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First Quarter Results * Financial Statement And Related Announcement

* Asterisks denote mandatory information


Name of Announcer *	EUROPTRONIC GROUP LTD
Company Registration No.	200009775K
Announcement submitted on behalf of	EUROPTRONIC GROUP LTD
Announcement is submitted with respect to *	EUROPTRONIC GROUP LTD
Announcement is submitted by *	Huang Shih-An
Designation *	Chairman
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>> Announcement Details

The details of the announcement start here ...

For the Financial Period Ended *	31-03-2010
Description	Please see attached.

Attachments

 [EGL-1Q10-Results.pdf](#)
 Total size = **86K**
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First Quarter Financial Statement And Dividend Announcement

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

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

Group Income Statement for quarter ended 31 March 2010. These figures have not been audited.

	Group		
	3 months	3 months	%
	ended	ended	Increase/
	31/03/2010	31/03/2009	(Decrease)
(S\$'000)			
Total revenue	31,733	10,490	NM
Cost of sales	(26,214)	(10,543)	NM
Gross profit	5,519	(53)	NM
Other operating income/(charges)	285	(315)	NM
Selling and distribution expenses	(1,300)	(636)	NM
Administrative expenses	(1,958)	(1,525)	28.39
Share of results from an associate	8	(9)	NM
Finance costs	(522)	(573)	(8.90)
Profit/(loss) before taxation and minority interests	2,032	(3,111)	NM
Taxation	(9)	(80)	(88.75)
Profit/(loss) after taxation and before minority interests	2,023	(3,191)	NM
Attributable to:			
Shareholders of the company	391	(3,113)	NM
Minority interest	1,632	(78)	NM
	2,023	(3,191)	
Consolidated statement of comprehensive income:			
	Group		
	3 months	3 months	%
	ended	ended	Increase/
	31/03/2010	31/03/2009	(Decrease)
(S\$'000)			
Profit / (Loss) for the period	2,023	(3,191)	NM
Other comprehensive income:			
Translation adjustments	1,831	46	NM
Total comprehensive income for the period	3,854	(3,145)	
Attributable to:			
Equity holders of the Company	2,222	(3,067)	NM
Minority interest	1,632	(78)	NM
Total comprehensive income for the period	3,854	(3,145)	
Profit/(loss) for the financial year ended 30 September is arrived at after (charging)/crediting the following:			
	Group		
	3 months	3 months	%
	ended	ended	Increase/
	31/03/2010	31/03/2009	(Decrease)
(S\$'000)			
Depreciation of property, plant and equipment	(671)	(708)	(5.23)
Foreign exchange gain/(loss), net	23	(432)	NM
Interest expenses	(522)	(573)	(8.90)
Interest income	2	1	100.00
Allowance for inventories obsolescence	19	(2)	NM
Write back of allowance for impairment of doubtful receivables (Non-trade)	4	4	-
Amortisation of intangible assets	(11)	(6)	83.33
NM: Not meaningful			

