

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

(S\$'000)	Group		Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Non-current assets:				
Property, plant and equipment	38,980	39,596	-	13
Investments in associated company	1,937	-	-	-
Investments in subsidiaries	-	-	42,404	45,224
Goodwill on consolidation	2,594	2,594	-	-
Intangible assets	775	806	-	-
Deferred taxation	191	202	-	-
Long-term investments	5,041	5,041	-	-
Total non-current assets	49,518	48,239	42,404	45,237
Current assets:				
Cash and bank balances	3,698	5,567	237	166
Trade receivables	17,261	25,300	-	-
Financial assets, available-for-sale	1,031	4,894	1	4
Other receivables and prepayments	8,549	5,353	13,595	12,537
Biological assets	2	-	-	-
Inventories	17,581	20,419	-	-
Total current assets	48,122	61,533	13,833	12,707
Total assets	97,640	109,772	56,237	57,944
Current liabilities:				
Borrowings	45,762	38,481	1,641	1,924
Trade payables	10,532	19,166	-	-
Other payables	2,633	3,396	3,655	5,188
Provision for taxation	211	421	68	68
Total current liabilities	59,138	61,464	5,364	7,180
Net current assets / (current liabilities)	(11,016)	69	8,469	5,527
Non-current liabilities:				
Deferred taxation	11	11	-	-
Borrowings	3,189	5,054	148	296
Total non-current liabilities	3,200	5,065	148	296
Equity attributable to equity holders of the company				
Share capital	50,520	50,520	50,520	50,520
Treasury shares	(318)	(318)	(318)	(318)
Statutory reserves	2,027	2,428	-	-
Foreign currency translation reserves	(4,149)	(6,790)	-	-
Share option reserves	185	185	185	185
Fair value adjustment reserves	(7,190)	(3,326)	(6)	(3)
Revenue reserves	(5,818)	54	344	84
	35,257	42,753	50,725	50,468
Minority interest	45	490	-	-
Total equity	35,302	43,243	50,725	50,468
Total liabilities and equity	97,640	109,772	56,237	57,944

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

Amount repayable in one year or less, or on demand

As at 31/12/2008	As at 31/12/2007
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Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
5,462	40,300	5,581	32,900

Amount repayable after one year

As at 31/12/2008	As at 31/12/2007
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Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
3,189	Nil	5,054	Nil

Details of any collateral

The credit facilities of the subsidiaries are secured by the leasehold properties of Europtronic (Singapore) Pte Ltd and Europtronic Electronic (Shenzhen) Co., Ltd, as well as the 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

(S\$'000)	Group S\$'000 12 months ended 31/12/2008	Group S\$'000 12 months ended 31/12/2007
Cash flows from operating activities:		
Profit/(loss) before taxation	(6,313)	514
Adjustments for:		
Amortisation of intangible assets	24	21
Depreciation of property, plant and equipment	2,837	3,370
Interest income	(18)	(73)
Interest expense	2,590	3,104
Dividend Income	-	(257)
Gain on disposal of property, plant and equipment	(1,028)	(316)
Gain on disposal of investment securities	-	(792)
Negative goodwill on acquisition of investment in associated company	(1,631)	-
Write off of inventories	1,481	-
Allowance for inventories obsolescence	1,242	52
Allowance for impairment of doubtful receivables (Trade)	504	142
Write back of allowance for impairment of doubtful receivables (Non-trade)	(16)	(85)
Share of results from an associated company	54	-
Loss on a liquidation of a subsidiary	-	331
Foreign exchange loss on disposal of convertible bond	-	81
Net effect of exchange rate changes in consolidating subsidiaries	1,898	52
Operating cash flow before reinvestment in working capital	1,624	6,144
(Increase)/decrease in trade receivables	7,535	(2,908)
(Increase)/decrease in other receivables and prepayments	(3,180)	(433)
(Increase)/decrease in inventories	1,594	(5,497)
Increase/(decrease) in trade payables	(8,634)	7,906
Increase/(decrease) in other payables	(763)	114
Cash generated from operations	(1,824)	5,326
Interest paid	(2,590)	(3,104)
Interest received	18	73
Income tax paid	(469)	(202)
Net cash generated from/(used in) operating activities	(4,865)	2,093
Cash flows from investing activities:		
Purchase of property, plant and equipment	(4,972)	(3,521)
Proceeds from disposal of plant and equipment	2,912	2,347
Proceeds from disposal of investment securities	-	6,265
Proceeds from disposal of convertible bond	-	1,233
Dividends received	-	257
Acquisition of associated company	(360)	-
Net cash generated from/(used in) investing activities	(2,420)	6,581
Cash flows of financing activities:		
(Repayments of)/proceeds from loans, net	5,639	(8,942)
Repayments of finance leases	(223)	(597)
Share buy-back	-	(318)
Net cash (used in)/generated from financing activities	5,416	(9,857)
Net decrease in cash and cash equivalents	(1,869)	(1,183)
Cash and cash equivalents at beginning of financial year	5,567	6,750
Cash and cash equivalents at end of financial year	3,698	5,567
CASH AND CASH EQUIVALENTS		
Cash and bank balances	3,407	5,566
Fixed deposits	291	1
	3,698	5,567

