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 2019

This announcement is made by Elec & Eltek International Company Limited (the "**Company**") pursuant to 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 the Group's 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 Group'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.

* *For identification purpose only*

FINANCIAL HIGHLIGHTS

	Nine months ended		
	30 September 2019 ("YTD 3QCY19") US$'000	30 September 2018 ("YTD 3QCY18") US$'000	% Change
Revenue	**435,310**	444,261	-2.0%
EBITDA	**59,917**	57,263	4.6%
EBITDA margin	**13.8%**	12.9%	
Profit before taxation	**24,958**	25,831	-3.4%
Net profit attributable to owners of the Company	**20,603**	21,380	-3.6%
Basic and diluted earnings per share	**US11.02 cents**	US11.44 cents	-3.7%
	30 September 2019	31 December 2018	
Net asset value per share	**US$2.27**	US$2.19	3.7%
Net gearing ratio	**20.6%**	20.5%	

RESULTS

The board of directors ("**Directors**" and each a "**Director**") of the Company (the "**Board**") is pleased to announce the unaudited consolidated results of the Group for the third quarter ("**3QCY19**") and nine months ended 30 September 2019 ("**YTD 3QCY19**") together with the comparative figures for the third quarter ("**3QCY18**") and nine months ended 30 September 2018 ("**YTD 3QCY18**").

Consolidated Statement of Profit or Loss

	Notes	**3QCY19 US$'000 (Unaudited)**	3QCY18 US$'000 (Unaudited)	% Change	**YTD 3QCY19 US$'000 (Unaudited)**	YTD 3QCY18 US$'000 (Unaudited)	% Change
Revenue	2	**155,089**	164,142	-5.5%	**435,310**	444,261	-2.0%
Cost of sales		**(134,945)**	(144,683)	-6.7%	**(386,778)**	(392,895)	-1.6%
Gross profit		**20,144**	19,459	3.5%	**48,532**	51,366	-5.5%
Gross profit margin		**13.0%**	11.9%		**11.1%**	11.6%	
Other operating income and gains		**1,263**	432	192.4%	**2,883**	1,813	59.0%
Distribution and selling costs		**(2,216)**	(2,612)	-15.2%	**(6,847)**	(7,471)	-8.4%
Administrative expenses		**(6,858)**	(7,953)	-13.8%	**(17,306)**	(18,183)	-4.8%
Other operating expenses and losses		**(157)**	(86)	82.6%	**(270)**	(368)	-26.6%
Finance costs	3	**(781)**	(646)	20.9%	**(2,034)**	(1,326)	53.4%
Profit before taxation		**11,395**	8,594	32.6%	**24,958**	25,831	-3.4%
Income tax expense	4	**(1,236)**	(1,693)	-27.0%	**(3,640)**	(3,842)	-5.3%
Profit for the period		**10,159**	6,901	47.2%	**21,318**	21,989	-3.1%
Profit attributable to:							
Owners of the Company		**9,772**	6,530	49.6%	**20,603**	21,380	-3.6%
Non-controlling interests		**387**	371	4.3%	**715**	609	17.4%
		10,159	6,901	47.2%	**21,318**	21,989	-3.1%
Earnings per share (US cents)	6						
– Basic and diluted		**5.23**	3.49	49.9%	**11.02**	11.44	-3.7%

Notes to Consolidated Statement of Profit or Loss:

	3QCY19 US$'000 (Unaudited)	3QCY18 US$'000 (Unaudited)	% Change	**YTD 3QCY19 US$'000 (Unaudited)**	YTD 3QCY18 US$'000 (Unaudited)	% Change
Depreciation	10,876	10,519	3.4%	32,881	30,054	9.4%
Amortisation of prepaid land use rights	41	41	n/m	123	123	n/m
Allowance for doubtful debts	91	2,476	-96.3%	732	2,362	-69.0%
(Reversal of allowance) allowance for inventory obsolescence	(178)	(13)	1269.2%	1,371	183	649.2%

