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(Incorporated in the Cayman Islands with limited liability)

EEIC, a 70.58% owned subsidiary of Kingboard, announced its unaudited consolidated results for the third quarter and nine months ended 30 September 2007 on the Singapore Exchange Securities Trading Limited on 30 October 2007.

Pursuant to Rule 705 and Rule 920 (1)(a)(ii) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX"), Elec & Eltek International Company Limited ("EEIC" or "the Company"), a public company listed on the SGX and a 70.58% owned subsidiary of Kingboard Chemical Holdings Limited ("Kingboard"), announced its unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the 8 l308.209 695.759 30799pnau TD0.02 ne months ended 30 September 2007 o

(I) Income statement of the Group, comprising the Company and its subsidiary companies, for the third quarter (“ ”) and nine months (“ ”) ended 30 September 2007 together with the comparative figures for the third quarter (“ ”) and nine months (“ ”) ended 30 September 2006.

US$’000

Sale of goods	150,699	141,621	6.4%	405,698	372,357	9.0%
Cost of sales	(129,425)	(110,235)	17.4%	(345,534)	(286,246)	20.7%
	21,274	31,386	-32.2%	60,164	86,111	-30.1%
Gross profit margin	*14.1%*	*22.2%*		*14.8%*	*23.1%*	
Interest income	49	49	0.0%	165	130	26.9%
Distribution & selling costs	(4,090)	(4,643)	-11.9%	(12,706)	(12,458)	2.0%
Administrative costs	(6,266)	(5,885)	6.5%	(17,869)	(18,457)	-3.2%
Other operating expenses	(682)	(297)	129.6%	(2,208)	(971)	127.4%
Finance costs	(1,970)	(2,048)	-3.8%	(5,744)	(5,305)	8.3%
Redundancy payment made to streamline the Group’s manufacturing plants	–	–	n/m	–	(52)	n/m
Impairment of property, plant and equipment made to integrate manufacturing plants in Nanjing	–	–	n/m	–	(1,236)	n/m
Share of profits of an associate	412	304	35.5%	913	748	22.1%
	8,727	18,866	-53.7%	22,715	48,510	-53.2%
Income tax expense	(575)	(1,785)	-67.8%	(1,285)	(5,298)	-75.7%
	8,152	17,081	-52.3%	21,430	43,212	-50.4%
Attributable to:						
Equity holders of the Company	8,052	16,579	-51.4%	21,483	41,799	-48.6%
Minority interests	100	502	-80.1%	(53)	1,413	-103.8%
	8,152	17,081	-52.3%	21,430	43,212	-50.4%

n/m – percentage not meaningful

(II) Income statement of the Group for 3QCY07 together with the comparative figures for the second quarter ended 30 June 2007 ("2QCY07").

US$'000

Sale of goods	150,699	131,790	14.3%
Cost of sales	(129,425)	(111,597)	16.0%
	21,274	20,193	5.4%
Gross profit margin	*14.1%*	*15.3%*	
Interest income	49	66	-25.8%
Distribution & selling costs	(4,090)	(4,280)	-4.4%
Administrative costs	(6,266)	(6,216)	0.8%
Other operating expenses	(682)	(1,067)	-36.1%
Finance costs	(1,970)	(1,921)	2.6%
Share of profits of an associate	412	265	55.5%
	8,727	7,040	24.0%
Income tax expense	(575)	(375)	53.3%
	8,152	6,665	22.3%
Attributable to:			
Equity holders of the Company	8,052	6,818	18.1%
Minority interests	100	(153)	-165.4%
	8,152	6,665	22.3%

(III) Notes to Income Statement:

US$'000

Depreciation and amortisation	11,711	10,209	14.7%	34,371	28,958	18.7%
Allowance for doubtful debts	217	67	223.9%	908	298	204.7%
Allowance for inventory obsolescence	515	699	-26.3%	1,456	751	93.9%
Loss on foreign exchange	463	141	228.4%	1,301	471	176.2%
Loss on disposal of plant and equipment	153	10	n/m	744	120	n/m

n/m – percentage not meaningful

US$'000

Depreciation and amortisation	11,711	11,555	1.4%
Allowance for doubtful debts	217	455	-52.3%
Allowance for inventory obsolescence	515	480	7.3%
Loss on foreign exchange	463	527	-12.1%
Loss on disposal of plant and equipment	153	494	-69.0%

Gross profit margin declined to 3 -79(56)-45322.9omepard to 32.12(56)-453226marinly due]TJ0 -2.1

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Allowance for doubtful debts in 3QCY07 increased to US$0.2 million from US$0.1 million in 3QCY06 as new provision was made for overdue receivables.

