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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 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 report has been prepared in accordance with the Singapore Financial Reporting Standards ("**FRS**") and has not been audited nor reviewed by auditors. Shareholders of the Company and public investors should exercise caution when trading in the shares of the Company.

This presentation 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

	Three months ended			Three months ended	
	31 Mar 2014 ("1QCY14")	31 Mar 2013 ("1QCY13")		31 Dec 2013 ("4QCY13")	
	US$'000	US$'000	% Change	US$'000	% Change
Revenue	**115,708**	115,755	0%	122,404	-5%
EBITDA	**12,840**	15,824	-19%	12,818	0%
EBITDA margin	**11.1%**	13.7%		10.5%	
Profit before tax	**1,270**	4,287	-70%	1,688	-25%
Net profit attributable to owners of the Company	**1,165**	4,002	-71%	1,533	-24%
Basic earnings per share	**US0.62 cents**	US2.14 cents	-71%	US0.82 cents	-24%
	31 Mar 2014	31 Dec 2013			
Net asset value per share	**US$1.92**	US$1.91	1%		
Net gearing ratio	**15.2%**	14.7%			

RESULTS

The board of directors (the "**Board**") of the Company is pleased to announce the unaudited consolidated results of the Group for the first quarter ended 31 March 2014 ("**1QCY14**") together with the comparative figures for the first quarter ended 31 March 2013 ("**1QCY13**") and the fourth quarter ended 31 December 2013 ("**4QCY13**").

Consolidated Statement of Profit or Loss

	Notes	**1QCY14 US$'000 (Unaudited)**	1QCY13 US$'000 (Unaudited)	% Change	4QCY13 US$'000 (Unaudited)	% Change
Revenue	2	**115,708**	115,755	0.0%	122,404	-5.5%
Cost of sales		**(107,051)**	(102,486)	4.5%	(112,863)	-5.1%
Gross profit		**8,657**	13,269	-34.8%	9,541	-9.3%
Gross profit margin		*7.5%*	*11.5%*		*7.8%*	
Other operating income and gains		**712**	677	5.2%	2,378	-70.1%
Distribution and selling costs		**(3,462)**	(3,618)	-4.3%	(3,479)	-0.5%
Administrative expenses		**(4,199)**	(5,426)	-22.6%	(6,226)	-32.6%
Other operating expenses and losses		**(77)**	(262)	-70.6%	(192)	-59.9%
Finance costs	3	**(361)**	(353)	2.3%	(334)	8.1%
Profit before taxation		**1,270**	4,287	-70.4%	1,688	-24.8%
Income tax expense	4	**(70)**	(251)	-72.1%	(125)	-44.0%
Profit for the period		**1,200**	4,036	-70.3%	1,563	-23.2%
Profit attributable to:						
Owners of the Company		**1,165**	4,002	-70.9%	1,533	-24.0%
Non-controlling interests		**35**	34	2.9%	30	16.7%
		1,200	4,036	-70.3%	1,563	-23.2%
Earnings per share (US cents)	6					
- basic		**0.62**	2.14	-71.0%	0.82	-24.4%

Notes to Consolidated Statement of Profit or Loss:

	1QCY14	1QCY13		4QCY13	
	US$'000	US$'000	% Change	US$'000	% Change
	(Unaudited)	(Unaudited)		(Unaudited)	
Depreciation	**11,124**	11,135	-0.1%	10,750	3.5%
Amortisation of prepaid land use rights	**100**	114	-12.3%	64	56.3%
Reversal of allowance for doubtful debts	**(135)**	(275)	-50.9%	(270)	-50.0%
Allowance for inventory obsolescence	**91**	11	n/m	18	n/m

