

ELECTROTECH INVESTMENTS LIMITED
(Incorporated in Singapore. Registration Number: 199905084D)
AND ITS SUBSIDIARIES

CONDENSED INTERIM FINANCIAL INFORMATION
For the nine-month period ended 30 September 2008

ELECTROTECH INVESTMENTS LIMITED
(Incorporated in Singapore)
AND ITS SUBSIDIARIES

CONDENSED INTERIM FINANCIAL INFORMATION
For the nine-month period ended 30 September 2008

Contents	Page
Condensed interim balance sheets	2
Condensed consolidated interim income statement	3
Condensed interim statements of changes in equity	4
Condensed consolidated interim cash flow statement	5
Selected notes to the condensed interim financial information	7
Report on review of condensed interim financial information	13

**ElectroTech Investments Limited
and its subsidiaries**

**CONDENSED INTERIM FINANCIAL INFORMATION
For the nine-month period ended 30 September 2008**

**CONDENSED INTERIM BALANCE SHEETS
As at 30 September 2008**

	Note	Group		Company	
		30/09/08 \$'000	31/12/07 \$'000	30/09/08 \$'000	31/12/07 \$'000
NON-CURRENT ASSETS					
Property, plant and equipment	5	54,520	56,605	-	-
Investments in subsidiaries		-	-	51,283	51,283
Investment in associated company	6	-	6,201	-	6,400
Financial asset available for sale	6	6,400	-	6,400	-
Goodwill arising on consolidation		13,757	13,757	-	-
Deferred income tax assets		968	1,218	-	-
Receivables from subsidiaries		-	-	3,654	4,067
		<u>75,645</u>	<u>77,781</u>	<u>61,337</u>	<u>61,750</u>
CURRENT ASSETS					
Inventories		48,229	52,781	-	-
Trade receivables		49,179	48,535	-	-
Dividends receivable from subsidiaries		-	-	-	6,849
Other receivables		4,290	3,269	289	17
Tax recoverable		691	387	-	-
Short term funds with a financial institution		6,051	9,329	-	-
Cash and cash equivalents		40,048	34,693	7,750	7,582
		<u>148,488</u>	<u>148,994</u>	<u>8,039</u>	<u>14,448</u>
Total assets		<u>224,133</u>	<u>226,775</u>	<u>69,376</u>	<u>76,198</u>
CURRENT LIABILITIES					
Trade payables		27,756	33,578	-	-
Other payables		12,720	11,414	338	260
Borrowings	7	380	681	-	-
Taxation		11	476	8	27
		<u>40,867</u>	<u>46,149</u>	<u>346</u>	<u>287</u>
NON CURRENT LIABILITIES					
Borrowings	7	157	104	-	-
Deferred income tax liabilities		2,005	2,208	-	-
		<u>2,162</u>	<u>2,312</u>	<u>-</u>	<u>-</u>
Total liabilities		<u>43,029</u>	<u>48,461</u>	<u>346</u>	<u>287</u>
NET ASSETS		<u>181,104</u>	<u>178,314</u>	<u>69,030</u>	<u>75,911</u>
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	8	76,615	76,615	76,615	76,615
Foreign currency translation reserve		10,575	14,243	-	-
Capital reserve		2,345	2,345	-	-
Retained profits / (Accumulated losses)		91,569	85,111	(7,585)	(704)
		<u>104,489</u>	<u>101,699</u>	<u>(7,585)</u>	<u>(704)</u>
TOTAL EQUITY		<u>181,104</u>	<u>178,314</u>	<u>69,030</u>	<u>75,911</u>

The notes on pages 7 to 12 form an integral part of this condensed consolidated interim financial information.