The allowance for inventory obsolescence made in the September quarter relates to raw materials and work-in-progress which have reached its product life cycle.

The decrease in distribution and selling costs by 11.9% in 3QCY07 compared to 3QCY06 was primarily due to different shipment terms for the underlying shipments.

Other operating expenses recorded a 129.6% increase year-on-year to US$0.7 million in 3QCY07 from US$0.3 million primarily attributed to higher foreign exchange losses on weaken US$ against the Group's other non-US denominated currencies and disposition losses on redundant equipment.

The Group's overall effective tax rate decreased from 9.5% in 3QCY06 to 6.6% in 3QCY07 as a result of income tax privileges on profits re-investments procured by the Group's Chinese subsidiaries.

US$'000						
Cash and bank balances	16,637	26,794	24,435	40	46	70
Trade receivables	145,562	133,855	140,504	–	–	–
Bills receivables	3,207	4,053	2,745	–	–	–
Other receivables	19,252	17,008	13,423	9	10	9
Amounts due from subsidiary companies	–	–	–	119,952	122,666	138,521
Inventories	66,551	65,314	67,549	–	–	–
	251,209	247,024	248,656	120,001	122,722	138,600
Property, plant and equipment	363,677	361,039	356,158	14	10	14
Deposits for acquisition of plant and equipment	1,735	234	1,557	–	–	–
Intangible assets	–	–	2	–	–	–
Subsidiary companies	–	–	–	22,186	22,186	22,186
Interest in an associate	7,511	7,046	6,110	–	–	–
Deferred tax assets	1,323	1,341	1,245	–	–	–
	374,246	369,660	365,072	22,200	22,196	22,200

US$'000						
Bank overdrafts and loans	99,011	86,269	57,912	–	–	–
Trade payables	114,001	107,677	101,855	–	–	–
Bills payables	989	2,042	1,856	–	–	–
Other payables	23,380	24,637	29,994	183	159	117
Amounts due to subsidiary companies	–	–	–	1,179	4,782	1,947
Provision for taxation	950	603	1,856	1	1	2
	238,331	221,228	193,473	1,363	4,942	2,066
Bank loans	58,224	65,153	93,015	–	–	–
Deferred tax liabilities	1,767	1,815	1,780	–	–	–
	59,991	66,968	94,795	–	–	–
Share capital	98,656	98,656	97,069	98,656	98,656	97,069
Reserves	218,969	220,995	218,174	42,182	41,320	61,665
Equity attributable to equity holders of the Company	317,625	319,651	315,243	140,838	139,976	158,734
Minority interests	9,508	8,837	10,217	–	–	–
	327,133	328,488	325,460	140,838	139,976	158,734

The Group's total assets increased by US$8.8 million to US$625.5 million as at 30 September 2007 from US$616.7 million as at 30 June 2007 largely due to increased tax refundable from the Chinese tax authority and an enlarged trade receivables on higher sales revenue achieved during the September quarter.

The increase of total liabilities by US$10.1 million to US$298.3 million as at 30 September 2007 mainly due to higher trade payable when more raw materials were purchased to prepare for expected higher orders in the 4th quarter. Total borrowings from banks rose to US$157.2 million as at 30 September 2007 from US$151.4 million as at 30 June 2007 so as to fund the Group's expansion initiatives in China.

The decrease of Group shareholders’ funds to US$317.6 million as at 30 September 2007 from US$319.7 million as at 30 June 2007 was mainly contributed by interim dividend payment and was partially offset by attributable profits for the September quarter.

Amount repayable in one year or less, or on demand

US$’000	*US$’000*	*US$’000*	*US$’000*
Nil	99,011	Nil	57,912

Amount repayable after one year

US$’000	*US$’000*	*US$’000*	*US$’000*
Nil	58,224	Nil	93,015

Details of any collateral

Not applicable.

Notes on net borrowings position

US$’000			
Bank overdrafts and loans	157,235	151,422	150,927
Less: Cash and bank balances	(16,637)	(26,794)	(24,435)
Net borrowings position	140,598	124,628	126,492

Gearing ratio increased to 43.0% as at 30 September 2007 from 37.9% as at 30 June 2007 as a result of higher bank borrowings to fund the continual capacity expansion.

