KB

KINGBOARD CHEMICAL HOLDINGS LIMITED

建滔化工集團*

(Stock Code: 148)

ANNOUNCEMENT
RESULTS OF A SUBSIDIARY

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ELEC & ELTEK INTERNATIONAL COMPANY LIMITED
([illegible])
([illegible])

UNAUDITED FINANCIAL STATEMENT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2010

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

(I) In[illegible] G[illegible] C[illegible] ("3QCY10") [illegible] ("YTD 3QCY10") [illegible] 30 [illegible] 2010 [illegible] ("3QCY09") [illegible] ("YTD 3QCY09") [illegible] 30 [illegible] 2009.

US$'000	3QCY10	3QCY09	% Change	YTD 3QCY10	YTD 3QCY09	% Change
[illegible]	159,669	119,767	33.3%	450,916	307,390	46.7%
C[illegible]	(125,963)	(97,376)	29.4%	(351,340)	(253,440)	38.6%
Gross profit	33,706	22,391	50.5%	99,576	53,950	84.6%
[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	
In[illegible]	137	67	104.5%	452	259	74.5%
D[illegible]	(3,176)	(2,103)	51.0%	(9,935)	(7,890)	25.9%
A[illegible]	(7,521)	(5,479)	37.3%	(21,834)	(16,700)	30.7%
[illegible]	471	276	70.7%	1,444	504	186.5%
F[illegible]	(356)	(385)	-7.5%	(950)	(1,375)	-30.9%
[illegible]		551	n/[illegible]		1,307	n/[illegible]
Profit before taxation	23,261	15,318	51.9%	68,753	30,055	128.8%
In[illegible]	(1,592)	(1,092)	45.8%	(4,493)	(2,145)	109.5%
Profit for the financial period	21,669	14,226	52.3%	64,260	27,910	130.2%
[illegible]:						
[illegible]						
C[illegible]	21,443	14,158	51.5%	63,605	27,913	127.9%
[illegible]	226	68	n/[illegible]	655	(3)	n/[illegible]
	21,669	14,226	52.3%	64,260	27,910	130.2%

[illegible]

(II) Income statement of the Group for 3QCY10 compared with the preceding quarter for the three months ended 30 June 2010 ("2QCY10").

US$'000	3QCY10	2QCY10	% Change
Revenue	159,669	155,955	2.4%
Cost of sales	(125,963)	(119,773)	5.2%
Gross profit	33,706	36,182	-6.8%
Gross profit margin	[illegible] %	[illegible] %	
Interest income	137	162	-15.4%
Distribution & selling expenses	(3,176)	(3,407)	-6.8%
Administrative expenses	(7,521)	(7,224)	4.1%
Other operating income	471	667	-29.4%
Finance costs	(356)	(322)	10.6%
Profit before taxation	23,261	26,058	-10.7%
Income tax expense	(1,592)	(1,745)	-8.8%
Profit for the financial period	21,669	24,313	-10.9%
Profit attributable to:			
Owners of the Company	21,443	24,105	-11.0%
Non-controlling interests	226	208	8.7%
	21,669	24,313	-10.9%

(III) [illegible]

US$'000	3QCY10	3QCY09	% Change	YTD 3QCY10	YTD 3QCY09	% Change
[illegible]	12,233	11,790	3.8%	36,122	35,392	2.1%
[illegible]	180	322	-44.1%	229	333	-31.2%
[illegible]	67	(215)	n/a	(614)	(176)	n/a
[illegible]	(109)	86	n/a	(82)	46	n/a

US$'000	3QCY10	2QCY10	% Change
[illegible]	12,233	12,128	0.9%
[illegible]	180	(6)	n/a
[illegible]	67	(438)	n/a
[illegible]	(109)	(126)	-13.5%

[illegible]

Explanatory Notes to Income Statement

1. Gross profit

G[illegible] f[illegible] $11.3 [illegible] n [illegible] 50.5% [illegible] n- [illegible] $33.7 [illegible] n n

9. Non-controlling interests

T [illegible] n f $0.2 [illegible] n [illegible] n 3 C 10 [illegible] n [illegible] f [illegible] n [illegible] f C [illegible]

1(b)(i)

US$'000	GROUP 30.9.2010	GROUP 30.6.2010	GROUP 31.12.2009	COMPANY 30.9.2010	COMPANY 30.6.2010	COMPANY 31.12.2009
LIABILITIES AND EQUITY						
Current liabilities						
Bank [illegible]	60,004	51,014	53,532			
[illegible]	113,747	115,314	84,573			
B[illegible]	2,029	1,504	1,588			
[illegible]	30,740	34,405	30,089	315	295	371
A[illegible]				172,336	170,305	199,507
[illegible]	2,519	2,268	2,044			
Total current liabilities	209,039	204,505	171,826	172,651	170,600	199,878
Non-current liabilities						
Bank [illegible]	77,849	63,060	63,920			
D[illegible]	2,157	1,802	2,416			
Total non-current liabilities	80,006	64,862	66,336			
Total liabilities	289,045	269,367	238,162	172,651	170,600	199,878
Capital, reserves and non-controlling interests						
[illegible]	114,479	113,599	98,656	114,479	113,599	98,656
[illegible]	(1,356)	(1,356)	(1,356)	(1,356)	(1,356)	(1,356)
[illegible]	262,804	270,032	270,765	87,330	115,666	53,110
E[illegible] C[illegible]	375,927	382,275	368,065	200,453	227,909	150,410
[illegible]	9,480	9,358	9,264			
	385,407	391,633	377,329	200,453	227,909	150,410
Total liabilities and equity	**674,452**	**661,000**	**615,491**	**373,104**	**398,509**	**350,288**

Financial Position Analysis

... $674.5 ... 30 ... 2010 ... $661.0 ...