**ElectroTech Investments Limited
and its subsidiaries**

**CONDENSED INTERIM FINANCIAL INFORMATION
For the nine-month period ended 30 September 2008**

**CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT
For the nine-month period ended 30 September 2008**

		Nine-month ended 30 September	
	Note	2008	2007
		\$'000	\$'000
Revenue	4	178,246	182,507
Cost of sales		(151,636)	(151,618)
Gross profit		<u>26,610</u>	<u>30,889</u>
Other gains		1,320	1,901
Selling and distribution expenses		(3,670)	(3,554)
Administrative and general expenses		(7,710)	(7,975)
Other operating expenses		(328)	(395)
Interest income		967	992
Finance costs		(27)	(75)
Share of result of associated companies		(45)	(94)
Profit before taxation	9	<u>17,117</u>	<u>21,689</u>
Income tax expense	10	(3,742)	(4,267)
Total profit		<u><u>13,375</u></u>	<u><u>17,422</u></u>
Attributable to :			
Equity holders of the Company		13,375	17,411
Minority Interest		-	11
		<u><u>13,375</u></u>	<u><u>17,422</u></u>
Earnings per share (cents) - Basic and diluted	11	<u><u>4.39</u></u>	<u><u>5.71</u></u>

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**ElectroTech Investments Limited
and its subsidiaries**

**CONDENSED INTERIM FINANCIAL INFORMATION
For the nine-month period ended 30 September 2008**

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
For the nine-month period ended 30 September 2008**

	<u>Attributable to equity holders of the Company</u>					<u>Total Equity</u>
	<u>Share Capital \$ '000</u>	<u>Currency Translation Differences \$ '000</u>	<u>Capital Reserve \$ '000</u>	<u>Retained Profits \$ '000</u>	<u>Minority Interest \$ '000</u>	<u>\$ '000</u>
The Group						
At 1 January 2007	76,615	10,790	2,345	70,032	522	160,304
Currency translation differences	-	2,035	-	-	-	2,035
Net gain recognised directly in equity	-	2,035	-	-	-	2,035
Net profit for the financial period	-	-	-	17,411	11	17,422
Total recognised gain for the financial period	-	2,035	-	17,411	11	19,457
Disposal of shares in a subsidiary	-	-	-	-	(533)	(533)
Dividend paid	-	-	-	(7,923)	-	(7,923)
At 30 September 2007	<u>76,615</u>	<u>12,825</u>	<u>2,345</u>	<u>79,520</u>	<u>-</u>	<u>171,305</u>
At 1 January 2008	76,615	14,243	2,345	85,111	-	178,314
Currency translation differences	-	(3,668)	-	-	-	(3,668)
Net loss recognised directly in equity	-	(3,668)	-	-	-	(3,668)
Net profit for the financial period	-	-	-	13,375	-	13,375
Total recognised (loss)/gain for the financial period	-	(3,668)	-	13,375	-	9,707
Dividend paid	-	-	-	(6,917)	-	(6,917)
At 30 September 2008	<u>76,615</u>	<u>10,575</u>	<u>2,345</u>	<u>91,569</u>	<u>-</u>	<u>181,104</u>
	<u>Attributable to equity holders of the Company</u>					<u>Total Equity</u>
	<u>Share Capital \$ '000</u>	<u>Currency Translation Differences \$ '000</u>	<u>Capital Reserve \$ '000</u>	<u>Accumulated Losses \$ '000</u>	<u>Minority Interest \$ '000</u>	<u>\$ '000</u>
The Company						
At 1 January 2007	76,615	-	-	265	-	76,880
Net profit for the financial period	-	-	-	117	-	117
Dividend paid	-	-	-	(7,923)	-	(7,923)
At 30 September 2007	<u>76,615</u>	<u>-</u>	<u>-</u>	<u>(7,541)</u>	<u>-</u>	<u>69,074</u>
At 1 January 2008	76,615	-	-	(704)	-	75,911
Net profit for the financial period	-	-	-	36	-	36
Dividend paid	-	-	-	(6,917)	-	(6,917)
At 30 September 2008	<u>76,615</u>	<u>-</u>	<u>-</u>	<u>(7,585)</u>	<u>-</u>	<u>69,030</u>

The notes on pages 7 to 12 form an integral part of this condensed consolidated interim financial information.