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	1QCY14	1QCY13		4QCY13	
	US$'000	US$'000	% Change	US$'000	% Change
	(Unaudited)	(Unaudited)		(Unaudited)	
Profit for the period	**1,200**	4,036	-70.3%	1,563	-23.2%
Other comprehensive income :					
Items that will not be reclassified subsequently to profit or loss:					
Revaluation surplus of properties transferred to investment properties	**—**	—	n/m	663	n/m
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	**105**	136	-22.8%	(119)	-188.2%
Other comprehensive income for the period, net of tax	**105**	136	-22.8%	544	-80.7%
Total comprehensive income for the period	**1,305**	4,172	-68.7%	2,107	-38.1%
Total comprehensive income attributable to:					
Owners of the Company	**1,270**	4,138	-69.3%	2,077	-38.9%
Non-controlling interests	**35**	34	2.9%	30	16.7%
	1,305	4,172	-68.7%	2,107	-38.1%

n/m - percentage not meaningful

Statements of Financial Position

	Notes	GROUP		COMPANY	
		31 March 2014	31 December 2013	**31 March 2014**	31 December 2013
		US$'000 (Unaudited)	US$'000 (Audited)	**US$'000 (Unaudited)**	US$'000 (Audited)
ASSETS					
Current assets					
Cash and bank balances		**21,681**	20,398	**38**	23
Trade receivables	9	**107,429**	108,620	**—**	—
Bills receivables	9	**3,694**	3,938	**—**	—
Other receivables		**23,404**	23,449	**9**	2
Prepaid land use rights		**399**	399	**—**	—
Dividend receivables		**—**	—	**42,800**	44,750
Inventories	10	**46,518**	41,543	**—**	—
Total current assets		**203,125**	198,347	**42,847**	44,775
Non-current assets					
Property, plant and equipment	8	**309,332**	313,788	**—**	—
Prepaid land use rights		**13,064**	13,105	**—**	—
Deposits for acquisition of plant and equipment	8	**5,936**	6,189	**—**	—
Investment properties		**46,446**	46,446	**—**	—
Subsidiary companies		**—**	—	**458,894**	459,224
Deferred tax assets		**86**	86	**—**	—
Total non-current assets		**374,864**	379,614	**458,894**	459,224
Total assets		**577,989**	577,961	**501,741**	503,999
LIABILITIES AND EQUITY					
Current liabilities					
Bank overdraft and loans	12	**51,680**	41,648	**—**	—
Trade payables	11	**106,093**	105,437	**—**	—
Bills payables	11	**7,967**	8,775	**—**	—
Other payables		**27,363**	31,550	**2,720**	2,662
Amounts due to subsidiary companies		**—**	—	**261,225**	263,155
Provision for taxation		**100**	449	**—**	—
Total current liabilities		**193,203**	187,859	**263,945**	265,817
Non-current liabilities					
Bank loans	12	**24,510**	31,149	**—**	—
Deferred tax liabilities		**1,417**	1,399	**—**	—
Total non-current liabilities		**25,927**	32,548	**—**	—
Capital, reserves and non-controlling interests					
Share capital	13	**113,880**	113,880	**113,880**	113,880
Reserves		**235,245**	233,975	**123,916**	124,302
Equity attributable to owners of the Company		**349,125**	347,855	**237,796**	238,182
Non-controlling interests		**9,734**	9,699	**—**	—
Total equity		**358,859**	357,554	**237,796**	238,182
Total liabilities and equity		**577,989**	577,961	**501,741**	503,999

Consolidated Statement of Changes in Equity

	Attributable to owners of the Company									
	Share capital	Capital reserve	Statutory reserve	Revaluation reserve	Other reserve	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
	US$'000	US$'000 (Note a)	US$'000 (Note b)	US$'000 (Note c)	US$'000 (Note d)	US$'000	US$'000	US$'000	US$'000	US$'000
GROUP										
1QCY14										
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
Changes in equity for 1QCY14										
Total comprehensive income for the period	—	—	—	—	—	1,165	105	1,270	35	1,305
Balance at 31 March 2014 (unaudited)	113,880	1,916	5,345	2,940	166	207,900	16,978	349,125	9,734	358,859
1QCY13										
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
Changes in equity for 1QCY13										
Total comprehensive income for the period	—	—	—	—	—	4,002	136	4,138	34	4,172
Balance at 31 March 2013 (unaudited)	113,880	1,916	5,345	2,277	166	230,680	16,410	370,674	9,957	380,631

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.

