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* *for identification purpose only*

"**ELEC & ELTEK INTERNATIONAL COMPANY LIMITED**
(Incorporated in the Republic of Singapore)
(Company Registration Number 199300005H)

UNAUDITED FINANCIAL STATEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2011

1(a) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

(I) Income Statement of the Group, comprising the Company and its subsidiary companies, for the first quarter ended 31 March 2011 ("**1QCY11**") together with the comparative figures for the first quarter ended 31 March 2010 ("**1QCY10**") and the fourth quarter ended 31 December 2010 ("**4QCY10**").

US$'000	**1QCY11**	**1QCY10**	**% Change**	**4QCY10**	**% Change**
Revenue	147,121	135,292	8.7%	147,937	-0.6%
Cost of sales	(119,861)	(105,604)	13.5%	(117,924)	1.6%
Gross profit	27,260	29,688	-8.2%	30,013	-9.2%
Gross profit margin	*1 .5%*	*21.9%*		*20.3%*	
Other operating income and gains	1,097	673	63.0%	2,668	-58.9%
Distribution & selling costs	(4,390)	(3,825)	14.8%	(4,382)	0.2%
Administrative costs	(6,264)	(6,616)	-5.3%	(5,194)	20.6%
Other operating expenses and losses	(132)	(214)	-38.3%	(3,078)	-95.7%
Finance costs	(306)	(272)	12.5%	(360)	-15.0%
Profit before taxation	17,265	19,434	-11.2%	19,667	-12.2%
Income tax expense	(1,162)	(1,156)	0.5%	(1,365)	-14.9%
Profit for the financial period	16,103	18,278	-11.9%	18,302	-12.0%
Profit attributable to:					
Owners of the Company	15,870	18,057	-12.1%	18,017	-11.9%
Non-controlling interests	233	221	5.4%	285	-18.2%
	16,103	18,278	-11.9%	18,302	-12.0%

n/m – percentage not meaningful

(II) Notes to Income Statement:

US$'000	1QCY11	1QCY10	% Change	4QCY10	% Change
Depreciation	11,129	11,704	-4.9%	11,664	-4.6%
Amortisation of land use rights	60	57	5.3%	57	5.3%
Allowance/(reversal of allowance) for doubtful debts	153	55	n/m	(87)	n/m
(Reversal of allowance)/allowance for inventory obsolescence	(162)	(243)	-33.3%	455	n/m
(Gain)/loss on foreign exchange	(406)	153	n/m	(142)	n/m

n/m – percentage not meaningful

Explanatory Notes to Income Statement

1. Gross profit

Gross profit decreased by 8.2% to US$27.3 million in the 1QCY11 from approximately US$29.7 million in 1QCY10 due to higher material costs and rise in labour costs and other overhead. As a result, the Group's gross profit margin declined to 18.5% in 1QCY11 as compared to 21.9% in 1QCY10.

2. Other operating income and gains

Other operating income and gains comprise interest income, rental income from investment properties and foreign exchange gains. Higher other operating income and gains were mainly attributable to foreign exchange gain recognized in 1QCY11 as compared to foreign exchange loss recorded in the same period last year under other operating expenses and losses.

3. Allowance for doubtful debts

The allowance for doubtful debts provided for 1QCY11 was approximately US$0.2 million which was marginally higher than approximately US$0.06 million in 1QCY10.

4. (Reversal of allowance)/allowance for inventory obsolescence

The Group has continued to consume the slow-moving inventories in 1QCY11 for which allowance for inventory obsolescence has been made previously.

5. Distribution & selling costs

Distribution and selling costs increased by 14.8% to approximately US$4.4 million in 1QC11 from approximately US$3.8 million in 1QC10. The increase in costs was primarily due to higher distribution charges arising from higher shipment volume during the March 2011 quarter.

6. General & administrative costs

General and administrative costs decreased by 5.3% to approximately US$6.3 million in 1QC11 from approximately US$6.6 million in 1QC10.

7. Finance costs

Finance costs increased by 12.5% to approximately US$0.3 million in 1QC11 as compared to approximately US$0.27 million in 1QC10.

8. Income Tax Expenses

Income tax expense was approximately US$1.2 million for the two ensuing financial periods under review.

9. Non-controlling interests

The non-controlling interests of approximately US$0.2 million remained level with the amounts recorded for the previous corresponding financial period.