**ElectroTech Investments Limited
and its subsidiaries**

**CONDENSED INTERIM FINANCIAL INFORMATION
For the nine-month period ended 30 September 2008**

**CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT
For the nine-month period ended 30 September 2008**

	Group	
	9 months ended	
	30/09/08	30/09/07
	\$ '000	\$ '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	17,117	21,689
Adjustments for:		
Exchange differences	277	(18)
Depreciation of property, plant and equipment	6,226	7,112
(Gain)/Loss on disposal of property, plant and equipment	(194)	(334)
Property, plant and equipment written off	11	7
Loss on disposal of a subsidiary	-	9
Interest income	(967)	(992)
Interest expense	27	75
Share of result of associated companies	45	94
Gain on dilution of interest in an associate	(244)	-
Operating cash flow before working capital changes	22,298	27,642
Changes in operating assets and liabilities :		
Inventories	3,464	(10,694)
Receivables	(2,924)	(11,515)
Payables	(5,719)	3,576
Associated company	-	(55)
Cash flows generated from operations	17,119	8,954
Tax paid	(4,445)	(5,883)
Tax refunded	-	25
Interest paid	(27)	(75)
NET CASH GENERATED FROM OPERATING ACTIVITIES	12,647	3,021
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	967	992
Purchase of property, plant and equipment (Note 1)	(3,705)	(5,620)
Proceeds from disposal of property, plant and equipment	402	672
Proceeds from disposal of shares in a subsidiary, net of cash disposed of (Note 2)	-	21
NET CASH USED IN INVESTING ACTIVITIES	(2,336)	(3,935)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of finance lease liabilities	(361)	(386)
Repayment of short term borrowings	(2,031)	-
Proceeds from short term borrowings	2,022	887
Proceeds from term loan	-	342
(Placement)/Withdrawal of short term fund with a financial institution	2,926	1,089
Withdrawal of deposits pledged as securities	-	209
Dividend paid to shareholders	(6,917)	(7,923)
NET CASH USED IN FINANCING ACTIVITIES	(4,361)	(5,782)
Net increase / (decrease) in cash and cash equivalents	5,950	(6,696)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR	34,693	35,599
Effect of exchange rate changes on cash and cash equivalents	(595)	625
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	40,048	29,528

**ElectroTech Investments Limited
and its subsidiaries**

**CONDENSED INTERIM FINANCIAL INFORMATION
For the nine-month period ended 30 September 2008**

**CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT
For the nine-month period ended 30 September 2008**

	Group	
	9 months ended	
	30/09/08	30/09/07
	\$ '000	\$ '000
Cash and cash equivalents at end of the financial period comprise:		
Deposits with licensed banks	28,981	13,747
Cash and bank balances	11,067	15,797
Bank overdrafts	-	-
	<u>40,048</u>	<u>29,544</u>
Less: Deposits pledged as securities (Note 3)	-	(16)
	<u><u>40,048</u></u>	<u><u>29,528</u></u>

Note 1 :

During the financial period, the Group acquired property, plant and equipment with an aggregate cost of \$5,964,000 (30.09.2007: \$5,984,000) of which \$148,000 (30.09.2007: \$Nil) was acquired by means of finance lease arrangement and \$2,111,000 (30.09.2007: \$364,000) included in other payables at balance sheet date. Cash payments of \$3,705,000 (30.09.2007: \$5,620,000) were made to purchase these property, plant and equipment.

Note 2 :

On 31 January 2007, the Group disposed of 21% of its interest in an indirect subsidiary, Frencken Koike Precision Sdn. Bhd. ("FKP"). As a result, the effective equity interest held by the Group decreased to 30% and ceased to be the ultimate holding company of FKP.

The aggregate effects of disposal of a subsidiary were as follows :

	Carrying amount	
	as at	
	30/09/08	30/09/07
	\$ '000	\$ '000
Cash and cash equivalents	-	199
Receivable from related companies	-	302
Trade and other receivables	-	269
Inventories	-	352
Property, plant and equipment	-	674
Total assets	<u>-</u>	<u>1,796</u>
	-	-
Trade and other payables	-	(312)
Payable to related companies	-	(46)
Term loan	-	(342)
Taxation	-	(7)
Total liabilities	<u>-</u>	<u>(707)</u>
	-	-
Net identifiable assets of the subsidiary	-	1,089
Less: Minority Interest	-	(533)
Less: Transfer to investment in associated company	-	(327)
Net identifiable assets disposed	<u>-</u>	<u>229</u>
Loss on disposal	-	(9)
Cash proceeds from disposal	-	220
Less : Cash and cash equivalents in subsidiary disposed	-	(199)
Net cash inflow on disposal	<u><u>-</u></u>	<u><u>21</u></u>

Note 3 :

Included in the cash and cash equivalents are amount of \$Nil (30.09.2007: \$16,000) which have been pledged for banking facilities granted to the subsidiaries.