	Share capital US$'000	Capital reserve US$'000	Retained earnings US$'000	Total equity US$'000
COMPANY				
1QCY14				
Balance at 31 December 2013 (audited)	113,880	1,916	122,386	238,182
Changes in equity for 1QCY14				
Total comprehensive expenses for the period	—	—	(386)	(386)
Balance at 31 March 2014 (unaudited)	113,880	1,916	122,000	237,796
1QCY13				
Balance at 31 December 2012 (audited)	113,880	1,916	82,370	198,166
Changes in equity for 1QCY13				
Total comprehensive expenses for the period	—	—	(453)	(453)
Balance at 31 March 2013 (unaudited)	113,880	1,916	81,917	197,713

Consolidated Statement of Cash Flows

	1QCY14 US$'000 (Unaudited)	1QCY13 US$'000 (Unaudited)
Operating activities		
Profit before taxation	**1,270**	4,287
Adjustments for:		
Reversal of allowance for doubtful debts	**(135)**	(275)
Finance costs	**361**	353
Depreciation of property, plant and equipment	**11,124**	11,135
Amortisation of prepaid land use rights	**100**	114
Allowance for inventory obsolescence	**91**	11
Interest income	**(15)**	(65)
Operating income before movements in working capital	**12,796**	15,560
Increase in inventories	**(5,066)**	(4,588)
Decrease in trade and other receivables	**880**	12,488
Decrease in trade and other payables	**(4,339)**	(8,198)
Net cash generated from operations	**4,271**	15,262
Interest income received	**15**	65
Interest paid	**(384)**	(371)
Income taxes paid	**(417)**	(694)
Net cash from operating activities	**3,485**	14,262
Investing activities		
Purchase of property, plant and equipment	**(1,461)**	(3,822)
Deposits paid for acquisition of property, plant and equipment	**(4,239)**	(3,561)
Net cash used in investing activities	**(5,700)**	(7,383)

	1QCY14	1QCY13
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Financing activities		
Proceeds from bank borrowings	**15,087**	7,728
Repayment of bank borrowings	**(11,693)**	(15,323)
Dividends paid by subsidiary companies to non-controlling shareholders	**—**	(374)
Net cash from (used in) financing activities	**3,394**	(7,969)
Net increase (decrease) in cash and cash equivalents	**1,179**	(1,090)
Cash and cash equivalents at the beginning of the period	**20,387**	43,076
Effect of foreign exchange rate changes on the balances of cash held in foreign currencies, net	**105**	149
Cash and cash equivalents at the end of the period	**21,671**	42,135

Cash and cash equivalents consists of:	**31 Mar 2014**	31 Mar 2013
	US$'000	US$'000
Cash and bank balances	**21,681**	42,135
Bank overdrafts - unsecured	**(10)**	—
	21,671	42,135

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 the first quarter ended 31 March 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)*

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 July 2014:

- *Amendments to FRS 19: Defined Benefit Plans: Employee Contributions*

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 conform to FRSs, that are regularly reviewed by the Executive Directors of the Company. The Executive Directors of the Company regularly review revenue analysis based on shipment locations of customers. However, other than revenue analysis, no operating results and other discrete financial information is available for the assessment of performance of the respective products. The Executive Directors of the Company reviews the overall results of the Group as a whole to make decisions about resources allocation. Accordingly, no analysis of this single reporting segment is represented.

3. Finance costs

	1QCY14	1QCY13
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Interest on bank loans wholly repayable within five years	**384**	371
Less: Amounts capitalised	**(23)**	(18)
	361	353

4. Income tax expense

	1QCY14	1QCY13
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Current tax:		
PRC enterprise income tax	**66**	175
Hong Kong income tax	**2**	2
Other jurisdictions	**—**	3
	68	180
Deferred tax	**2**	71
	70	251

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 first quarter ended 31 March 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	
	1QCY14	1QCY13
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Earnings for the purpose of basic earnings per share	**1,165**	4,002

	Number of shares	
	1QCY14	1QCY13
	'000	'000
Weighted average number of ordinary shares for the purpose of basic earnings per share	**186,920**	186,920
Earnings per share (US cents)		
- basic	**0.62**	2.14

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

7. Net asset value

	Group		Company	
	31 March	31 December	**31 March**	31 December
	2014	2013	**2014**	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*	**1.92**	1.91	**1.27**	1.27