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

Statement of Financial Position (S\$'000)	Group		Company	
	31/03/2010	31/12/2009	31/03/2010	31/12/2009
Non-current assets:				
Investments in associated company	2,065	2,057	-	-
Investments in subsidiaries	-	-	44,582	44,582
Financial assets, available-for-sale	4,529	4,529	-	-
Property, plant and equipment	49,919	48,355	-	-
Long term advance	-	-	2,820	2,820
Intangible assets	3,407	3,377	-	-
Deferred income tax assets	121	118	-	-
Total non-current assets	60,041	58,436	47,402	47,402
Current assets:				
Cash and bank balances	6,574	7,322	414	290
Financial assets, available-for-sale	1,031	1,031	1	1
Trade and other receivables	38,792	30,719	9,654	10,052
Inventories	17,675	18,458	-	-
Biological assets	2	2	-	-
Other current assets	3,007	2,425	33	23
Total current assets	67,081	59,957	10,102	10,366
Total assets	127,122	118,393	57,504	57,768
Current liabilities:				
Trade and other payables	33,648	28,379	2,686	2,293
Borrowings	37,714	37,039	111	148
Current income tax liabilities	170	278	68	68
Total current liabilities	71,532	65,696	2,865	2,509
Net current assets / (current liabilities)	(4,451)	(5,739)	7,237	7,857
Non-current liabilities:				
Borrowings	9,343	10,305	-	-
Deferred income	25	24	-	-
Deferred income tax liabilities	11	11	-	-
Total non-current liabilities	9,379	10,340	-	-
Equity attributable to equity holders of the company				
Share capital	58,782	58,782	58,782	58,782
Treasury shares	(318)	(318)	(318)	(318)
Statutory reserves	1,453	1,514	-	-
Foreign currency translation reserves	(4,589)	(6,420)	-	-
Revaluation reserve	13,713	13,713	-	-
Share option reserves	185	185	185	185
Revenue reserves	(26,316)	(26,768)	(4,010)	(3,390)
	42,910	40,688	54,639	55,259
Minority interest	3,301	1,669	-	-
Total equity	46,211	42,357	54,639	55,259
Total liabilities and equity	127,122	118,393	57,504	57,768

1(b)(ii) Aggregate amount of group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

As at 31/03/2010	As at 31/12/2009
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Secured	Unsecured	Secured	Unsecured
S\$'000 8,899	S\$'000 28,815	S\$'000 8,513	S\$'000 28,526

Amount repayable after one year

As at 31/03/2010	As at 31/12/2009
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Secured	Unsecured	Secured	Unsecured
S\$'000 7,295	S\$'000 2,048	S\$'000 7,055	S\$'000 3,250

Details of any collateral

The credit facilities of the subsidiaries are secured by the leasehold properties of Europtronic (Singapore) Pte Ltd, UPT Crypson Component (Shanghai) Co., Ltd and Europtronic Electronic (Shenzhen) Co., Ltd, and freehold properties of Europtronic Taiwan Ind Corp and Housing Technology Corp respectively.

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

Statement of Cash Flows	Group S\$'000 3 months ended 31/03/2010	Group S\$'000 3 months ended 31/03/2009
(S\$'000)		
Cash flows from operating activities:		
Profit / (Loss) before income tax	2,032	(3,111)
Adjustments for:		
- Allowance for inventories obsolescence	(19)	2
- Amortisation of intangible assets	11	6
- Depreciation of property, plant and equipment	671	708
- Interest expense	522	573
- Share of results of associated company	(8)	9
- Gain on disposal of property, plant and equipment	(11)	(5)
- Interest income	(2)	(1)
- Negative goodwill	-	(63)
- Write back of allowance for doubtful receivables (non-trade)	(4)	(4)
- Unrealised currency translation losses	850	179
	4,042	(1,707)
Changes in working capital		
- Trade and other receivables	(8,069)	2,225
- Inventories	802	969
- Biological assets	-	-
- Other current assets	(582)	478
- Trade and other payables	4,658	(2,048)
Cash generated from operations	851	(83)
Interest received	2	1
Interest paid	(522)	(573)
Income tax paid	(120)	(100)
Net cash used in operating activities	211	(755)
Cash flows from investing activities:		
Additions of property, plant and equipment	(171)	(203)
Proceeds from disposal of property, plant and equipment	63	-
Net cash used in investing activities	(108)	(203)
Cash flows from financing activities:		
Bank deposit pledged	-	(309)
Net (repayments of)/proceeds from borrowings	(253)	(167)
Repayment of finance lease liabilities	(34)	(44)
Net cash provided by financing activities	(287)	(520)
Net increase/(decrease) in cash and cash equivalents	(184)	(1,478)
Cash and cash equivalents at beginning of financial year	6,758	3,698
Cash and cash equivalents at end of financial year	6,574	2,220
CASH AND CASH EQUIVALENTS		
Cash and bank balances	6,010	2,220
Fixed deposits	564	309
	6,574	2,529