The notes on pages 7 to 12 form an integral part of this condensed consolidated interim financial information.

**ElectroTech Investments Limited
and its subsidiaries**

**CONDENSED INTERIM FINANCIAL INFORMATION
For the nine-month period ended 30 September 2008**

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the nine-month period ended 30 September 2008**

1. General

The Company is incorporated and domiciled in Singapore and is publicly traded on the Singapore Exchange. The registered office of the Company is located at:

8 Cross Street
#11-00 PWC Building
Singapore 048424

This condensed consolidated interim financial information was approved by the Board of Directors for issue on 13 November 2008.

2. Basis of Preparation

This condensed consolidated interim financial information for the nine months ended 30 September 2008 has been prepared in accordance with Singapore Financial Reporting Standard 34 ("FRS 34"), 'Interim financial reporting'. The condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2007.

3. Accounting policies

The accounting policies and methods of computation applied by the Group are consistent with those used in its most recent audited financial statements as well as all the applicable Financial Reporting Standards (FRS) which became effective for the financial years beginning on or after 1 January 2008.

The Group reviewed and changed the estimate of the useful lives of certain categories of plant and equipment in accordance with FRS108 Accounting Policies, Changes in Accounting Estimates and Errors with effect from 1 January 2008.

The Group revised upward the estimated useful lives of certain categories of plant and equipment with effect from 1 January 2008. The useful lives for these categories of assets were originally estimated to reflect the pattern in which the future economic benefits of the assets were expected to be consumed in the keypad business segment. Arising from a review of the expectation of further future usage of such plant and equipment for the automotive business segment, the useful lives of these categories of assets have been revised to be in line with the economic lives of these assets.

Following the review, the estimated useful lives of these categories of assets have been increased from 5 years to 7 and 10 years. Accordingly, the revision in the estimated useful lives of these assets has resulted in a lower depreciation charge to the Group's income statement for the nine months ended 30 September 2008 of approximately \$1,431,500.

**ElectroTech Investments Limited
and its subsidiaries**

**CONDENSED INTERIM FINANCIAL INFORMATION
For the nine-month period ended 30 September 2008**

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the nine-month period ended 30 September 2008**

4 Segment information

Nine months ended 30 September 2008

	Mechatronics \$'000	Electronics Manufacturing Services \$'000	Investment Holding \$'000	Eliminations \$'000	Total \$'000
Turnover					
External revenue	123,079	55,159	8	-	178,246
Inter-segment sales	4	8	480	(492)	-
	<u>123,083</u>	<u>55,167</u>	<u>488</u>	<u>(492)</u>	<u>178,246</u>
Segment results	<u>14,198</u>	<u>2,423</u>	<u>(399)</u>	<u>-</u>	<u>16,222</u>
Interest income					967
Finance costs					(27)
Share of result of an associated company	-	-	(45)	-	(45)
Profit before taxation					<u>17,117</u>
Income tax expense					<u>(3,742)</u>
Total profit					<u><u>13,375</u></u>

Nine months ended 30 September 2007

	Mechatronics \$'000	Electronics Manufacturing Services \$'000	Investment Holding \$'000	Eliminations \$'000	Total \$'000
Turnover					
External revenue	125,853	56,646	8	-	182,507
Inter-segment sales	-	38	469	(507)	-
	<u>125,853</u>	<u>56,684</u>	<u>477</u>	<u>(507)</u>	<u>182,507</u>
Segment results	<u>17,329</u>	<u>4,034</u>	<u>(497)</u>	<u>-</u>	<u>20,866</u>
Interest income					992
Finance costs					(75)
Share of result of an associated company	45	-	(139)	-	(94)
Profit before taxation					<u>21,689</u>
Income tax expense					<u>(4,267)</u>
Total profit					<u><u>17,422</u></u>

**ElectroTech Investments Limited
and its subsidiaries**

**CONDENSED INTERIM FINANCIAL INFORMATION
For the nine-month period ended 30 September 2008**

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the nine-month period ended 30 September 2008**