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	3QCY19 US$'000 (Unaudited)	3QCY18 US$'000 (Unaudited)	% Change	**YTD 3QCY19 US$'000 (Unaudited)**	YTD 3QCY18 US$'000 (Unaudited)	% Change
Profit for the period	**10,159**	6,901	47.2%	**21,318**	21,989	-3.1%
Other comprehensive (expense) income:						
Items that may be reclassified subsequently to profit or loss:						
Exchange differences arising on translation of foreign operations	**(144)**	108	-233.3%	**(65)**	(44)	47.7%
Other comprehensive (expense) income for the period, net of tax	**(144)**	108	-233.3%	**(65)**	(44)	47.7%
Total comprehensive income for the period	**10,015**	7,009	42.9%	**21,253**	21,945	-3.2%
Total comprehensive income attributable to:						
Owners of the Company	**9,628**	6,638	45.0%	**20,538**	21,336	-3.7%
Non-controlling interests	**387**	371	4.3%	**715**	609	17.4%
	10,015	7,009	42.9%	**21,253**	21,945	-3.2%

n/m percentage not meaningful

Statements of Financial Position

	Notes	THE GROUP		THE COMPANY	
		30 September 2019	31 December 2018	**30 September 2019**	31 December 2018
		US$'000 (Unaudited)	US$'000 (Audited)	**US$'000 (Unaudited)**	US$'000 (Audited)
ASSETS					
Current assets					
Cash and bank balances		**29,518**	25,077	**82**	98
Trade receivables	10	**188,630**	186,477	**–**	–
Bills receivables	10	**746**	1,148	**–**	–
Other receivables		**18,662**	13,294	**24**	7
Prepaid land use rights		**399**	399	**–**	–
Inventories	11	**46,857**	39,631	**–**	–
Total current assets		**284,812**	266,026	**106**	105
Non-current assets					
Property, plant and equipment	8	**319,418**	335,141	**–**	–
Prepaid land use rights		**12,244**	12,367	**–**	–
Deposits for acquisition of plant and equipment	8	**7,322**	8,398	**–**	–
Investment properties	9	**129,509**	104,554	**–**	–
Subsidiary companies		**–**	–	**474,430**	474,747
Deferred tax assets		**39**	39	**–**	–
Total non-current assets		**468,532**	460,499	**474,430**	474,747
Total assets		**753,344**	726,525	**474,536**	474,852
LIABILITIES AND EQUITY					
Current liabilities					
Bank loans	13	**65,773**	55,353	**–**	–
Trade payables	12	**154,176**	150,176	**–**	–
Bills payables	12	**11,059**	15,442	**–**	–
Other payables		**35,896**	31,418	**4,355**	4,385
Amounts due to subsidiary companies		**–**	–	**255,749**	247,163
Contract liabilities		**1,690**	679	**–**	–
Provision for taxation		**5,614**	5,095	**–**	–
Total current liabilities		**274,208**	258,163	**260,104**	251,548
Non-current liabilities					
Bank loans	13	**50,848**	53,850	**–**	–
Deferred tax liabilities		**3,403**	3,403	**–**	–
Deferred income		**1,162**	1,162	**–**	–
Total non-current liabilities		**55,413**	58,415	**–**	–
Capital, reserves and non-controlling interests					
Share capital	14	**113,880**	113,880	**113,880**	113,880
Reserves		**297,170**	284,109	**100,552**	109,424
Equity attributable to owners of the Company		**411,050**	397,989	**214,432**	223,304
Non-controlling interests		**12,673**	11,958	**–**	–
Total equity		**423,723**	409,947	**214,432**	223,304
Total liabilities and equity		**753,344**	726,525	**474,536**	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										
3QCY19										
Balance at 1 July 2019 (unaudited)	113,880	1,916	9,947	42,684	166	219,923	12,906	401,422	12,286	413,708
Change in equity for 3QCY19										
Profit for the period	–	–	–	–	–	9,772	–	9,772	387	10,159
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	(144)	(144)	–	(144)
Other comprehensive expenses for the period, net of tax	–	–	–	–	–	–	(144)	(144)	–	(144)
Total comprehensive income (expenses) for the period	–	–	–	–	–	9,772	(144)	9,628	387	10,015
Balance at 30 September 2019 (unaudited)	113,880	1,916	9,947	42,684	166	229,695	12,762	411,050	12,673	423,723
3QCY18										
Balance at 1 July 2018 (unaudited)	113,880	1,916	6,826	42,684	166	210,241	14,057	389,770	11,580	401,350
Change in equity for 3QCY18										
Profit for the period	–	–	–	–	–	6,530	–	6,530	371	6,901
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	108	108	–	108
Other comprehensive income for the period, net of tax	–	–	–	–	–	–	108	108	–	108
Total comprehensive income for the period	–	–	–	–	–	6,530	108	6,638	371	7,009
Balance at 30 September 2018 (unaudited)	113,880	1,916	6,826	42,684	166	216,771	14,165	396,408	11,951	408,359