... $289.0 ... 30 ... 2010 ... $269.4 ... 30 ... 2010 ...

... $375.9 ... 30 ... 2010 ... 2010 ... 2010 ...

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

Amount repayable in one year or less, or on demand

As at 30.9.2010		As at 31.12.2009	
Secured	**Unsecured**	**Secured**	**Unsecured**
$'	$'	$'	$'
	60,604		53,552

Amount repayable after one year

As at 30.9.2010		As at 31.12.2009	
Secured	**Unsecured**	**Secured**	**Unsecured**
$'	$'	$'	$'
	77,849		63,920

Details of any collateral

US$'000	As at 30.9.2010	As at 30.6.2010	As at 31.12.2009
B nk ...	137,853	114,074	117,452
: C ... nk ...	(75,632)	(68,856)	(60,054)
	62,221	45,218	57,398

[illegible] $137.9 [illegible] 2010 [illegible] 16.1% [illegible] 30 [illegible] 2010 [illegible] 11.5% [illegible] 30 [illegible] 2010.

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	3QCY10	3QCY09	YTD 3QCY10	YTD 3QCY09
Operating activities:				
[illegible]	23,261	15,318	68,753	30,055
[illegible]				
[illegible]	180	322	229	333
[illegible]	12,233	11,790	36,122	35,392
[illegible]	356	385	950	1,375
[illegible]	121	8	514	70
[illegible]	(96)	-	(96)	-
[illegible]	67	(215)	(614)	(176)
[illegible]	9	43	28	140
[illegible]	(137)	(67)	(452)	(259)
[illegible]	-	(551)	-	(1,307)
[illegible]	35,994	27,033	105,434	65,623
[illegible]	2,640	963	(14,206)	1,880
[illegible]	(8,252)	(13,047)	(30,212)	(4,075)
[illegible]	(4,707)	(1,776)	30,266	(25,705)
[illegible]	25,675	13,173	91,282	37,723
[illegible]	137	67	452	259
[illegible]	(356)	(385)	(950)	(1,375)
[illegible]	(866)	(274)	(3,064)	(548)
Net cash from operating activities	24,590	12,581	87,720	36,059

US$'000	3QCY10	3QCY09	YTD 3QCY10	YTD 3QCY09
Investing activities:				
[illegible]	12	6	153	26
[illegible]	(7,980)	(4,511)	(28,428)	(13,820)
(In[illegible]) / [illegible]	(6,749)	(351)	(6,189)	857
A[illegible]	–	–	–	(1,718)
D[illegible]	–	–	–	401
A[illegible]	(48)	–	(48)	–
Net cash used in investing activities	(14,765)	(4,856)	(34,512)	(14,254)
Financing activities:				
[illegible]	38,712	25,489	73,803	26,323
[illegible]	(14,933)	(28,461)	(53,402)	(59,642)
[illegible]	880	–	15,823	–
D[illegible] C[illegible]	(27,990)	–	(74,450)	(18,783)
D[illegible]	(5)	(251)	(392)	(454)
Net cash used in financing activities	(3,336)	(3,223)	(38,618)	(52,556)

C n n f n k n:

US$'000	YTD 3QCY10	YTD 3QCY09
C n nk n	75,632	40,692
B nk f n		(73)
	75,632	40,619

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	3QCY10	3QCY09	YTD 3QCY10	YTD 3QCY09
Profit for the financial period	21,669	14,226	64,260	27,910
Other comprehensive (expense)/ income:				
E n ff n n n n f f n n	(741)	(1,233)	2,857	1,233
n (n)/ n f f n n	(741)	(1,233)	2,857	1,233
Total comprehensive income for the financial period	20,928	12,993	67,117	29,143
n n /(n) :				
f C n	20,753	12,848	66,461	29,195
n- n n n	175	145	656	(52)
	20,928	12,993	67,117	29,143

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 shareholders of the Company		
US$'000	Share capital	Treasury shares	Capital reserve

Attributable to shareholders of the Company

US$'000	Share capital	Treasury shares	Capital reserves	Retained earnings	Share option reserve	Total equity
COMPANY						
3QCY10						
B n 30.6.2010	113,599	(1,356)	1,049	114,611	6	227,909
Changes in equity for 3QCY10						
T n n f f n n	–	–	–	(346)	–	(346)
n f n	880	–	–	–	–	880
T n f n f n	–	–	6	–	(6)	–
D n n f n f n n	–	–	–	(27,990)	–	(27,990)
B n 30.9.2010	114,479	(1,356)	1,055	86,275	–	200,453
3QCY09						
B n 30.6.2009	98,656	(1,356)	–	25,213	1,021	123,534
Changes in equity for 3QCY09						
T n n f f n n	–	–	–	(297)	–	(297)
A n f n (n)	–	–	–	–	21	21
B n 30.9.2009	98,656	(1,356)	–	24,916	1,042	123,258