5. Property, plant and equipment

	Group S\$'000
Nine month ended 30 September 2008	
Opening net book amount as at 1 January 2008	56,605
Additions	5,964
Disposals	(219)
Depreciation	(6,226)
Translation difference	(1,604)
Closing net book amount as at 30 September 2008	<u>54,520</u>
Nine month ended 30 September 2007	S\$'000
Opening net book amount as at 1 January 2007	55,833
Additions	5,984
Disposals	(345)
Depreciation	(7,112)
Disposals of subsidiary	(674)
Translation difference	669
Closing net book amount as at 30 September 2007	<u>54,355</u>

6. Investment in associated company / Financial asset available for sale

	Effective equity interest held by the Group	
	30/09/08	31/12/07
	%	%
Investment in MTIC Holdings Pte Ltd	12.85	39.95

The investment in MTIC Holdings Pte. Ltd. ("MTIC") has been diluted from 39.95% to 12.85% wef 25 July 2008 arising from allotment of shares by MTIC to new shareholders. The investment has been classified to "Financial Assets Available for Sale" from "Investment in associated company".

7. Borrowings

	Group		
	30/09/08	31/12/07	30/09/07
	S\$'000	S\$'000	S\$'000
Non-Current	157	104	189
Current	380	681	1,330
	<u>537</u>	<u>785</u>	<u>1,519</u>

Movement in borrowings are analysed as follows:

	Group S\$'000
Nine month ended 30 September 2008	
Opening net book amount as at 1 January 2008	785
Proceeds from borrowings	2,170
Repayments of borrowings	(2,392)
Translation difference	(26)
Closing net book amount as at 30 September 2008	<u>537</u>
Nine month ended 30 September 2007	S\$'000
Opening net book amount as at 1 January 2007	1,022
Proceeds from borrowings	887
Repayments of borrowings	(386)
Translation difference	(4)
Closing net book amount as at 30 September 2007	<u>1,519</u>

The secured borrowings of the Group as at 30 September 2008 and 30 September 2007 comprise finance lease liabilities and are secured on equipment and motor vehicles.

**ElectroTech Investments Limited
and its subsidiaries**

**CONDENSED INTERIM FINANCIAL INFORMATION
For the nine-month period ended 30 September 2008**

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the nine-month period ended 30 September 2008**

8 Share Capital

There were no changes to the issued share capital of the Company since the last audited financial statements of the Group for the financial year ended 31 December 2007.

9 Profit before income tax

	Group	
	9 months ended	
	30/09/08	30/09/07
	\$'000	\$'000
Profit before income tax for the period is arrived at after charging/(crediting) :-		
Other income including interest income	(2,287)	(2,893)
Interest on borrowings	27	75
Depreciation of property, plant and equipment	6,226	7,112
(Write back)/Allowance for inventory obsolescence	(498)	(157)
Foreign exchange (gain)/ loss -realised	(67)	(277)
Foreign exchange (gain)/ loss -unrealised	204	(119)
(Gain)/Loss on disposal of property, plant and equipment	(194)	(334)
Property, plant and equipment written off	11	7
Loss on disposal of a subsidiary	-	9
Gain on dilution of interest in an associate	(244)	-

10 Income taxes

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the period ended 30 September 2008 is 22% (the estimated tax rate for the nine months ended 30 September 2007 was 20%). The increase is mainly due from lower incentive claims at the EMS Division.

11 Earnings per share

	Group	
	9 months ended	
	30/09/08	30/09/07
(i) Basic earnings per share (cents)	4.39	5.71
(ii) Diluted earnings per share (cents)	N/A	N/A
Weighted average number of ordinary shares in issue	304,713,258	304,713,258

Basic earnings per share for the period is calculated based on the weighted average number of ordinary shares in issue.

There were no potential dilutive ordinary shares in existence for the third quarter and nine months ended 30 September 2008 and 30 September 2007 and accordingly, no diluted earnings per share amount has been presented.