	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										
YTD 3QCY19										
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 YTD 3QCY19										
Profit for the period	–	–	–	–	–	20,603	–	20,603	715	21,318
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	(65)	(65)	–	(65)
Other comprehensive expenses for the period, net of tax	–	–	–	–	–	–	(65)	(65)	–	(65)
Total comprehensive income (expenses) for the period	–	–	–	–	–	20,603	(65)	20,538	715	21,253
Transactions with owners, recognised directly in equity										
Dividend paid in respect of previous year	–	–	–	–	–	(7,477)	–	(7,477)	–	(7,477)
Total comprehensive expenses for the period	–	–	–	–	–	(7,477)	–	(7,477)	–	(7,477)
Balance at 30 September 2019 (unaudited)	113,880	1,916	9,947	42,684	166	229,695	12,762	411,050	12,673	423,723
YTD 3QCY18										
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 YTD 3QCY18										
Profit for the period	–	–	–	–	–	21,380	–	21,380	609	21,989
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	(44)	(44)	–	(44)
Other comprehensive expenses for the period, net of tax	–	–	–	–	–	–	(44)	(44)	–	(44)
Total comprehensive income (expenses) for the period	–	–	–	–	–	21,380	(44)	21,336	609	21,945
Transactions with owners, recognised directly in equity										
Dividend paid in respect of previous year	–	–	–	–	–	(14,954)	–	(14,954)	–	(14,954)
Total comprehensive expenses for the period	–	–	–	–	–	(14,954)	–	(14,954)	–	(14,954)
Balance at 30 September 2018 (unaudited)	113,880	1,916	6,826	42,684	166	216,771	14,165	396,408	11,951	408,359

Notes:

(i) Capital reserve represents amounts transferred from 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 (the "**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.

	Share capital US$'000	Capital reserve US$'000 (Note i)	Retained earnings US$'000	Total equity US$'000
THE COMPANY				
3QCY19				
Balance at 1 July 2019 (unaudited)	113,880	1,916	99,090	214,886
Loss for the period, representing total comprehensive expense for the period	–	–	(454)	(454)
Balance at 30 September 2019 (unaudited)	113,880	1,916	98,636	214,432
3QCY18				
Balance at 1 July 2018 (unaudited)	113,880	1,916	105,447	221,243
Loss for the period, representing total comprehensive expense for the period	–	–	(190)	(190)
Balance at 30 September 2018 (unaudited)	113,880	1,916	105,257	221,053
YTD 3QCY19				
Balance at 1 January 2019 (audited)	113,880	1,916	107,508	223,304
Loss for the period, representing total comprehensive expense for the period	–	–	(1,395)	(1,395)
Transactions with owners, recognised directly in equity				
Dividend paid in respect of previous year	–	–	(7,477)	(7,477)
Balance at 30 September 2019 (unaudited)	113,880	1,916	98,636	214,432
YTD 3QCY18				
Balance at 1 January 2018 (audited)	113,880	1,916	120,996	236,792
Loss for the period, representing total comprehensive expense for the period	–	–	(785)	(785)
Transactions with owners, recognised directly in equity				
Dividend paid in respect of previous year	–	–	(14,954)	(14,954)
Balance at 30 September 2018 (unaudited)	113,880	1,916	105,257	221,053