1(b)(i) **A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	GROUP		COMPANY	
US$'000	**31.03.2011**	**31.12.2010**	**31.03.2011**	**31.12.2010**
ASSETS				
Current assets				
Cash and bank balances	69,708	66,913	31	37
Trade receivables	152,337	150,627	–	–
Bills receivables	5,169	3,639	–	–
Dividend receivables	–	–	44,900	44,900
Other receivables	12,108	10,554	32	4
Prepaid land use rights	242	242	–	–
Inventories	60,323	58,065	–	–
Total current assets	299,887	290,040	44,963	44,941
Non-current assets				
Property, plant and equipment	322,169	326,218	8	10
Prepaid land use rights	14,786	14,817	–	–
Deposits for acquisition of plant and equipment	4,602	1,815	–	–
Investment properties	21,300	21,300	–	–
Subsidiary companies	–	–	357,152	357,394
Deferred tax assets	929	1,047	–	–
Total non-current assets	363,786	365,197	357,160	357,404
Total assets	**663,673**	**655,237**	**402,123**	**402,345**

US$'000	GROUP 31.03.2011	GROUP 31.12.2010	COMPANY 31.03.2011	COMPANY 31.12.2010
LIABILITIES AND EQUITY				
Current liabilities				
Bank overdrafts and loans	48,129	47,799	–	–
Trade payables	109,541	107,514	–	–
Bills payables	5,928	4,943	–	–
Other payables	36,309	36,424	469	435
Amounts due to subsidiary companies	–	–	146,434	146,436
Provision for taxation	2,647	1,858	–	–
Total current liabilities	202,554	198,538	146,903	146,871
Non-current liabilities				
Bank loans	40,925	52,666	–	–
Deferred tax liabilities	2,023	2,104	–	–
Total non-current liabilities	42,948	54,770	–	–
Total liabilities	245,502	253,308	146,903	146,871
Capital, reserves and non-controlling interests				
Share capital	113,390	114,665	113,390	114,665
Treasury shares	–	(1,356)	–	(1,356)
Reserves	295,132	279,204	141,830	142,165
Equity attributable to owners of the Company	408,522	392,513	255,220	255,474
Non-controlling interests	9,649	9,416	–	–
	418,171	401,929	255,220	255,474
Total liabilities and equity	**663,673**	**655,237**	**402,123**	**402,345**

Financial Position Analysis

The Group's total assets increased to US$663.7 million as at 31 March 2011 from US$655.2 million in the preceding quarter mainly due to increase in various components under the current assets.

The loan repayment for the quarter has contributed to the reduction of the Group's total liabilities to US$245.5 million as at 31 March 2011 from US$253.3 million as at end of December 2010.

The increase in Group's shareholders' equity to US$418.2 million as at 31 March 2011 from US$401.9 million from the December 2010 quarter was primarily attributable to the profits earned in 1QCY11.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount re ayable in one year or less, or on demand

As at 31.03.2011		As at 31.12.2010	
Secured *US$'000*	**Unsecured** *US$'000*	**Secured** *US$'000*	**Unsecured** *US$'000*
Nil	48,129	Nil	47,799

Amount re ayable after one year

The Group's net borrowing position decreased by 42.3% to US$19.3 million as at 31 March 2011 from US$33.6 million for the December 2010 quarter following the settlement of loan during the quarter under review. This has led the gearing ratio improved to 4.6% as at 31 March 2011 as compared to 8.3% in December 2010 quarter.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

US$'000	**1QCY11**	**1QCY10**	**4QCY10**
Operating activities:			
Profit before taxation	17,265	19,434	19,667
Adjustments for:			
Allowance/(reversal of allowance) for doubtful debts	153	55	(87)
Depreciation of property, plant and equipment	11,129	11,704	11,664
Amortisation of land use rights	60	57	57
Finance costs	306	272	360
(Gain)/loss on disposal of property, plant and equipment	(13)	(5)	1,449
Gain on fair value change of investment properties	–	–	(1,927)
(Reversal of allowance)/allowance for inventory obsolescence	(162)	(243)	455
Share-based payment expense	1	10	11
Interest income	(121)	(153)	(170)
Operating income before movements in working capital	28,618	31,131	31,479
Increase in inventories	(2,096)	(11,268)	(3,962)
(Increase)/decrease in trade and other receivables	(5,104)	(11,955)	11,876
Increase in trade and other payables	2,897	25,602	2,365
Net cash generated from operations	24,315	33,510	41,758
Interest income received	121	153	170
Interest paid	(285)	(272)	(448)
Income taxes paid	(324)	(363)	(2,868)
Net cash from operating activities	23,827	33,028	38,612