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	Share option reserves	Statutory reserves	Foreign currency translation reserves	Fair value adjustment reserves	Revenue reserves	Treasury shares	Total	Minority interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group										
Balance at 1 January 2007	50,520	185	2,264	(6,938)	2,191	47	-	48,269	418	48,687
Profit for the financial year	-	-	-	-	-	171	-	171	67	238
Transfer from revenue reserve to statutory reserve	-	-	164	-	-	(164)	-	-	-	-
Fair value changes	-	-	-	-	(5,517)	-	-	(5,517)	-	(5,517)
Translation adjustments	-	-	-	148	-	-	-	148	5	153
Share buy-back	-	-	-	-	-	-	(318)	(318)	-	(318)
Balance at 31 December 2007	50,520	185	2,428	(6,790)	(3,326)	54	(318)	42,753	490	43,243
Loss for the financial year	-	-	-	-	-	(6,273)	-	(6,273)	(445)	(6,718)
Transfer from statutory reserve to revenue reserve	-	-	(401)	-	-	401	-	-	-	-
Fair value changes	-	-	-	-	(3,864)	-	-	(3,864)	-	(3,864)
Translation adjustments	-	-	-	2,641	-	-	-	2,641	-	2,641
Balance at 31 December 2008	50,520	185	2,027	(4,149)	(7,190)	(5,818)	(318)	35,257	45	35,302
Company										
Balance at 1 January 2007	50,520	185	-	-	(1)	47	-	50,751	-	50,751
Profit for the financial year	-	-	-	-	-	37	-	37	-	37
Fair value changes	-	-	-	-	(2)	-	-	(2)	-	(2)
Treasury shares	-	-	-	-	-	-	(318)	(318)	-	(318)
Balance at 31 December 2007	50,520	185	-	-	(3)	84	(318)	50,468	-	50,468
Profit for the financial year	-	-	-	-	-	260	-	260	-	260
Fair value changes	-	-	-	-	(3)	-	-	(3)	-	(3)
Balance at 31 December 2008	50,520	185	-	-	(6)	344	(318)	50,725	-	50,725

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 Europtronic Employees' Share Option Scheme outstanding as at 31 December 2008 was 964,800 (31 December 2007: 1,067,000).

The Company had 2,500,000 shares 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.

	Year ended 31/12/2008	Year ended 31/12/2007
Number of issued shares	338,554,577	338,554,577
Less: Number of treasury shares	(2,500,000)	(2,500,000)
Number of issued shares excluding treasury shares	336,054,577	336,054,577

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.

	Year ended 31/12/2008	Year ended 31/12/2007
Balance brought forward	2,500,000	-
Purchase of treasury shares	-	3,000,000
Transfer to Eurotronic Performance Shares	-	(500,000)
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 2007.

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	
	2008	2007
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	(1.87 cents)	0.05 cents
(ii) On a fully diluted basis	(1.87 cents)	0.05 cents

(i) EPS for year ended 31 December 2008 on existing issued share capital is computed based on the weighted average number of shares in issue during the year of 336,054,577 (31/12/2007 : 336,793,750) ordinary shares.