Note:

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

Consolidated Statement of Cash Flows

	3QCY19 US$'000 (Unaudited)	3QCY18 US$'000 (Unaudited)	**YTD 3QCY19 US$'000 (Unaudited)**	YTD 3QCY18 US$'000 (Unaudited)
Operating activities				
Profit before taxation	**11,395**	8,594	**24,958**	25,831
Adjustments for:				
Allowance for doubtful debts	**91**	2,476	**732**	2,362
Finance costs	**781**	646	**2,034**	1,326
Depreciation of property, plant and equipment	**10,876**	10,519	**32,881**	30,054
Amortisation of prepaid land use rights	**41**	41	**123**	123
Gain on disposal of property, plant and equipment	**241**	(2)	**264**	(87)
(Reversal of allowance) allowance for inventory obsolescence	**(178)**	(13)	**1,371**	183
Interest income	**(20)**	(21)	**(79)**	(71)
Operating income before movements in working capital	**23,227**	22,240	**62,284**	59,721
Decrease (increase) in inventories	**274**	(1,035)	**(8,597)**	(3,624)
Increase in trade, bills and other receivables	**(780)**	(49)	**(8,020)**	(21,512)
Increase (decrease) in trade, bills and other payables	**1,023**	117	**(3,123)**	1,106
Net cash generated from operations	**23,744**	21,273	**42,544**	35,691
Interest income received	**20**	21	**79**	71
Interest paid	**(1,291)**	(646)	**(2,544)**	(1,433)
Income taxes paid	**(1,012)**	(1,098)	**(3,640)**	(3,190)
Net cash generated from operating activities	**21,461**	19,550	**36,439**	31,139
Investing activities				
Proceeds from disposal of property, plant and equipment	**102**	2	**239**	196
Purchase of property, plant and equipment	**(9,993)**	(21,128)	**(23,857)**	(51,498)
Costs incurred for investment properties under development	**(1,262)**	–	**(1,262)**	–
Deposits paid for acquisition of property, plant and equipment	**(741)**	(1,730)	**(7,110)**	(5,977)
Net cash used in investing activities	**(11,894)**	(22,856)	**(31,990)**	(57,279)

	3QCY19 US$'000 (Unaudited)	3QCY18 US$'000 (Unaudited)	YTD 3QCY19 US$'000 (Unaudited)	YTD 3QCY18 US$'000 (Unaudited)
Financing activities				
Proceeds from bank borrowings	**8,424**	11,936	**33,496**	52,536
Repayment of bank borrowings	**(8,958)**	(7,229)	**(26,078)**	(16,304)
Dividends paid by the Company	**–**	–	**(7,477)**	(14,954)
Net cash (used in) generated from financing activities	**(534)**	4,707	**(59)**	21,278
Net increase (decrease) in cash and cash equivalents	**9,033**	1,401	**4,390**	(4,862)
Cash and cash equivalents at the beginning of the period	**20,830**	20,019	**25,077**	25,985
Effect of foreign exchange rate changes on the balances of cash held in foreign currencies, net	**(345)**	188	**51**	485
Cash and cash equivalents at the end of the period	**29,518**	21,608	**29,518**	21,608

Cash and cash equivalents consist of:

	30 September 2019 US$'000	30 September 2018 US$'000
Cash and bank balances	**29,518**	21,608

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 3QCY19 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 beginng on or after 1 January 2019:

- SFRS(I)16 Lease
- 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 investments. 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.