US$'000	Share capital	Treasury shares	Capital reserves	Retained earnings	Share option reserve	Total equity
COMPANY						
YTD 3QCY10						
B[illegible]n[illegible] 31.12.2009	98,656	(1,356)		52,048	1,062	150,410
Changes in equity for YTD 3QCY10						
[illegible]				108,665		108,665
[illegible]	15,823					15,823
[illegible]			1,055		(1,055)	
A[illegible]					5	5
[illegible]				12	(12)	
D[illegible]				(46,460)		(46,460)
D[illegible]				(27,990)		(27,990)
B[illegible]n[illegible] 30.9.2010	114,479	(1,356)	1,055	86,275		200,453
YTD 3QCY09						
B[illegible]n[illegible] 31.12.2008	98,656	(1,356)		29,095	979	127,374
Changes in equity for YTD 3QCY09						
[illegible]				14,604		14,604
A[illegible]					63	63
D[illegible]				(18,783)		(18,783)
B[illegible]n[illegible] 30.9.2009	98,656	(1,356)		24,916	1,042	123,258

1(e)(ii) Details of any changes in the company's share capital arising from rights issue,

T m mn f r n n n f C m n f f n n f m 1 r 2010 30 m 2010 :

Date of grant	Subscription price per share (US$)	Outstanding balance as at 1.7.2010	Lapsed	Exercised	Outstanding balance as at 30.9.2010	Expiry date
29 2005	2.375	60,000		(60,000)		4 2010
12 D 2006	2.400	706,000	(15,000)	(307,500)	383,500	12 2011
TOTAL		**766,000**	**(15,000)**	**(367,500)**	**383,500**	

T n n n n 3 C 10 n 2008 E & E k E ' n m C m n n 9 2008.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

T f f 3 C 10 n n .

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

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4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied, and if there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

T G n C m n m n n n m f m n n n f f n n m n f n f n n m f n n m n f n 31 D m 2009.

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 significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

A n k f n G ' n 33.3% $159.7 n n 3 C 10 $119.8 n n

n, n n n H D n In nn (**HDI**) n (**PCBs**), n n n n f HDI CB 10.0% n 3 C 10 f 7.9% n f CB f 2- 6- , n 8- n , n f 66.6% n 23.4% f CB n 3 C 10 67.4% n 24.7% f CB n 3 C 09.

A n n n G n , f n n f 50.5% $33.7 n n 3 C 10 f $22.4 n n n n n . A f n n ff n , f n f G 21.1%, n n n f 18.7% . C n n , G ' n f n 51.5% f $14.2 n n 3 C 09 $21.4 n n 3 C 10.

G ' n n . n n n n n n f kn E & E k n n f f n f $87.7 n, n n n f $36.1 n f D 3 C 09. n n n 16.1% 30 2010 f 11.5% 30 n 2010, n n n n f n n f n, n f f n n n . nf n f n n n n n n G n n n f n .

In n n f D , n f n f 30 2010 f ff f C n n / G f .

8. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

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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.

[illegible]

[illegible]

[illegible]

[illegible]

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

[illegible]

11. Interested Persons Transactions

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (including transactions less than S$100,000 and excluding transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (including transactions less than S$100,000)	
US$'000	YTD 3QCY10	YTD 3QCY09	YTD 3QCY10	YTD 3QCY09
Purchases of goods and services				
[illegible]	-	-	41,093	19,056
[illegible]	2,713	-	54,035	37,365
[illegible]	491	351	-	-
[illegible]	-	-	3,799	6,998
[illegible]	-	-	5,389	898
[illegible]	-	-	438	138
[illegible]	-	-	30	18
[illegible]	2,092	1,261	-	-
[illegible]	531	255	-	-
[illegible]	10	-	-	-
[illegible]	-	-	4	25
[illegible]	-	-	68	1,556
	5,837	1,867	104,856	66,054
Provision of goods and services				
[illegible]	-	-	577	-
[illegible]	15	14	-	-
[illegible]	-	-	3,984	-
[illegible]	-	-	537	-
[illegible]	-	-	5,408	2,662
[illegible]	-	-	85	61
[illegible]	-	-	3,233	365
[illegible]	-	-	4,783	669
	15	14	18,607	3,757

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

, C k k C H n n C n n n, n f D f E & E k In n n C n (**Company**), nf n f f B f D f C n (**Board**) , f kn , n n n n f B n fn n n f n n n n n 30 2010 f n .

n f f B f D

Chadwick Mok Cham Hung

Chan Wing Kwan

B DE F HE B A D
Kingboard Chemical Holdings Limited
Chan Wing Kwan

H n n , 2 2010