	6,197
Corporate and other unallocated expenses			(442)
Profit before tax			5,755

	Fabrication and distribution of PCB US$'000	Property investment US$'000	Unallocated US$'000	Total US$'000
ASSETS				
Segment assets	602,342	101,097	—	703,439
Unallocated assets	—	—	23,285	23,285
Consolidated total assets				726,724
LIABILITIES				
Segment liabilities	(302,207)	(2,369)	—	(304,576)
Unallocated liabilities	—	—	(7,763)	(7,763)
Consolidated total liabilities				(312,339)

Period ended 31 March 2018

	Fabrication and distribution of PCB US$'000	Property investment US$'000	Total US$'000
Segment revenue			
Revenue from external customers	129,752	2,099	131,851
Segment results	7,322	1,829	9,151
Corporate and other unallocated income			(264)
Profit before tax			8,887

	Fabrication and distribution of PCB US$'000	Property investment US$'000	Unallocated US$'000	Total US$'000
ASSETS				
Segment assets	548,226	104,748	—	652,974
Unallocated assets	—	—	27,197	27,197
Consolidated total assets				680,171
LIABILITIES				
Segment liabilities	(267,562)	(1,422)	—	(268,984)
Unallocated liabilities	—	—	(2,217)	(2,217)
Consolidated total liabilities				(271,201)

3. Finance costs

	1QCY19	1QCY18
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Interest on bank loans wholly repayable within five years	**587**	362
Less: Amounts capitalised	**(113)**	(66)
	474	296

4. Income tax expense

	1QCY19	1QCY18
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Current tax:		
Singapore income tax	**—**	—
PRC enterprise income tax	**1,159**	1,287
Hong Kong income tax	**138**	42
Other jurisdictions	**—**	—
	1,297	1,329
Deferred tax	**—**	245
	1,297	1,574

The Group is subject to taxation at 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 1QCY19 or the same period last year.

6. 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	
	1QCY19	1QCY18
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Earnings for the purpose of basic and diluted earnings per share	**4,250**	7,225

	Number of shares	
	1QCY19	1QCY18
	'000	'000
Weighted average number of ordinary shares used to compute basic and diluted earnings per share	**186,920**	186,920
Earnings per share (US cents) - basic and diluted	**2.27**	3.87

The Group had not granted options over shares. There are no dilutive potential ordinary shares.

7. Net asset value

	Group		Company	
	31 March 2019	31 December 2018	**31 March 2019**	31 December 2018
	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*	**2.22**	2.19	**1.19**	1.19

* Based on 186,919,962 issued shares as at 31 March 2019 (31 December 2018: 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$17.5 million (1QCY18: approximately US$26.3 million) on the 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	
	31 March 2019 US$'000 (Unaudited)	31 December 2018 US$'000 (Audited)
Trade receivables		
- Third parties	**169,482**	179,250
- Related companies (note)	**11,050**	12,721
Less: Allowance for expected credit losses	**(4,134)**	(5,494)
	176,398	186,477
Bills receivables	**414**	1,148
Total	**176,812**	187,625

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

The following is an ageing analysis of trade receivables net of allowance for expected credit losses presented based on the invoice date at the end of the reporting period:

	GROUP	
	31 March 2019 US$'000 (Unaudited)	31 December 2018 US$'000 (Audited)
Within 90 days	**137,965**	156,701
91 to 180 days	**38,433**	29,776
	176,398	186,477

At the end of the reporting period, the bills receivables are aged within 180 days (31 December 2018: within 180 days)

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

10. Inventories

	GROUP	
	31 March 2019 US$'000 (Unaudited)	31 December 2018 US$'000 (Audited)
Raw materials	**11,073**	11,477
Work-in-progress	**13,816**	11,903
Finished goods	**18,523**	16,251
	43,412	39,631

11. Trade and bills payables

	GROUP	
	31 March 2019 US$'000 (Unaudited)	31 December 2018 US$'000 (Audited)
Trade payables		
- Third parties	**88,771**	99,985
- Related companies (note)	**55,453**	50,191
	144,224	150,176
Bills payables	**18,593**	15,442
Total	**162,817**	165,618

Note: Related companies 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	
	31 March 2019 US$'000 (Unaudited)	31 December 2018 US$'000 (Audited)
Within 90 days	**79,183**	91,938
91 to 180 days	**30,499**	41,132
Over 180 days	**34,542**	17,106
	144,224	150,176

At the end of the reporting period, the bills payables are aged within 180 days (31 December 2018: within 180 days). The bills payables were mainly related to the purchase of equipment via the payment mode of issuing irrevocable letters of credit.

