

RADA ELECTRONIC INDUSTRIES LTD
Form 6-K
July 15, 2002

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

F O R M 6-K

Pursuant to Section 13a-16 or 15d-16
of the Securities Exchange Act of 1934

For the month of July 2002

RADA ELECTRONIC INDUSTRIES LTD.
(Name of Registrant)

7 Giborei Israel Street, Netanya 42504, Israel
(Address of Principal Executive Office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F X Form 40-F ___

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ___ No X

This Form 6-K is being incorporated by reference into the Company's Form F-3 Registration Statement File No. 333-11716.

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RADA ELECTRONIC INDUSTRIES LTD.

6-K Items

1. RADA Electronic Industries Ltd. Proforma and Actual Interim Consolidated Balance Sheets as of May 31, 2002 (Unaudited).

ITEM 1

RADA ELECTRONIC INDUSTRIES LIMITED

PROFORMA AND ACTUAL INTERIM CONSOLIDATED BALANCE SHEETS
AS OF MAY 31, 2002
(UNAUDITED)

RADA ELECTRONIC INDUSTRIES LIMITED
UNAUDITED CONSOLIDATED BALANCE SHEETS
In thousands of U.S. dollars, except share and per share data

May 31, 2002

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	----- Actual -----	----- Pro Forma (2) -----
Current assets		
Cash and cash equivalents	\$ 141	\$ 141
Trade receivables (net of allowance for doubtful accounts of \$189 and \$189 in 2002 and 2001, respectively)	755	755
Receivables in respect of shares to be issued (Note 2)	-	742
Other receivables and prepaid expenses	177	147
Costs and estimated earnings in excess of billings on uncompleted contracts	113	113
Inventories	2,291	2,291
Total current assets	----- 3,477 -----	----- 4,189 -----
Long-term assets		
Long-term receivables	1,123	1,123
Leasing deposits	19	19
	----- 1,142 -----	----- 1,142 -----
Property and equipment		
Cost	18,680	18,680
Less - accumulated depreciation	12,393	12,393
Total property and equipment	----- 6,287 -----	----- 6,287 -----
Other assets, net	----- 3,829 -----	----- 3,829 -----
Total assets	----- \$14,735 =====	----- \$15,447 =====

The accompanying notes are an integral part of these consolidated financial statements.

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RADA ELECTRONIC INDUSTRIES LIMITED
UNAUDITED CONSOLIDATED BALANCE SHEETS
AS OF MAY 31, 2002

In thousands of U.S. dollars, except share and per share data

May 31, 2002	
----- Actual -----	----- Pro Forma (2) -----

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Current liabilities		
Short-term bank credits	\$ 5,888	\$ 5,888
Trade payables	608	608
Other liabilities and accrued expenses	2,758	2,808
Unearned income	2,194	2,194
Billings in excess of costs and estimated earnings on uncompleted contracts	40	40
	-----	-----
Total current liabilities	11,488	11,538
	-----	-----
Long-term liabilities		
Accrued severance pay, net	450	450
	-----	-----
Loan due to a related party (Note 2)	1,618	60
	-----	-----
Minority interests	651	651
	-----	-----
Shareholders' equity		
Share capital		
Ordinary shares of NIS 0.005 par value:		
Authorized - 26,000,000 shares; issued and outstanding 13,816,839 shares in 2002 and 2001	103	103
Additional paid-in capital	56,646	56,646
Receipts on account of shares, net (Note 2)	-	2,220
Accumulated deficit	(56,221)	(56,221)
	-----	-----
Total shareholders' equity	528	2,748
	-----	-----
Total liabilities and shareholders' equity	\$ 14,735	\$ 15,447
	=====	=====

The accompanying notes are an integral part of these consolidated financial statements.

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RADA ELECTRONIC INDUSTRIES LIMITED
 NOTES TO THE UNAUDITED CONSOLIDATED BALANCE SHEETS
 In thousands of U.S. dollars, except share and per share data

NOTE 1 - GENERAL

The accompanying unaudited balance sheets have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required

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by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Although the Company believes that the disclosure presented herein is adequate to make the information presented not misleading, it is suggested that these balance sheets statements be read in conjunction with the 2001 annual financial statements and footnotes.

NOTE 2 - PRIVATE PLACEMENT AND PROFORMA ADJUSTMENTS

On June 9, 2002 the Company's shareholders duly approved the following terms of a private placement purchase agreement of its ordinary shares:

- (A) A Purchase Agreement between the Company and certain investors according to which such investors will purchase 1,938,776 ordinary shares at a price of \$0.49 per share, for a total of \$950. In addition, such investors will be issued warrants to purchase 4,302,041 of the Company's ordinary shares. Such warrants will be valid for five (5) years and be exercisable during the first 36 months after issuance at an exercise price of \$2 per share, and thereafter, during the following 24 month period, at an exercise price which will be equal to the higher of: (i) \$2 per share or (ii) 50% of the average closing price during the ten (10) trading days prior to an exercise date. The warrants contain certain anti-dilution provisions that could reduce the exercise price of the warrants in the event that the Company issued securities at a price below the exercise prices of the warrants. As of May 31, 2002 the Company received \$208 in cash and a total of \$742 is presented as receivable from shareholders (this amount was received subsequent to balance sheet date); and
- (B) The conversion of \$1,350 of the principal amount of loans granted by Mr. Howard P.L. Yeung, one of the Company's controlling shareholders into 2,755,102 ordinary shares at a price of \$0.49 per share. In addition, the Company will issue to Mr. Yeung warrants to purchase 8,265,306 ordinary shares. Such warrants will be valid for five (5) years and will be exercisable during the first 36 months at an exercise price of \$2 per share, and thereafter, during an additional period of 24 months, at an exercise price which shall be equal to the higher of: (i) \$2 per share or (ii) 50% of the average closing price of our ordinary shares during the ten (10) trading days prior to the exercise date.

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RADA ELECTRONIC INDUSTRIES LIMITED
NOTES TO THE UNAUDITED CONSOLIDATED BALANCE SHEETS (Cont.)
In thousands of U.S. dollars, except share and per share data

- (C) The pro forma adjustments reflect the receipt of \$2,300 in consideration for the private placement of the Company's securities, including the conversion of \$1,350 of debt, of which \$350 were received during 2002, into ordinary shares and \$80 of expenses in connection with the issuance of shares.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

RADA Electronic Industries Ltd.

(Registrant)

By: /s/Herzle Bodinger

Herzle Bodinger, Chairman

Dated: July 15, 2002