12 Net asset value

	Group	
	30/09/08	30/09/07
Net asset value per ordinary share based on issued share capital at the end of financial period / year (cents)	59.43	58.52
Number of ordinary shares in issue	304,713,258	304,713,258

**ElectroTech Investments Limited
and its subsidiaries**

**CONDENSED INTERIM FINANCIAL INFORMATION
For the nine-month period ended 30 September 2008**

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the nine-month period ended 30 September 2008**

13 Dividends

A dividend that relates to the year ended 31 December 2007 of \$6,917,000 was paid in May 2008 (2007: \$7,923,000).

14 Contingent liabilities

Precico Electronics Sdn. Bhd. ("PESB"), a subsidiary of the Company has on 6 May 2004 instituted a legal proceeding against Unitech Tokyo Co., Ltd. ("Unitech"), a company incorporated in Japan to recover a total amount of Yen60,789,352 (approximately SGD846,000) plus interest for non-payment of invoices, compensation for non-fulfilment of purchase orders, legal and other related costs.

On 23 February 2006, Unitech filed a countersuit against PESB for a total claim of Yen211,217,656 (approximately SGD2,750,000) plus interest at 6% per annum and legal costs. This claim is for consequential losses, development and rework costs arising from the alleged breach of contract by PESB.

Subsequently on 25 December 2006, Unitech filed a petition for an increase in the amount of its counterclaim against PESB from Yen211,217,656 (approximately SGD2,750,000) to Yen323,009,656 (approximately SGD4,200,000). The petition was based on:

- a downward revision of the profit rate to be applied from 39% to 31%; and
- an extension of the saleable period from 4 years to 8 years in computing their consequential loss.

The management is of the opinion that the rationale of Unitech's petition was in direct response to a contention made by the Group's lawyer at the court trial on 14 November 2006. The Group's lawyer contended that Unitech's original profit rate of 39% was commercially untenable as it was computed by deducting the purchase cost from the sale price without accounting for selling and administration cost. Consequently, Unitech adjusted down the profit rate to be applied, but more than offset this by doubling the saleable period.

Based on legal advice obtained, the management is of the opinion that the grounds for Unitech's counter claim including the latest petition are frivolous and without justifiable merits.

New judges were appointed in April 2007 and as a consequence to this, resubmissions of statements of plead and arguments were rendered by both PESB and Unitech during the year. The last court trial meeting was held on 28 February 2008, following which the final summon meeting of pleas will be heard on 18 April 2008.

During the final summon meeting on 18 April 2008, the judge concluded judgment shall be given on 25 July 2008.

On 25 July 2008, the court gave judgment on both of the proceedings as follows:-

- (i) With regards to the lawsuit instituted by PESB, the court has ruled that Unitech must pay a sum of Yen30,690,430 (approximately SGD489,000) plus interest at 6% per annum from 14 May 2004 until completion of the payment to PESB as recovery for unpaid invoices/debit notes. However, PESB was not successful in an additional claim of Yen3,049,285 (approximately SGD49,000) as recovery for unpaid invoices/debit notes for miscellaneous parts order and Yen27,049,637 (approximately SGD431,000), which is compensation (of unutilised inventory) for non-fulfilment of purchase orders made by Unitech; and
- (ii) The court has entirely dismissed the counterclaim instituted by Unitech for the sum of Yen323,009,656 (approximately SGD4,200,000)

Both parties have the right to appeal to the High Court against the judgments.

Subsequently on 9 October 2008, Unitech has lodged an appeal with the Tokyo High Court to set aside the court's judgment. The appeal is mainly on the grounds that the court decision did not take into consideration that certain technical specifications were not satisfied in the manufacture of the product contracted to PESB by Unitech.

Our lawyers have advised that there are legal arguments for PESB to contest the validity of Unitech's appeal and on 29 October 2008, PESB has filed a counter proceedings to the Tokyo High Court.

* Equivalent amount in Singapore Dollar is translated at spot rate ruling at that point in time.