12. Bank loans

	GROUP	
	31 March 2019 US$'000 (Unaudited)	31 December 2018 US$'000 (Audited)
Unsecured:		
Bank loans	**109,021**	109,203
Comprising amounts falling due:		
- within one year	**55,209**	55,353
- more than one year	**53,812**	53,850
	109,021	109,203

The Group's total external borrowings decreased by approximately 0.2% to approximately US$109 million as at 31 March 2019, from 31 December 2018, due to repayment of loans during the quarter.

13. Share capital

As at 31 March 2019, the Company has a total of 186,919,962 (31 December 2018: 186,919,962) issued ordinary shares excluding treasury shares.

14. Share options

The Company had no share options outstanding as at 31 March 2019 and 31 December 2018, respectively. No share options have been granted under the 2018 Elec & Eltek Employees' Share Option Scheme since adoption of the scheme by the Company on 27 April 2018, and as at the date of this announcement.

15. Reconciliation between SFRS(I) and International Financial Reporting Standards ("IFRS")

For 1QCY19, there were no material differences between the consolidated financial statements of the Group prepared under SFRS(I) and IFRS.

BUSINESS REVIEW AND OUTLOOK

The Group is delighted to report its results for 1QCY19. The Group's revenue remains stable, notwithstanding 1QCY19 coinciding with the Chinese New year, during which time production days are reduced. The Group's revenue for 1QCY19 increased by 5.2% from 1QCY18 to approximately US$138.7 million. After the rapid growth of demand for laminates for the past two years, the growth is comparatively lowered. Moreover, the high production cost cannot be transferred to the customers in its entirety and this has exerted pressure on the profits of products. In addition, the Group's depreciation of property, plant and equipment increased by 15.2% as compared with that of 1QCY18 to US$10.6 million (1QCY18: US$9.2 million) due to increase in the Group's additions to plant and equipment for the purpose of upgrading production facilities, resulting in a further increase in production costs and a decrease in profit as compared with that of 1QCY18. The net attributable profit (profit after tax and non-controlling interests) decreased by 41.2% to US$4.3 million in 1QCY19, as compared with US$7.2 million in 1QCY18.

The Group's gross profit for 1QCY19 decreased by 19.5% from 1QCY18 US$16.3 million to US$13.1 million, and gross profit margin was 9.5% (1QCY18: 12.4%). Earnings before interest, tax, depreciation and amortization for the Group ("EBITDA") decreased by approximately 8.4% to US$16.9 million (1QCY18: US$18.4 million). The Group continued to generate steady operating cash flow. As at 31 March 2019, the Group's net gearing ratio was 20.7% (31 December 2018: 20.5%). The Group's financial position remained healthy.

In 1QCY19, communication & networking products (including mobile phones) accounted for about 48.1% (1QCY18: 45.6%) of our total PCB sales while automotive PCB sales accounted for around 19.9% (1QCY18: 23.6%) of our total PCB sales. Other products (including computer, consumer electronics and industrial) accounted for approximately 32.0% (1QCY18: 30.8%) of our total PCB sales. High Density Interconnect ("**HDI**") PCB accounted for approximately 25.9% of total PCB sales in 1QCY19 (1QCY18: 25.7%)

LIQUIDITY AND CAPITAL RESOURCES

As at 31 March 2019, the Group's net current assets was approximately US$5.2 million (31 December 2018: approximately US$7.9 million), making the current ratio 1.02 as compared to 1.03 as at 31 December 2018.

The net working capital cycle was 39 days as at 31 March 2019 (31 December 2018: 36 days) based on the following key metrics:

- Inventories, in terms of stock turnover days, increased to 27 days (31 December 2018: 25 days).

- Trade receivables, in terms of debtors turnover days, increased to 119 days (31 December 2018: 107 days).