Nine months period ended 30 September 2019	Fabrication and distribution of PCB US$'000	Property investments US$'000	Total US$'000
Segment revenue			
Revenue from external customers	429,184	6,126	435,310
Segment Results	21,292	5,061	26,353
Corporate and other unallocated expenses			(1,395)
Profit before taxation			24,958

	Fabrication and distribution of PCB US$'000	Property investments US$'000	Unallocated US$'000	Total US$'000
ASSETS				
Segment assets	594,317	129,509	–	723,826
Unallocated assets	–	–	29,518	29,518
Consolidated total assets				753,344
LIABILITIES				
Segment liabilities	(316,489)	(7,518)	–	(324,007)
Unallocated liabilities	–	–	(5,614)	(5,614)
Consolidated total liabilities				(329,621)

Nine months period ended 30 September 2018	Fabrication and distribution of PCB US$'000	Property investments US$'000	Total US$'000
Segment revenue			
Revenue from external customers	437,919	6,342	444,261
Segment Results	21,155	5,461	26,616
Corporate and other unallocated expenses			(785)
Profit before taxation			25,831

	Fabrication and distribution of PCB US$'000	Property investments US$'000	Unallocated US$'000	Total US$'000
ASSETS				
Segment assets	582,260	107,053	–	689,313
Unallocated assets	–	–	21,608	21,608
Consolidated total assets				710,921
LIABILITIES				
Segment liabilities	(298,202)	(1,526)	–	(299,728)
Unallocated liabilities	–	–	(2,834)	(2,834)
Consolidated total liabilities				(302,562)

3. **Finance costs**

	YTD 3QCY19 US$'000 (Unaudited)	YTD 3QCY18 US$'000 (Unaudited)
Interest on bank loans wholly repayable within five years	**2,192**	1,556
Less: Amounts capitalised	**(158)**	(230)
	2,034	1,326

4. **Income tax expense**

	YTD 3QCY19 US$'000 (Unaudited)	YTD 3QCY18 US$'000 (Unaudited)
Current tax		
– Singapore income tax	**–**	–
– PRC enterprise income tax	**3,349**	2,696
– Hong Kong income tax	**291**	355
	3,640	3,051
Deferred tax	**–**	791
	3,640	3,842

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 the third quarter ended 30 September 2019 and 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		**Earnings**	
	3QCY19 US$'000 (Unaudited)	3QCY18 US$'000 (Unaudited)	**YTD 3QCY19 US$'000 (Unaudited)**	YTD 3QCY18 US$'000 (Unaudited)
Earnings for the purpose of calculating basic and diluted earnings per share	**9,772**	6,530	**20,603**	21,380
	Number of shares		**Number of shares**	
	3QCY19 '000	3QCY18 '000	**YTD 3QCY19 '000**	YTD 3QCY18 '000
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share	**186,920**	186,920	**186,920**	186,920
Earnings per share (US cents) - basic and diluted	**5.23**	3.49	**11.02**	11.44

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

7. **Net asset value**

	The Group		**The Company**	
	30 September 2019 US$ (Unaudited)	31 December 2018 US$ (Audited)	**30 September 2019 US$ (Unaudited)**	31 December 2018 US$ (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*	**2.27**	2.19	**1.15**	1.19

* Based on 186,919,962 issued shares as at 30 September 2019 (31 December 2018: 186,919,962 issued shares).

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

During the reporting period, the Group spent approximately US$31.0 million (YTD 3QCY18: approximately US$57.5 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 payments 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 purchased.

9. **Investment Properties**

During the reporting period, property, plant and equipment of US$25.0 million is transferred to the investment properties as a result of a change in use.

10. **Trade and bills receivables**

	THE GROUP	
	30 September 2019	31 December 2018
	US$'000	US$'000
	(Unaudited)	(Audited)
Trade receivables		
- Third parties	**180,145**	179,250
- Related companies (note)	**13,009**	12,721
- less: Allowance for expected credit losses	**(4,524)**	(5,494)
	188,630	186,477
Bills receivables	**746**	1,148
Total	**189,376**	187,625

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

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

	THE GROUP	
	30 September 2019	31 December 2018
	US$'000	US$'000
	(Unaudited)	(Audited)
Within 90 days	**149,080**	156,701
91 to 180 days	**39,550**	29,776
	188,630	186,477