US$'000	1QCY11	1QCY10	4QCY10
Investing activities:			
Proceeds from disposal of property, plant and equipment	14	–	14
Purchase of property, plant and equipment	(5,498)	(8,047)	(8,415)
Acquisition of land use rights	(27)	–	(6,032)
Acquisition of investment properties	–	–	(111)
(Increase)/decrease in deposits paid for acquisition of property, plant and equipment	(4,351)	(4,188)	5,627
Net cash used in investing activities	(9,862)	(12,235)	(8,917)
Financing activities:			
Proceeds from bank borrowings	1,427	28,990	–
Repayment of bank borrowings	(12,915)	(20,458)	(37,395)
Proceeds from share issue pursuant to the exercise of share options	81	14,136	186
Dividends paid by subsidiary companies to minority shareholders	–	–	(348)
Net cash (used in)/from financing activities	(11,407)	22,668	(37,557)
Net increase/(decrease) in cash and cash equivalents	2,558	43,461	(7,862)
Cash and cash equivalents at the beginning of the financial period	66,906	60,054	75,632
Effect of foreign exchange rate changes on the balances of cash held in foreign currencies, net	160	1,073	(864)
Cash and cash equivalents at the end of the financial period	69,624	104,588	66,906

Cash and cash equivalents comprise the following breakdown:

US$'000	1QCY11	1QCY10	4QCY10
Cash and bank balances	69,708	104,803	66,913
Bank overdrafts – unsecured	(84)	(215)	(7)
	69,624	104,588	66,906

1(d) A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

US$'000	1QCY11	1QCY10	4QCY10
Profit for the financial period	16,103	18,278	18,302
Other comprehensive income/(expense):			
Exchange differences on translation of foreign operations	57	2,845	(1,629)
Other comprehensive income/(expense) for the financial period	57	2,845	(1,629)
Total comprehensive income for the financial period	16,160	21,123	16,673
Total comprehensive income attributable to:			
Owners of the Company	15,927	20,935	16,389
Non-controlling interests	233	188	284
	16,160	21,123	16,673

1(e)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to owners of the Company											
US$'000	Share capital	Treasury shares	Capital reserve	Statutory reserve	Revaluation reserve	Other reserve	Retained earnings	Foreign currency translation reserve	Share option reserve	Total	Non-controlling interests	Total equity
GROUP												
1QCY11												
Balance at 31.12.2010	114,665	(1,356)	1,842	6,398	2,167	166	253,599	14,929	103	392,513	9,416	401,929
Changes in equity for 1QCY11												
Total comprehensive income for the financial period	–	–	–	–	–	–	15,870	57	–	15,927	233	16,160
Shares issued pursuant to the exercise of share options	81	–	–	–	–	–	–	–	–	81	–	81
Transfer to capital reserve upon exercise of share options	–	–	11	–	–	–	–	–	(11)	–	–	–
Amortisation for the vesting period (Share-based payments)	–	–	–	–	–	–	–	–	1	1	–	1
Cancellation of treasury shares	(1,356)	1,356	–	–	–	–	–	–	–	–	–	–
Transfer from retained earnings to statutory reserve	–	–	–	110	–	–	(110)	–	–	–	–	–
Balance at 31.3.2011	113,390	–	1,853	6,508	2,167	166	269,359	14,986	93	408,522	9,649	418,171
1QCY10												
Balance at 31.12.2009	98,656	(1,356)	2,702	3,612	2,167	166	246,498	13,701	1,919	368,065	9,264	377,329
Changes in equity for 1QCY10												
Total comprehensive income for the financial period	–	–	–	–	–	–	18,057	2,878	–	20,935	188	21,123
Shares issued pursuant to the exercise of share options	14,136	–	–	–	–	–	–	–	–	14,136	–	14,136
Transfer to capital reserve upon exercise of share options	–	–	1,566	–	–	–	–	–	(1,566)	–	–	–
Amortisation for the vesting period (Share-based payments)	–	–	–	–	–	–	–	–	10	10	–	10
Transfer to retained earnings upon lapse of share options	–	–	–	–	–	–	22	–	(22)	–	–	–
Transfer from retained earnings to statutory reserve	–	–	–	67	–	–	(67)	–	–	–	–	–
Balance at 31.3.2010	112,792	(1,356)	4,268	3,679	2,167	166	264,510	16,579	341	403,146	9,452	412,598
4QCY10												
Balance at 30.9.2010	114,479	(1,356)	1,816	6,398	2,167	166	235,590	16,557	110	375,927	9,480	385,407
Changes in equity for 4QCY10												
Total comprehensive income/ (expense) for the financial period	–	–	–	–	–	–	18,017	(1,628)	–	16,389	284	16,673
Shares issued pursuant to the exercise of share options	186	–	–	–	–	–	–	–	–	186	–	186
Transfer to capital reserve upon exercise of share options	–	–	26	–	–	–	–	–	(26)	–	–	–
Amortisation for the vesting period (Share-based payments)	–	–	–	–	–	–	–	–	11	11	–	11
Transfer to retained earnings upon lapse of share options	–	–	–	–	–	–	(8)	–	8	–	–	–
Dividend paid in respect of previous financial year	–	–	–	–	–	–	–	–	–	–	(348)	(348)
Balance at 31.12.2010	114,665	(1,356)	1,842	6,398	2,167	166	253,599	14,929	103	392,513	9,416	401,929