- Trade payables, in terms of creditors turnover days, increased to 107 days (31 December 2018: 96 days).

The Group's net gearing ratio (which is the ratio of interest bearing borrowings net of cash and cash equivalents to total equity) as at 31 March 2019 was approximately 20.7% (31 December 2018: 20.5%). As at 31 March 2019, the proportion of short-term and long-term bank borrowings stood at 51%: 49% (31 December 2018: 51%: 49%). The total equity of the Group, as at 31 March 2019, was approximately US$414.4 million (31 December 2018: approximately US$409.9 million). As at 31 March 2019, the Group had cash on hand and undrawn loan facilities of approximately US$23.3 million and US$65.9 million respectively.

The Group's transactions and monetary assets are principally denominated in United States dollars, Renminbi and Hong Kong dollars, and the Group is subject to risks associated with fluctuations in exchange rate between Renminbi and other currencies in which the Group conducts its businesses

PROSPECTS

The Group has made continual investments into the 5G area, and has upgraded its production facilities to expand production capacity and optimise the product performance. With the arrival of the new 5G telecommunication era, the Group will strive for more orders from the communication & networking PCB market. The Group will continue to place emphasis on product quality and cost control to continuously enhance the Group's competitiveness. Competition in the laminates market has become more intense. However, the Group remains, as always, focused on quality control to attract more potential customers. In addition, the Group's project in its industrial building in Guangzhou is currently in progress and will be completed soon. It is expected that this will provide the Group with rental income in the second half of the year 2019.

AUDIT OR REVIEW OF THE FINANCIAL RESULTS

The figures for 1QCY19 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), SEHK (http://www.hkexnews.hk) and on the Company's website (http://www.eleceltek.com).

APPRECIATION

On behalf of the Board, we would like to take this opportunity to express our appreciation to the Board and our global employees for their continued loyalty, diligence and unreserved support for 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:

	Aggregate value of all interested persons transactions during the 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 persons transactions conducted under shareholders' mandate pursuant to Rule 920 (including transactions less than S$100,000)**	
Name of Interested Person **US$'000**	**1QCY19**	1QCY18	**1QCY19**	1QCY18
Purchases of plant and equipment				
Chung Shun Laminates (Macao Commercial Offshore) Limited	**—**	—	**1,187**	2,779
	—	—	**1,187**	2,779
Purchases of goods and services				
Chung Shun Laminates (Macao Commercial Offshore) Limited	**—**	—	**26,852**	23,141
Delta Realty Limited	**44**	19	**—**	—
Heng Yang Kingboard Chemical Co., Ltd.	**—**	—	**456**	559
Hong Kong Fibre Glass Company Limited	**—**	—	**7,644**	5,996
Huizhou Chung Shun Chemical Company Limited	**—**	—	**303**	394
	44	19	**35,255**	30,090
Provision of goods and services				
Chung Shun Laminates (Macao Commercial Offshore) Limited	**—**	—	**1,437**	852
Express Electronics (Suzhou) Co., Ltd.	**—**	—	**16**	—
Techwise (Macao Commercial Offshore) Circuits Limited	**—**	—	**4,117**	4,416
	—	—	**5,570**	5,268

CONFIRMATION OF DIRECTORS' AND EXECUTIVE OFFICERS' UNDERTAKINGS PURSUANT TO LISTING RULE 720(1)

The Company confirms that it has procured the undertakings required under Rule 720(1) of the SGX Listing Manual from all its directors and executive officers, in the form set out in Appendix 7.7 of the SGX Listing Manual.

CONFIRMATION BY THE BOARD

We, Stephanie Cheung Wai Lin and Chang Wing Yiu, being two of the directors of the Company, do hereby confirm on behalf of the Board that, to the best of the Board's knowledge, nothing has come to the attention of the Board which may render the unaudited financial statements for 1QCY19 to be false or misleading.

On behalf of the Board

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, 10 May 2019

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

Executive Directors:-
Stephanie Cheung Wai Lin *(Vice Chairman)*
Chang Wing Yiu

Non-executive Director:-
Cheung Kwok Wing *(Chairman)*

Independent Non-executive Directors:-
Stanley Chung Wai Cheong
Ong Shen Chieh
Kong Tze Wing