(ii) There is no dilution in respect of the share options outstanding for the end of both financial years 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		
	31/12/08	31/12/07	Change	31/12/08	31/12/07	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	10.49 cents	12.72 cents	(17.53%)	15.09 cents	15.02 cents	0.47%

Note:

NAV per ordinary share is computed based on number of shares in issue of 336,054,577 (31/12/2007 : 336,054,577) as at 31 December 2008.

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**

Income Statement

Revenue

Group revenue decreased by S\$11.3 million or 13.8% from S\$82.0 million in FY2007 to S\$70.7 million in FY2008. The decrease was mainly due to the global economic downturn across all industries, which saw a deep plunge in customer orders as a result of overall lower consumer demand.

The Group registered a decrease in gross profit of S\$7.3 million or 59.8% to S\$4.9 million in FY2008, compared with S\$12.2 million in FY2007.

Group gross profit margin decreased by 7.9% to 6.9% in FY2008 from 14.8% in FY2007.

This substantial reduction in gross profit and gross profit margin was predominantly due to the Group's decision to lower overall gross profit margin in a bid to secure more customer orders and to clear existing inventories.

Other operating income increased by S\$2.7 million. Included in this operating income was negative goodwill of S\$1.6 million arising from the acquisition of associated company, Dinghan Biotechnology Co Ltd.

Selling and distribution expenses increased by S\$2.8 million or 73.8%. This was due to a provision of S\$1.2 million made for inventory obsolescence, as part of the Group's latest policy for impairment of inventory in FY2008. Another S\$1.5 million of inventory was written off due to a fire incident in Housing Technology Corp. Ltd, a subsidiary of the Group.

Administrative expenses remained in check. Finance costs decreased by 16.6% due to a decrease in interest rate from 5.8% to an average at 5.2%.

Balance sheet

Inventory decreased by S\$2.8 million as a result of our strategy to lower inventory on hand and Group's new policy for allowance for impairment of inventory. Trade payables decreased by S\$8.6 million which was due to decrease in purchases. Trade receivables decreased by S\$8.0 million to S\$17.3 million which was due to decrease in sales.

Total borrowings increased from S\$43.5 million in FY2007 to S\$48.9 million in FY2008 due to higher utilisation of banking facilities for trade financing purposes. The decrease in cash and bank balances was due mainly to settlement of trade payables which decreased from S\$19.1 million in FY2007 to S\$10.5 million in FY2008.

There was a net current liabilities as at FY2008. This was partly due to a significant drop in the share price of a financial asset available-for-sale, and an increase in bank borrowings.

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

The FY2008 results announcement is in line with the profit warning announcement released on 13 February 2009.

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

2009 will persist to be a challenging year. The Group will continue to focus strongly on its core businesses in manufacturing and distribution, by providing high quality capacitors, inductors and a wide range of other components to global multinational corporations.

Rigorous practices in cost management, inventory control and procurement efficiency remain as key priorities for the Group in 2009. Due to the economic downturn, the rising costs of raw material, logistics and labour have eased.

The Group's China strategy will remain intact, and the Group has concrete plans to penetrate deeper into the Chinese market and widen its customer base. New products will be added to the Group's distributed product range to boost its existing product portfolio, which will help to sustain and grow the core capabilities of the distribution division. The manufacturing division will continue to identify and target new industries with better margins.

The Group believes pocket of opportunities are still available despite the challenging economic environment. By reshaping its business model to be flexible, adaptive and integrated to meet the fluidity of the market conditions, we will prepare the Group to emerge with strength when the economy recovers.

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 full year ended 31 December 2008.

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.

Please refer to item 8.

15. A breakdown of sales.

	Year Ended 31/12/2008 \$'000 Group	Year Ended 31/12/2007 \$'000 Group	% Increase/(decrease)
Sales reported for first half year	42,625	38,395	11.02%
Operating profit after tax before deducting minority interest reported for first half year	196	1,389	(85.89%)
Sales reported for second half year	28,073	43,599	(35.61%)
Operating (loss) after tax before deducting minority interest reported for second half year	(6,469)	(1,218)	NM

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 (2008)	Previous Full Year (2007)
Ordinary	-	-
Preference	-	-
Total:	-	-

By Order of the Board

Huang Shih An
Chairman
26 February 2009