US$'000	Share capital	Treasury shares	Capital reserves	Retained earnings	Share option reserve	Total equity
COMPANY						
1QCY11						
Balance at 31.12.2010	114,665	(1,356)	1,842	140,220	103	255,474
Changes in equity for 1QCY11						
Total comprehensive expense for the financial period	–	–	–	(336)	–	(336)
Shares issued pursuant to the exercise of share options	81	–	–	–	–	81
Transfer to capital reserve upon exercise of share options	–	–	11	–	(11)	–
Amortisation for the vesting period (Share-based payments)	–	–	–	–	1	1
Cancellation of treasury shares	(1,356)	1,356	–	–	–	–
Balance at 31.3.2011	113,390	–	1,853	139,884	93	255,220
1QCY10						
Balance at 31.12.2009	98,656	(1,356)	–	52,048	1,062	150,410
Changes in equity for 1QCY10						
Total comprehensive income for the financial period	–	–	–	37,187	–	37,187
Shares issued pursuant to the exercise of share options	14,136	–	–	–	–	14,136
Transfer to capital reserve upon exercise of share options	–	–	1,671	–	(1,671)	–
Amortisation for the vesting period (Share-based payments)	–	–	–	–	962	962
Transfer to retained earnings upon lapse of share options	–	–	–	12	(12)	–
Balance at 31.3.2010	112,792	(1,356)	1,671	89,247	341	202,695
4QCY10						
Balance at 30.9.2010	114,479	(1,356)	1,816	85,945	110	200,994
Changes in equity for 4QCY10						
Total comprehensive income for the financial period	–	–	–	54,273	–	54,273
Shares issued pursuant to the exercise of share options	186	–	–	–	–	186
Transfer to capital reserve upon exercise of share options	–	–	26	–	(26)	–
Amortisation for the vesting period (Share-based payments)	–	–	–	–	21	21
Transfer to retained earnings upon lapse of share options	–	–	–	2	(2)	–
Balance at 31.12.2010	114,665	(1,356)	1,842	140,220	103	255,474

1(e)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

1(e)(iii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

1(e)(iv) **A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on:–**

Share capital

Since the last financial year, the share capital of the Company decreased from US$114.7 million to US$113.4 million due to:

(a) the allotment and issue of 33,600 shares pursuant to the exercise of share options under the expired 2002 Elec & Eltek Employees' Share Options Scheme (the "**2002 Scheme**"); and

(b) the cancellation of 748,000 treasury shares.

Consequently, the number of issued shares increased to 186,715,562 as at 31 March 2011 from 186,681,962 issued shares excluding treasury shares as at 31 December 2010.

There was no (31 March 2010: 748,000) treasury shares held by the Company as at 31 March 2011 following the cancellation of 748,000 treasury shares on 15 February 2011 as permitted under Section 76K(d) of the Companies Act (Cap. 50), Singapore Statutes.