* Based on 186,919,962 issued shares as at 31 March 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$5.7 million (1QCY13: approximately US$7.4 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 depends 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 2014	31 December 2013
	US$'000	US$'000
	(Unaudited)	(Audited)
Trade receivables		
- Third parties	**111,976**	113,580
- Related parties (note)	**293**	110
Less: Allowance for doubtful debts	**(4,840)**	(5,070)
	107,429	108,620
Bills receivables	**3,694**	3,938
Total	**111,123**	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	
	31 March 2014	31 December 2013
	US$'000	US$'000
	(Unaudited)	(Audited)
Within 90 days	**97,540**	99,098
91 to 180 days	**9,438**	9,205
Over 180 days	**451**	317
	107,429	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	
	31 March 2014	31 December 2013
	US$'000	US$'000
	(Unaudited)	(Audited)
Raw materials	**11,957**	10,275
Work-in-progress	**22,442**	18,316
Finished goods	**12,119**	12,952
	46,518	41,543

11. Trade and bills payables

	GROUP	
	31 March 2014	31 December 2013
	US$'000	US$'000
	(Unaudited)	(Audited)
Trade payables		
- Third parties	**65,316**	64,034
- Related parties (note)	**40,777**	41,403
	106,093	105,437
Bills payables	**7,967**	8,775
Total	**114,060**	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	
	31 March 2014	31 December 2013
	US$'000	US$'000
	(Unaudited)	(Audited)
Within 90 days	**83,176**	78,718
91 to 180 days	**18,742**	21,548
Over 180 days	**4,175**	5,171
	106,093	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 overdraft and loans

	GROUP	
	31 March 2014	31 December 2013
	US$'000	US$'000
	(Unaudited)	(Audited)
Unsecured:		
Bank loans	**76,180**	72,786
Bank overdraft	**10**	11
Bank loans - unsecured	**76,190**	72,797
Comprising amounts following due:		
- within one year	**51,680**	41,648
- more than one year	**24,510**	31,149
	76,190	72,797

The Group's total external borrowings increased by approximately 4.7% to approximately US$76.2 million as at 31 March 2014 from 31 December 2013 as additional loans have been drawn down to fund for the new capital investment.

13. Share capital

As at 31 March 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 31 March 2014 and 31 December 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. Reconciliation between FRSs and International Financial Reporting Standards ("IFRSs")

For the first quarter ended 31 March 2014, there were no material differences between the consolidated financial statements of the Group prepared under FRSs and IFRSs.

BUSINESS REVIEW

In the first quarter of the year, the Group's performance was impacted by slower order intake from customers in the first two months of the year in line with normal seasonality. In addition, the labour supply was tight around the Chinese Lunar New Year period as migrant workers returned home for the holidays. As a result, the Group's revenue stood at US$115.7 million which was similar to that of the first quarter in 2013 ("1QCY13") and declined by 5.5% as compared to that of the fourth quarter in 2013 ("4QCY13").

With lower shipment volume against a higher overhead absorption at the plants, the Group's gross profit declined by 9.3% to US$8.7 million in 1QCY14 as compared with US$9.5 million in 4QCY13 (1QCY13: US$13.3 million). Income tax expenses decreased by 72.1% to US$0.1 million in 1QCY14 from US$0.3 million in 1QCY13 as a result of the decrease in the overall Group's taxable profit.

With the improvement in the overall plants' capacity utilization since March 2014, earnings before interest, tax, depreciation and amortization for the Group ("EBITDA") stood at US$12.8 million which was leveled with that in previous quarter (4QCY13: US$12.8 million) and down by approximately 19% against the previous year (1QCY13: US$15.8 million). The Group continued to generate steady operating cash flow. As at end of March 2014, our net gearing ratio was maintained at a comfortable level of 15.2%. The Group's financial position remained healthy.

In line with our on-going strategy to achieve a more balanced portfolio of products, we continue to expand our market share in the automotive, communication and mobile phone segments. In the first quarter of 2014, computer related business only accounted for around 23% of the Group's total PCB revenue (1QCY13: 30%). Communication & Networking products (including mobile phones) accounted for over 43% of our sales in 1QCY14 (1QCY13: 36%) while automotive PCB sales also increased substantially by over 26% in value to account for around 18% of our total PCB sales (1QCY13: 14%). Sales of High Density Interconnect ("**HDI**") PCBs continued to show robust growth momentum and accounted for approximately 29% of total PCB sales in 1QCY14 as compared with about 22% in 1QCY13.