US$'000

US$'000

Proceeds from disposal of plant and equipment	11	7	258	587
Plant and equipment acquired	(10,355)	(21,587)	(31,631)	(58,009)
(Increase)/decrease in deposits placed for plant and equipment	(1,501)	3,497	(178)	2,677
Acquisition of equity interest in an associate	–	–	(441)	(5,000)
Acquisition of equity interest in subsidiary companies	–	–	(3,692)	–

US$'000

Balance at 30.6.2007	98,656	–	2,597	2,482	190	211,165	3,155	1,406	319,651	8,837	328,488
Profit for the financial period	–	–	–	–	–	8,052	–	–	8,052	100	8,152
Foreign currency translation	–	–	–	–	–	–	4,154	–	4,154	571	4,725
Total recognised income for the financial period	–	–	–	–	–	8,052	4,154	–	12,206	671	12,877
Transfer to revenue reserve upon lapse of share options	–	–	–	–	–	9	–	(9)	–	–	–
Grant of share options to employees	–	–	–	–	–	–	–	139	139	–	139
Dividend paid in respect of current financial year	–	–	–	–	–	(14,371)	–	–	(14,371)	–	(14,371)
	–	–	–	–	–	(14,362)	–	130	(14,232)	–	(14,232)
Balance at 30.9.2007	98,656	–	2,597	2,482	190	204,855	7,309	1,536	317,625	9,508	327,133
Balance at 30.6.2006	97,050	–	2,597	1,930	–	208,936	(16,974)	834	294,373	13,059	307,432
Profit for the financial period	–	–	–	–	–	16,579	–	–	16,579	502	17,081
Foreign currency translation	–	–	–	–	–	–	3,285	–	3,285	2	3,287
Total recognised income for the financial period	–	–	–	–	–	16,579	3,285	–	19,864	504	20,368
Transfer from revenue reserve to statutory reserve	–	–	–	180	–	(180)	–	–	–	–	–
Grant of share options to employees	–	–	–	–	–	–	–	180	180	–	180
Acquisition of additional interest in subsidiaries	–	–	–	–	199	–	–	–	199	(199)	–
	–	–	–	180	199	(180)	–	180	379	(199)	180
Balance at 30.9.2006	97,050	–	2,597	2,110	199	225,335	(13,689)	1,014	314,616	13,364	327,980

US$'000

Balance at 31.12.2006	97,069	–	2,597	2,234	166	217,591	(5,671)	1,257	315,243	10,217	325,460
Profit for the financial period	–	–	–	–	–	21,483	–	–	21,483	(53)	21,430
Foreign currency translation	–	–	–	–	–	–	12,980	–	12,980	756	13,736
Total recognised income for the financial period	–	–	–	–	–	21,483	12,980	–	34,463	703	35,166
Shares issued pursuant to the exercise of share options	1,587	–	–	–	–	–	–	–	1,587	–	1,587
Transfer from revenue reserve to statutory reserve	–	–	–	248	–	(248)	–	–	–	–	–
Acquisition of additional interest in subsidiaries	–	–	–	–	24	–	–	–	24	(24)	–
Transfer to revenue reserve upon exercise of share options	–	–	–	–	–	105	–	(105)	–	–	–
Transfer to revenue reserve upon lapse of share options	–	–	–	–	–	55	–	(55)	–	–	–
Grant of share options to employees	–	–	–	–	–	–	–	439	439	–	439
Dividend paid in respect of											
– previous financial year	–	–	–	–	–	(19,760)	–	–	(19,760)	(1,388)	(21,148)
– current financial year	–	–	–	–	–	(14,371)	–	–	(14,371)	–	(14,371)
	1,587	–	–	248	24	(34,219)	–	279	(32,081)	(1,412)	(33,493)
Balance at 30.9.2007	98,656	–	2,597	2,482	190	204,855	7,309	1,536	317,625	9,508	327,133