Share options

Consequent to the issuance of 33,600 ordinary shares to the eligible share option holders in 1QC11, option to subscribe for 282,500 ordinary shares remain outstanding as at 31 March 2011 compared to 2,076,200 ordinary shares as at 31 March 2010. Options granted and outstanding under the 2002 Scheme will continue to be valid and be subject to the rules of the 2002 Scheme.

5. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

United States cents	1QCY11	1QCY10	4QCY10
Earnings per share			
5.1 Based on weighted average number of ordinary shares in issue	8.50	10.08	9.65
Weighted average number of ordinary shares in issue ('000)	186,710	179,119	186,628
5.2 On a fully diluted basis	8.50	10.08	9.65
Adjusted weighted average number of ordinary shares ('000)	186,792	179,119	186,704

6. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:–

(a) current financial period reported on; and

(b) immediately preceding financial year.

	GROUP		COMPANY	
US$	31.03.2011	31.12.2010	31.03.2011	31.12.2010
Net asset value (including non-controlling interests) per ordinary share based on total number of issued shares excluding treasury shares at end of financial period*	2.24	2.15	1.37	1.37

* Based on 186,715,562 issued shares excluding treasury shares as at 31 March 2011 (31 December 2010: 186,681,962 issued shares).

7. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:–

(a) any

9. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

As the Group moves into the second quarter of C2011, we are mindful of the various challenges present in the economic environment. Our order momentum remains stable as at the date of this announcement. In particular, the Company has thus far not experienced any significant negative impact to its business from the recent natural disasters in Japan.

The Group will continue to take measures to raise the productivity of our workforce so as to manage the rising costs following the recent implementation of increased minimum wage level for our manufacturing plants in China. The Group is also committed to speeding up its automation program in order to mitigate some of the cost pressure with improving efficiency.

Additionally, the accelerated proliferation of new electronics in all of our end markets presents an opportunity for our business, especially in the HDI product sector. To meet the growth plans of our customers, the Group's new angzhou plant is currently under construction with an initial monthly production capacity of 500,000 sq. ft. which is scheduled to commence trial production by the end of the current year.

Reference is made to the announcement of the Company dated 18 March 2011 in relation to the dual primary listing of the ordinary shares of the Company ("**Shares**") on the main board of The Stock Exchange of Hong Kong Limited ("**SEHK**") ("**HK Listing**"). The Board of Directors wishes to update the shareholders of the Company ("**Shareholders**") that the application for the HK Listing is currently being reviewed by the SEHK. Further announcement(s) in relation to the progress of the HK Listing will be made as and when appropriate. The estimated one-off listing expenses of approximately US$5.0 million in relation to the HK Listing would be charged to the consolidated income statement when they are incurred.

Shareholders and potential investors should note that as the proposed HK Listing is subject to the approval of the SEHK and relevant authorities and the approval of the Shareholders at an extraordinary general meeting to be convened, the proposed HK Listing may or may not occur. Shareholders and potential investors are therefore reminded to exercise caution when dealing in the Shares of the Company.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economics conditions, shifts in customer demands, customers and partners, and government and policy changes. You are cautioned not to place undue reliance on these forward-looking statements which are based on current view of management on future events.

10. If no dividend has been declared/recommended, a statement to that effect.

No dividend will be declared for 1QC11 (1QC10: Nil).

11. Interested Persons Transactions

12. Subsequent Event

Subsequent to 31 March 2011, 129,800 shares were allotted and issued pursuant to the exercise of share options under the 2002 Scheme.

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

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 financial statements for the first quarter ended 31 March 2011 to be false or misleading.

On behalf of the Board of Directors

Chadwick Mok Cham Hung
Vice-Chairman

Chan Wai Leung
Director"

BY ORDER OF THE BOARD
Kingboard Chemical Holdings Limited
Lo Ka Leong
Company Secretary

Hong Kong, 11 May 2011

As at the date of this announcement, the board of directors of Kingboard consists of Messrs. Cheung Kwok Wing, Chang Wing Yiu, Cheung Kwong Kwan, Ho Yin Sang, Cheung Wai Lin, Stephanie, Mok Cham Hung, Chadwick and Chen Maosheng, being the executive directors, Mr. Chan Wing Kwan, being the non-executive director, and Messrs. Cheng Wai Chee, Christopher, Henry Tan, Lai Chung Wing, Robert and Tse Kam Hung, being the independent non-executive directors.