**ElectroTech Investments Limited
and its subsidiaries**

**CONDENSED INTERIM FINANCIAL INFORMATION
For the nine-month period ended 30 September 2008**

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the nine-month period ended 30 September 2008**

15 Events occurring after balance sheet date

On 3 November 2008, ElectroTech Investments Limited ("ElectroTech") and ETLA Limited ("ETLA" or the "Company") jointly announced the proposed acquisition by ElectroTech of all the shares in the capital of ETLA in consideration for the allotment and issue of shares in the capital of ElectroTech (the "New ElectroTech Shares") to the shareholders of ETLA, resulting in the merger of the ElectroTech group and the ETLA group (the "Proposed Merger"). The Proposed Merger shall be effected by way of ETLA implementing a scheme of arrangement (the "Scheme") under Section 210 of the Companies Act, Chapter 50 of Singapore ("Companies Act").

Success of the Scheme is conditional upon, inter alia, the approvals of the respective shareholders of ElectroTech and ETLA as follows:

- (a) the approval of the Scheme by the shareholders of ETLA at a shareholders' meeting to be convened by the High Court of the Republic of Singapore. Under Section 210 of the Companies Act, the Scheme must be approved by a majority in number of shareholders holding not less than 75% in value of the ordinary shares present and voting, either in person or by proxy, at such meeting. The Scheme must also be sanctioned by the High Court; and
- (b) the approval of the Proposed Merger and the allotment and issuance of the New ElectroTech Shares pursuant to the Scheme, by a majority in number of the shareholders of ElectroTech present and voting, either in person or by proxy, at a shareholders' meeting to be convened.

**ElectroTech Investments Limited
and its subsidiaries**

**REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE DIRECTORS OF
ELECTROTECH INVESTMENTS LIMITED
For the nine-month period ended 30 September 2008**

Introduction

ElectroTech Investments Limited has engaged us to review the condensed interim financial information for the nine-month period ended 30 September 2008 as a requirement under Rule 25.6(c) of the Singapore Code on Take-overs and Mergers.

We have reviewed the accompanying condensed interim financial information of ElectroTech Investments Limited ("the Company") and its subsidiaries (the "Group") set out on pages 2 to 12, which comprise the condensed interim balance sheet of the Company and of the Group as of 30 September 2008 and the related condensed consolidated interim income statement of the Group, condensed interim statements of changes in equity of the Company and of the Group and condensed consolidated interim cash flow statement of the Group for the nine-month period then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with Financial Reporting Standard 34 ("FRS 34"), 'Interim financial reporting'. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with FRS 34.



PricewaterhouseCoopers
Certified Public Accountants

Singapore, 13 November 2008



13 November 2008

The Board of Directors
ElectroTech Investments Limited
c/o Precico Sdn. Bhd.
Plot 410, Lorong Perusahaan 8B
Prai Industrial Estate, 13600 Prai
Penang, Malaysia

Dear Sirs,

PROPOSED MERGER OF ELECTROTECH INVESTMENTS LIMITED AND ETLA LIMITED BY WAY OF A SCHEME OF ARRANGEMENT

This letter has been prepared in connection with the proposed merger of ElectroTech Investments Limited ("ElectroTech" or the "Company") and ETLA Limited ("ETLA") by way of a Scheme of Arrangement under the Singapore Code on Take-overs and Mergers (the "Code") announced by the Company on 3 November 2008.

On 13 November 2008, the directors of the Company ("Directors") announced the condensed interim financial information of the Company for its third quarter ended 30 September 2008 (the "Financial Statements"). The Financial Statements are solely the responsibility of the Directors.

We have reviewed and have held discussions with the management of the Company on the Financial Statements. We have also considered the letter by PricewaterhouseCoopers dated 13 November 2008 to the Directors relating to their review of the Financial Statements ("PwC Letter").

For the purpose of rendering our opinion in this letter, we have relied upon and assumed the accuracy and completeness of all information, including the PwC Letter, provided to, or discussed with us. Save as provided in this letter, we do not express any other opinion on the Financial Statements.

Based on the above, we are of the opinion that the Financial Statements have been stated by the Directors after due and careful enquiry.

This letter is provided to the Directors solely for the purpose of complying with Rule 25 of the Singapore Code on Take-overs and Mergers and not for any other purpose. We do not accept any responsibility to any person (other than the Directors) in respect of, arising out of, or in connection with this letter.

Yours faithfully,
For and on behalf of
DBS Bank Ltd

Keng Kok Sing
Senior Vice President
Mergers & Acquisitions Advisory
Global Financial Markets

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