1(d)(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

	Share capital	Treasury shares	Share premium	Share option reserves	Statutory reserves	Foreign currency translation reserves	Fair value adjustment reserves	Revaluation reserves	Revenue reserves	Total	Minority interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group												
Balance at 1 January 2009	50,520	(318)	0	185	2,027	(4,149)	(7,190)	-	(5,818)	35,257	45	35,302
Changes in equity for the period:												
Total comprehensive income for the period	-	-	-	-	(127)	46	-	-	(2,986)	(3,067)	(78)	(3,145)
Balance at 31 March 2009	50,520	(318)	-	185	1,900	(4,103)	(7,190)	-	(8,804)	32,190	(33)	32,157
Balance at 31 December 2009	58,782	(318)	0	185	1,514	(6,420)	-	13,713	(26,768)	40,688	1,669	42,357
Changes in equity for the period:												
Total comprehensive income for the period	-	-	-	-	(61)	1,831	-	-	452	2,222	1,632	3,854
Balance at 31 March 2010	58,782	(318)	0	185	1,453	(4,589)	-	13,713	(26,316)	42,910	3,301	46,211
Company												
Balance at 1 January 2009	50,520	(318)	-	185	-	-	(6)	-	344	50,725	-	50,725
Changes in equity for the period:												
Total comprehensive losses for the period	-	-	-	-	-	-	-	-	(164)	(164)	-	(164)
Balance at 31 March 2009	50,520	(318)	-	185	-	-	(6)	-	180	50,561	-	50,561
Balance at 31 December 2009	58,782	(318)	-	185	-	-	-	-	(3,390)	55,259	-	55,259
Changes in equity for the period:												
Total comprehensive losses for the period	-	-	-	-	-	-	-	-	(620)	(620)	-	(620)
Balance at 31 March 2010	58,782	(318)	-	185	-	-	-	-	(4,010)	54,639	-	54,639

1(d)(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

There were no changes in the Company's share capital since the end of both financial periods reported on.

Option granted under the Eurotronic Employees' Share Option Scheme outstanding as at 31 March 2010 is 1,723,600 upon adjustment arising from Rights Issue completed in July 2009. (31 March 2009: 861,800).

The Company had 2,500,000 shares is held as treasury shares.

1(d)(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.

	3 months ended 31/03/2010	Year ended 31/12/2009
Number of issued shares	677,609,154	338,554,577
Add: Number of issued new shares	-	1,500,000
Add: Number of Rights Issued	-	337,554,577
Less: Number of treasury shares	(2,500,000)	(2,500,000)
Number of issued shares excluding treasury shares	675,109,154	675,109,154

1(d)(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.

	3 months ended 31/03/2010	Year ended 31/12/2009
Balance brought forward	2,500,000	2,500,000
Purchase of treasury shares	-	-
Transfer to Eurotronic Performance Shares	-	-
Balance of treasury shares	2,500,000	2,500,000

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

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the most recent audited financial statements as at 31 December 2009.

5. 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

Not applicable.

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

	Group	
	31/03/2010	31/03/2009
Earnings per ordinary share ("EPS") for the period based on net profit attributable to the shareholders		
(i) Based on weighted average number of ordinary shares in issue ; and	0.08 cents	(0.93 cents)
(ii) On a fully diluted basis	0.08 cents	(0.93 cents)

(i) EPS for quarter ended 31 March 2010 on existing issued share capital is computed based on the weighted average number of shares in issue during the year of 481,191,602 (31/03/2009 : 336,054,577) ordinary shares.

(ii) There is no dilution in respect of the share options outstanding for the end of both financial periods reported on.

7. 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 period reported on and (b) immediately preceding financial year

	Group			Company		
	31/03/10	31/12/09	Change	31/03/10	31/12/09	Change
Net asset value ("NAV") backing per ordinary share based on the total number of issued shares excluding treasury shares as at the end of the period reported on	6.36 cents	6.04 cents	5.29%	8.09 Cents	8.18 cents	(1.10%)

Note:

NAV per ordinary share is computed based on number of shares in issue of 675,109,154 (31/12/2009 : 336,054,577) as at 31 March 2010.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Comprehensive Income Statement (1Q 2010 vs 1Q 2009)

Group revenue increased by S\$21.2 million from S\$10.5 million in 1Q 2009 to S\$31.7 million in 1Q 2010. The increase was due to a rise in the number of orders from both distribution and manufacturing business segments.