US$'000

Balance at 31.12.2005	89,535	7,522	2,597	1,930	–	197,226	(24,812)	393	274,391	14,335	288,726
Profit for the financial period	–	–	–	–	–	41,799	–	–	41,799	1,413	43,212
Foreign currency translation	–	–	–	–	–	–	11,123	–	11,123	134	11,257
Total recognised income for the financial period	–	–	–	–	–	41,799	11,123	–	52,922	1,547	54,469
Share issue expense	–	(7)	–	–	–	–	–	–	(7)	–	(7)
Transfer from share premium to share capital	7,515	(7,515)	–	–	–	–	–	–	–	–	–
Transfer from revenue reserve to statutory reserve	–	–	–	180	–	(180)	–	–	–	–	–
Grant of share options to employees	–	–	–	–	–	–	–	636	636	–	636
Lapse of share options to employees	–	–	–	–	–	–	–	(15)	(15)	–	(15)
Negative goodwill arising from acquisition of minority interests	–	–	–	–	–	797	–	–	797	(797)	–
Acquisition of additional interest in subsidiaries	–	–	–	–	199	–	–	–	199	(199)	–
Dividend paid in respect of											
– previous financial year	–	–	–	–	–	–	–	–	–	(1,522)	(1,522)
– current financial year	–	–	–	–	–	(14,307)	–	–	(14,307)	–	(14,307)
	7,515	(7,522)	–	180	199	(13,690)	–	621	(12,697)	(2,518)	(15,215)
Balance at 30.9.2006	97,050	–	2,597	2,110	199	225,335	(13,689)	1,014	314,616	13,364	327,980

US$'000

Balance at 30.6.2007	98,656	–	40,595	725	139,976
Profit for the financial period	–	–	15,173	–	15,173
Grant of share options to employees	–	–	–	60	60
Dividend paid in respect of current financial year	–	–	(14,371)	–	(14,371)
Balance at 30.9.2007	98,656	–	41,397	785	140,838
Balance at 30.6.2006	97,050	–	69,417	402	166,869
Profit for the financial period	–	–	(395)	–	(395)
Grant of share options to employees	–	–	–	97	97
Balance at 30.9.2006	97,050	–	69,022	499	166,571
Balance at 31.12.2006	97,069	–	61,053	612	158,734
Shares issued pursuant to the exercise of share options	1,587	–	–	–	1,587
Profit for the financial period	–	–	14,475	–	14,475
Grant of share options to employees	–	–	–	173	173
Dividend paid in respect of previous financial year	–	–	(19,760)	–	(19,760)
Dividend paid in respect of current financial year	–	–	(14,371)	–	(14,371)
Balance at 30.9.2007	98,656	–	41,397	785	140,838
Balance at 31.12.2005	89,535	7,522	65,407	169	162,633
Share issue expense	–	(7)	–	–	(7)
Transfer from share premium to share capital	7,515	(7,515)	–	–	–
Profit for the financial period	–	–	17,922	–	17,922
Grant of share options to employees	–	–	–	330	330
Dividend paid in respect of current financial year	–	–	(14,307)	–	(14,307)
Balance at 30.9.2006	97,050	–	69,022	499	166,571

The Group and the Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period compared with the audited financial statements for the period ended 31 December 2006.

United States cents

Earnings per share

5.1	Based on weighted average number of ordinary shares in issue	4.48	9.27	11.97	23.37
	Weighted average number of ordinary shares in issue ('000)	179,635	178,845	179,513	178,845
5.2	On a fully diluted basis	4.47	9.16	11.86	23.09
	Adjusted weighted average number of ordinary shares ('000)	180,124	180,964	181,128	181,029

US$

Net asset value per ordinary share based on issued share capital at end of financial period	1.77	1.76	0.78	0.89

Net asset value per ordinary share was computed based on issued share capital of 178,854,462 and 179,635,062 ordinary shares as at 31 December 2006 and 30 September 2007, respectively.

For the third quarter of CY2007, the Group delivered a 6.4% increase in sales revenue to US$150.7 million from US$141.6 million in 3QCY06. On a sequential basis, total sales revenue increased 14.3% from the prior quarter.

Revenue from the computer and peripherals segment including server printed circuit boards ("PCBs") declined by 2.5% from 3QCY06 but rose 27.4% sequentially to US$64.2 million in 3QCY07 while revenue from the automotive and consumer electronics segments continued to grow steadily to US$35.7 million from US$28.1 million in 3QCY06.

The Group's product mix has been improving in favour of higher layer count PCBs and High Density Interconnect ("HDI") PCBs, thereby raising its average selling prices on the back of the shift in product mix. The proportion of sales from 8-layers and above PCBs increased by 3.2% to 34.0% in 3QCY07 from 30.8% in 3QCY06 and increased by 4.7% sequentially whilst proportion of 2- to 6-layers PCB decreased to 66.0% in 3QCY07 from 69.2% in 3QCY06 and decreased by 4.7% sequentially. As a result, blended average selling prices ("ASPs") in 3QCY07 expanded by 6.7% and 4.7% compared to 3QCY06 and 2QCY07, respectively.