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

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

11. **Inventories**

	THE GROUP	
	30 September 2019 US$'000 (Unaudited)	31 December 2018 US$'000 (Audited)
Raw materials	**15,319**	11,477
Work-in-progress	**14,358**	11,903
Finished goods	**17,180**	16,251
	46,857	39,631

12. **Trade and bills payables**

	THE GROUP	
	30 September 2019 US$'000 (Unaudited)	31 December 2018 US$'000 (Audited)
Trade payables		
- Third parties	**97,011**	99,985
- Related companies (note)	**57,165**	50,191
	154,176	150,176
Bills payables	**11,059**	15,442
Total	**165,235**	165,618

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

The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

	THE GROUP	
	30 September 2019	31 December 2018
	US$'000	US$'000
	(Unaudited)	(Audited)
Within 90 days	**88,976**	91,938
91 to 180 days	**38,907**	41,132
Over 180 days	**26,293**	17,106
	154,176	150,176

Trade payables are non-interest bearing and generally on 15 to 120 days' terms.

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 through issuing irrevocable letters of credit as the payment mode.

13. **Bank loans**

	THE GROUP	
	30 September 2019	31 December 2018
	US$'000	US$'000
	(Unaudited)	(Audited)
Unsecured:		
Bank loans	**116,621**	109,203
Comprising the following amounts due:		
- within one year	**65,773**	55,353
- more than one year	**50,848**	53,850
	116,621	109,203

The Group's total external borrowings increased by approximately 6.8% to approximately US$116.6 million as at 30 September 2019 compared with 31 December 2018.

14. **Share capital**

As at 30 September 2019, the Company had a total of 186,919,962 (31 December 2018: 186,919,962) issued ordinary shares.

15. **Share options**

There were no share options outstanding as at 30 September 2019 and 31 December 2018 respectively. No share options have been granted under the 2018 Elec & Eltek Employees' Share Option Scheme as at the date of this annoucement.

16. **Net current assets and total assets less current liabilities**

As at 30 September 2019, the Group's net current assets, defined as current assets less current liabilities, amounted to approximately US$10.6 million (31 December 2018: approximately US$7.9 million).

As at 30 September 2019, the Group's total assets less current liabilities amounted to approximately US$479.1 million (31 December 2018: approximately US$468.4 million).

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

For the nine months ended 30 September 2019, there were no material differences between the consolidated financial statements of the Group prepared under SFRS(I) and IFRS.

BUSINESS REVIEW

The Group announces its results for 3QCY19 and YTD3QCY19 (the "**Period**"). During the Period, the Group's production capacity was maintained well with a relatively high utilisation rate of equipment. The Group's revenue for 3QCY19 decreased by 5.5% from 3QCY18 to US$155.1 million (3QCY18: US$164.1 million). During the Period, due to the positive impact of depreciation of Renminbi on the Group, and additionally satisfactory cost control, the Group's net attributable profit for 3QCY19 significantly increased as compared with 3QCY18. The net attributable profit (profit after tax and non-controlling interests) in 3QCY19 increased by 49.6% to US$9.8 million as compared with 3QCY18 (3QCY18: US$6.5 million).

The Group's gross profit for 3QCY19 increased by 3.5% from US$19.5 million in 3QCY18 to US$20.1 million in 3QCY19, and gross profit margin was 13.0% (3QCY18: 11.9%). Earnings before interest, tax, depreciation and amortisation for the Group ("EBITDA") increased by approximately 16.7% to US$23.1 million as compared with 3QCY18 (3QCY18: US$19.8 million). The Group continued to generate steady operating cash flow.

In terms of product mix, in YTD 3QCY19, communication & networking products (including mobile phones) accounted for approximately 45.1% (YTD 3QCY18: 46.6%) of the Group's PCB sales, while automotive PCB sales accounted for approximately 20.3% (YTD 3QCY18: 22.7%) of the Group's PCB sales. Other products (including computer & peripherals, consumer electronics and industrial related products) accounted for 34.6% (YTD 3QCY18: 30.7%) of the Group's PCB sales. High Density Interconnect ("HDI") PCB accounted for approximately 22.1% (YTD 3QCY18: 25.0%) of the Group's total PCB sales in YTD 3QCY19.