The overall gross profit increased by S\$5.6 million in 1Q 2010 compared to 1Q 2009.

Other operating income in 1Q 2010 was S\$0.3 million compared to a loss of S\$0.3 million in 1Q 2009.

Selling and distribution expenses and administrative expenses increased by S\$0.7 million and S\$0.4 million in 1Q 2010 compared to 1Q 2009 respectively. The increase was due mainly to an increase in Group's sales activities.

Finance costs decreased by 8.9% due to lower interest rates and early repayment of borrowings in 1Q 2010 compared to 1Q 2009.

Overall the Group reported a profit after tax and before minority interests of S\$2.0 million in 1Q 2010, compared to a loss after tax and before minority interests of S\$3.2 million in 1Q 2009.

Balance Sheet

Trade and other receivables increased from S\$30.7 million in FY 2009 to S\$38.8 million in 1Q 2010. The increase in trade and other receivables was due to an increase in sales activities. In comparison, the debtors' collection cycle has improved from 4 months and above a year ago to the current 2.5 months.

Inventory decreased from S\$18.5 million in FY 2009 to S\$17.7 million in 1Q 2010. The decrease was due to a reduction of inventory turnover days.

Trade and other payables increased by S\$5.3 million due to an overall improved demand in the industry and increase in sales activities.

Net current liabilities improved by S\$1.3 million from S\$5.7 million in FY 2009 to S\$4.5 million in 1Q 2010. The Group was able to increase revenue by three-folds with the available amount of short term bank facilities at S\$37.7 million, which was similar to FY 2009.

Long term liabilities have reduced by S\$1.0 million compared with FY 2009.

Cash Flow Statement

The Group recorded a surplus cash flow from operations of S\$0.9 million compared to a cash balance deficit of S\$0.1 million in FY 2009. This is attributable to better working capital management.

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

No forecast or prospect statement was disclosed to shareholders previously.

10. A commentary at the date of the announcement of the 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 economies in Asia and around the world continue to improve, the demand for electronic products also reflects good improvement. As a result, the demand for electronic component continues to grow in 1Q 2010. The demand for certain electronic components used in mobile phones, PCs, wireless products has caused a tight supply – this has led to longer manufacturers' lead time in the recent months.

The Group's revenue in 1Q 2010 was S\$31.7 million, the highest in the Group's history since listing on SGX-ST. It is 43.4% higher than last quarter, and more than three times of 1Q 2009. The gross profit was S\$5.5m, or roughly 17%. This is the beginning of a turnaround for the Group. The key revenue growth was from the Group's distribution unit as well as the subsidiaries in Hong Kong and Southern China.

Going forward, the Group will continue to widen its customer base in Taiwan, China as well as South East Asia and bring in new principal suppliers with products complementary to the existing product lines. This will help the Group to continue to grow and improve the efficiency of its operations.

In order to accelerate growth, the Group will continue to identify joint venture and acquisition opportunities. By pursuing this strategy, the Group will be able to further expand its customer base, enter new market segments as well as attract new principal suppliers.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared/recommendeded, a statement to that effect.

No dividend has been recommended by the Directors for the first quarter ended 31 March 2010.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

- 13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Not applicable

- 14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not applicable

- 15. A breakdown of sales.**

Not applicable

- 16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Total Annual Dividend

	Latest Full Year (2010)	Previous Full Year (2009)
Ordinary	-	-
Preference	-	-
Total:	-	-

Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual of SGX-ST.

On behalf of the Board of Directors of the Company, we, Huang Shih An and Huang Chuang Shueh Ou, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the 1Q 2010 financial statements for the financial period ended 31 March 2010 set out above to be false or misleading in any material aspect.

On behalf of the Board of Directors
of Europtronic Group Ltd

Huang Shih An
Chairman
26 April 2010

Huang Chuang Shueh Ou
Vice Chairman