The overall blended gross profit margin for the quarter was 14.1% compared to 22.2% same quarter last year. The lower gross profit margin was mainly due to higher materials costs during the past one year and the non-satisfactory performance of Kaiping plants following rapid expansion over the past two years. Costs of materials on copper foils, laminates, prepreg and other precious metal have increased in the range of 5.6% to 12.4% year-over-year. Consequently, the Group's gross profit declined by US$10.1 million to US$21.3 million in 3QCY07 from US$31.4 million of the same quarter last year. There was a sequential increase in gross profit of US$1.1 million from US$20.2 million in 2QCY07 although the key materials prices continue to trend up.

Consequent to various factors highlighted above, the Group's attributable profits to shareholders decreased by US$8.5 million to US$8.1 million in 3QCY07 compared to the same period last year. On the sequential front, the Group's profits for 3QCY07 represented an 18.1% increase from US$6.8 million in 2QCY07.

In the opinion of the Directors, no item, transaction or event of material or unusual nature has occurred during the period from 1 October 2007 to the date of this report that would materially affect the results of the Company and/or the Group in the financial period in which this announcement is made.

Starting from the September quarter, the Group experienced clear growth in personal computers, especially on notebook PC. Demands for consumer electronics and automotive sectors remained positive. We believe this growth would continue for the rest of year 2007 on Christmas festival and end of year sales. With growing order backlogs across most of the product sectors, the Group's production capacities are currently fully-filled.

Meanwhile, the Group's Kaiping plants had undergone a series of restructuring exercises over the past two quarters including recruitment of new general managers and other plant managerial employees to help stabilizing and improving the overall financial performance. Other revamp actions were also in place to put the production floor in better shape. We expect Kaiping plants to show sequential improvement in due course.

The Group's China strategy continues to be affirmed in line with the growing trend of outsourcing by multi-national companies into China. The Group has started construction of the new HDI plant in Kaiping South in September 2007. This new HDI facility is expected to offer faster growth and sustain better profitability once it is fully ramp-up by end of year 2008.

In order to focus its available resources in developing the new HDI business, the Board of Directors (the "Board") has decided to dispose its entire equity interests in Elec & Eltek Electronic (Kunshan) Company Limited to the Group's ultimate holding company, Kingboard Chemical Holdings Limited. The disposition proceeds of approximate US$8,307,530 would plough back to help fund the HDI investment without having to gear up. Full details of the proposed disposition are set out on paragraph 12 under Subsequent Events.

Although the Group remains well positioned to benefit from the favourable prevailing business momentum, our manufacturing operation in China is managing various regional challenges, such as power shortage, increase in people and overhead costs, especially on environmental protection requirements. Raw material supply is expected to remain cyclical and prices will trend upward further in the short and medium term as price of copper scaling higher.

Barring unforeseen circumstances, the Directors believe the Group would show profitable results for the December 2007 quarter.

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.

No dividend will be declared for 3QCY07 (3QCY06: Nil).

Notwithstanding the Proposed Disposition, the Group is working on expanding the production capacities of Nanjing Elec & Eltek Electronic Co., Ltd ("NJEE") so as to capture the business potential in Eastern China.

The indicative consideration payable for the Proposed Disposition is approximately US$8,307,530, comprising approximately US$3,663,706 (or equivalent RMB27,432,366) being appraised value of the transfer of equity interest by an independent reputable valuer and the repayment of progressive borrowings of RMB34,771,094 (or equivalent US$4,643,824) taken up by the Company to fund the building construction. The indicative consideration was arrived at on a willing-seller and willing-buyer basis using the replacement cost approach. The whole transaction is expected to be completed by end of 2007.

The Board has concurred that it is in the best interests of the Group to realise the up-to-date investment in its Kunshan plant and to utilize the sale proceeds for developing the HDI business to avoid gearing up the financial liquidity of the Group. The Board has further concurred that the Proposed Disposition is undertaken on normal commercial terms consistent with the Group's usual business practices and policies. This contemplated transaction will not be prejudicial to the interests of the Group and the minority shareholders and is not expected to have any significant impact on the earnings per share nor net tangible assets per share of the Company and of the Group for the financial year ending 31 December 2007.

Pursuant to the listing rules of Singapore Exchange Securities Trading Limited, no shareholders' approval is required on the Proposed Disposition as the indicative sale consideration is of a value less than 5% of the Group's latest audited net tangible assets.

We, Chadwick Mok Cham Hung and Sammy Leung Tin Po, 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 third quarter and nine months ended 30 September 2007 to be false or misleading.

On behalf of the Board of Directors

Vice-Chairman *Chief Executive Officer"*

By order of the board

Chairman

Hong Kong, 30 October 2007

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