LIQUIDITY AND CAPITAL RESOURCES

As at 30 September 2019, the Group's net current assets was approximately US$10.6 million (31 December 2018: approximately US$7.9 million), making the current ratio 1.04 as compared to 1.03 as at 31 December 2018. The net working capital cycle was 37 days as at 30 September 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 118 days (31 December 2018: 107 days).

- Trade payables, in terms of creditors' turnover days, increased to 108 days (31 December 2018: 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 2019 was approximately 20.6% (31 December 2018: approximately 20.5%). The proportion of short-term and long-term bank borrowings stood at 56%: 44% (31 December 2018: 51%: 49%). The total equity of the Group as at 30 September 2019 was approximately US$423.7 million (31 December 2018: approximately US$409.9 million). As at 30 September 2019, the Group had cash on hand and undrawn loan facilities of approximately US$29.5 million and US$55.3 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.

HUMAN RESOURCES

As at 30 September 2019, the Group had approximately 8,600 employees (31 December 2018: 8,400). Salaries of employees are maintained at a competitive level and are reviewed annually, with reference to the relevant labour market as well as the minimum wage guideline, as prescribed by the relevant local government from time to time. The Group awards discretionary bonuses to eligible employees based upon profit target achievements of the Company and individual performance. The Company has adopted an employees' share option scheme this year in order to, among other purposes, attract and retain the best available personnel and to align employees' individual interests with the Group's interests.

PROSPECTS

The Group has made continual investments into the 5G area, and has upgraded its production facilities to expand production capacity and optimise product performance so as to welcome the arrival of the new 5G telecommunication era. Currently, as the Group approaches the last quarter of the year, the Group's sales and marketing team has commenced negotiations with its customers on order allocations for the coming year. The Group is confident that it will be able to obtain more orders and capture a higher market share in its target market segments.

AUDIT OR REVIEW OF THE FINANCIAL RESULTS

The figures for 3QCY19 and YTD 3QCY19, prepared in accordance with SFRS(I), have not been audited or reviewed by the Group's auditors.

FORECAST STATEMENT

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

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, we would like to take this opportunity to express our gratitude to our employees around the world 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 persons transactions during the financial period under review (including transactions of less than S$100,000 and excluding transactions conducted under a shareholders' mandate pursuant to Rule 920) **YTD 3QCY19**	YTD 3QCY18	Aggregate value of all interested persons transactions conducted under a shareholders' mandate pursuant to Rule 920 (including transactions of less than S$100,000) **YTD 3QCY19**	YTD 3QCY18
Purchases of plant and equipment				
Chung Shun Laminates (Macao Commercial Offshore) Limited	–	–	8,203	9,091
	–	–	8,203	9,091
Purchases of goods and services				
Chung Shun Laminates (Macao Commercial Offshore) Limited	–	–	108,171	81,607
Delta Realty Limited	132	62	–	-
Heng Yang Kingboard Chemical Co., Ltd.	–	–	1,681	1,795
Hong Kong Fibre Glass Company Limited	–	–	20,627	21,168
Huizhou Chung Shun Chemical Co., Ltd.	–	–	885	1,525
	132	62	131,364	106,095
Provision of goods and services				
Chung Shun Laminates (Macao Commercial Offshore) Limited	–	–	3,412	3,194
Express Electronics Ltd	–	–	136	1
Techwise (Macao Commercial Offshore) Circuits Limited	–	–	11,468	17,023
	–	–	15,016	20,218

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

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, 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 results for the third quarter and nine months ended 30 September 2019 as set out in this announcement 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
依利安達集團有限公司*
Stephanie Cheung Wai Lin
Chairman

Hong Kong, 8 November 2019

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

Executive Directors:-
Stephanie Cheung Wai Lin
Chang Wing Yiu

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

* *For identification purpose only*