Taking the above factors into account, the Group's net attributable profit (profit after tax and non-controlling interests) was US$1.2 million in 1QCY14, as compared with US$4.0 million in 1QCY13 and US$1.5 million in 4QCY13.

LIQUIDITY AND CAPITAL RESOURCES

As at 31 March 2014, the Group's net current assets was approximately US$9.9 million (31 December 2013: approximately US$10.5 million), making the current ratio 1.05 as compared to 1.06 as at 31 December 2013.

The net working capital cycle increased to 18 days as at 31 March 2014 from 15 days as at 31 December 2013 on the following key metrics:

- Inventories, in terms of stock turnover days, increased to 34 days (31 December 2013: 29 days).

- Trade receivables, in terms of debtors turnover days, increased to 84 days (31 December 2013: 82 days).

- Trade payables, in terms of creditors turnover days, increased to 100 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 31 March 2014 was approximately 15.2% (31 December 2013: 14.7%). The proportion of short-term and long-term bank borrowings stood at 68%:32% (31 December 2013: 57%:43%). The total equity of the Group as at 31 March 2014 was approximately US$358.9 million (31 December 2013: approximately US$357.6 million). As at 31 March 2014, the Group had cash on hand and undrawn loan facilities of approximately US$21.7 million and US$16.8 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

Business momentum continued to improve after the holiday period as customers started to gear up their production for the second quarter. Hence, all our manufacturing sites experienced improved capacity utilization since March with our workers returning to work after the Chinese Lunar New Year.

Order from telecommunication and automotive customers continued to show growth. The Group will continue to allocate resources to expand our capacity and upgrade production capabilities to serve customers in these segments in order to achieve long term growth objectives.

With higher plant capacity utilization since March and the operation efficiency of Yangzhou plant showing positive progress, barring unforeseen circumstances, the Group's performance is expected to show improvement in the second quarter.

AUDIT OR REVIEW OF THE FINANCIAL RESULTS

The figures for 1QCY14 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) **1QCY14**	1QCY13	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (including transactions less than S$100,000) **1QCY14**	1QCY13
Purchases of plant and equipment				
Chung Shun Laminates (Macao Commercial Offshore) Limited	**—**	—	**987**	1,902
	—	—	**987**	1,902
Purchases of goods and services				
Chung Shun Laminates (Macao Commercial Offshore) Limited	**—**	—	**28,056**	20,326
Elec & Eltek Corporate Services Limited	**129**	172	**—**	—
Heng Yang Kingboard Chemical Co., Ltd.	**—**	—	**440**	989
Hong Kong Fibre Glass Company Limited	**—**	—	**2,172**	3,996
Huizhou Chung Shun Chemical Company Limited	**—**	—	**136**	259
Jiangmen Kingboard High-tech Company Limited	**—**	—	**—**	1,954
Joyful Source Group Limited	**7**	10	**—**	—
Kingfai (Lian Zhou) Electronic Materials Company Ltd.	**—**	—	**—**	3,129
	136	182	**30,804**	30,653
Provision of goods and services				
Elec & Eltek Computers Limited	**17**	10	**—**	—
Elec & Eltek Display Technology Limited	**10**	10	**—**	—
Express Electronics Limited	**—**	—	**234**	58
Techwise (Macao Commercial Offshore) Circuits Limited	**—**	—	**—**	788
Top Faith P.C.B. Company Limited	**—**	—	**—**	514
	27	20	**234**	1,360

CONFIRMATION BY THE BOARD

We, Chadwick Mok Cham Hung and Chan Wai Leung, 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 first quarter ended 31 March 2014 to be false or misleading.

On behalf of the Board of Directors

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

Hong Kong, 29 April 2014

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

Executive Directors:-
Chadwick Mok Cham Hung (Vice Chairman)
Chan Wai Leung

Non-executive Directors:-
Cheung Kwok Wing (Chairman)
Chan Wing Kwan
Chang Wing Yiu

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

** For identification purpose only*