

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	
	30/09/2008	31/12/2007	30/09/2008	31/12/2007
Non-current assets:				
Property, plant and equipment	39,190	39,596	8	13
Investments in associate	399	-	-	-
Investments in subsidiaries	-	-	42,404	45,224
Goodwill on consolidation	2,594	2,594	-	-
Intangible assets	769	806	-	-
Deferred taxation	185	202	-	-
Long-term investments	5,041	5,041	-	-
Total non-current assets	48,178	48,239	42,412	45,237
Current assets:				
Cash and bank balances	5,016	5,567	216	166
Trade receivables	22,952	25,300	-	-
Investment securities	2,060	4,894	1	4
Other receivables and prepayments	7,182	5,353	13,478	12,537
Inventories	21,531	20,419	-	-
Total current assets	58,741	61,533	13,695	12,707
Total assets	106,919	109,772	56,107	57,944
Current liabilities:				
Interest-bearing loans and borrowings	43,993	38,259	1,572	1,776
Trade payables	15,544	19,166	-	-
Other payables	4,626	3,396	4,086	5,188
Provision for taxation	176	421	61	68
Obligations under finance leases (current)	177	222	149	148
Total current liabilities	64,516	61,464	5,868	7,180
Net current assets / (current liabilities)	(5,775)	69	7,827	5,527
Non-current liabilities:				
Obligations under finance leases (non-current)	305	437	186	296
Deferred taxation	11	11	-	-
Long-term bank loans	2,929	4,617	-	-
Total non-current liabilities	3,245	5,065	186	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	2,397	2,428	-	-
Foreign currency translation reserves	(5,416)	(6,790)	-	-
Share option reserves	185	185	185	185
Fair value adjustment reserves	(6,158)	(3,326)	(3)	(3)
Revenue reserves	(2,449)	54	(331)	84
	38,761	42,753	50,053	50,468
Minority interest	397	490	-	-
Total equity	39,158	43,243	50,053	50,468
Total liabilities and equity	106,919	109,772	56,107	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 30/09/2008	As at 31/12/2007
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Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
5,264	38,906	5,581	32,900

Amount repayable after one year

As at 30/09/2008	As at 31/12/2007
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Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
3,234	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

(\$'000)	Group 9 months ended 30/09/2008	Group 9 months ended 30/09/2007	Group 3 months ended 30/09/2008	Group 3 months ended 30/09/2007
Cash flows from operating activities:				
Profit/(loss) before taxation	(2,353)	2,168	(2,618)	677
Adjustments for:				
Amortisation of intangible assets	17	15	5	4
Depreciation of property, plant and equipment	2,130	2,521	555	836
Interest income	(13)	(57)	(3)	(10)
Interest expense	1,801	2,372	593	777
Dividend Income	-	(257)	-	-
Gain on disposal of property, plant and equipment	(27)	(292)	-	1
Gain on disposal of investment securities	-	(772)	-	-
Share of results from an associate	(39)	-	22	-
Net effect of exchange rate changes in consolidating subsidiaries	794	(937)	515	(644)
Operating cash flow before reinvestment in working capital	2,310	4,761	(931)	1,641
(Increase)/decrease in trade receivables	2,348	(4,092)	2,193	(1,438)
(Increase)/decrease in other receivables and prepayments	(1,829)	(530)	(1,229)	841
(Increase)/decrease in inventories	(1,112)	(3,149)	(538)	358
Increase/(decrease) in trade payables	(3,622)	3,248	327	427
Increase/(decrease) in other payables	1,230	(628)	234	59
Cash generated from operations	(675)	(390)	56	1,888
Interest paid	(1,801)	(2,372)	(593)	(777)
Interest received	13	57	3	10
Income tax paid	(502)	(220)	(70)	(73)
Net cash generated from/(used in) operating activities	(2,965)	(2,925)	-604	1,048
Cash flows from investing activities:				
Purchase of property, plant and equipment	(1,125)	(2,314)	(40)	(119)
Proceeds from disposal of plant and equipment	30	2,243	30	-
Proceeds from disposal of investment securities	-	6,244	-	-
Proceeds from disposal of convertible bond	-	1,233	-	-
Dividends received	-	257	-	-
Dividends received from associate	-	-	-	-
Investment in associate	(360)	-	-	-
Net cash generated from/(used in) investing activities	(1,455)	7,663	(10)	(119)
Cash flows of financing activities:				
(Repayments of)/proceeds from bank loans, net	4,046	(6,272)	2,802	(430)
Repayments of finance leases	(177)	37	(42)	346
Net cash (used in)/generated from financing activities	3,869	(6,235)	2,760	(84)
Net decrease in cash and cash equivalents	(551)	(1,497)	2,146	845
Cash and cash equivalents at beginning of financial year	5,567	6,750	2,870	4,408
Cash and cash equivalents at end of financial year	5,016	5,253	5,016	5,253
CASH AND CASH EQUIVALENTS				
Cash and bank balances	4,728	5,252	4,728	5,252
Fixed deposits	288	1	288	1
	5,016	5,253	5,016	5,253

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	Revenue reserves	Share buy back	Total	Minority interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group												
Balance at 1 July 2007	50,520	-	-	185	2,533	(6,976)	44	1,167	(376)	47,097	417	47,514
Profit for the financial period	-	-	-	-	-	-	-	536	-	536	70	606
Transfer from revenue reserve to statutory reserve	-	-	-	-	36	-	-	(36)	-	-	-	-
Fair value changes	-	-	-	-	-	-	(1,805)	-	-	(1,805)	-	(1,805)
Translation adjustments	-	-	-	-	-	(13)	-	-	-	(13)	-	(13)
Share buy-back	-	-	-	-	-	-	-	-	58	58	-	58
Balance at 30 September 2007	50,520	-	-	185	2,569	(6,989)	(1,761)	1,667	(318)	45,873	487	46,360
Balance at 1 July 2008	50,520	(318)	-	185	2,507	(7,045)	(4,871)	171	-	41,149	436	41,585
Loss for the financial period	-	-	-	-	-	-	-	(2,730)	-	(2,730)	(39)	(2,769)
Transfer from revenue reserve to statutory reserve	-	-	-	-	(110)	-	-	110	-	-	-	-
Fair value changes	-	-	-	-	-	-	(1,287)	-	-	(1,287)	-	(1,287)
Translation adjustment	-	-	-	-	-	1,629	-	-	-	1,629	-	1,629
Balance at 30 September 2008	50,520	(318)	-	185	2,397	(5,416)	(6,158)	(2,449)	-	38,761	397	39,158
Company												
Balance at 1 July 2007	50,520	-	-	185	-	-	1	(514)	(376)	49,816	-	49,816
Loss for the financial period	-	-	-	-	-	-	-	(77)	-	(77)	-	(77)
Fair value changes	-	-	-	-	-	-	(4)	-	-	(4)	-	(4)
Share buy-back	-	-	-	-	-	-	-	-	58	58	-	58
Balance at 30 September 2007	50,520	-	-	185	-	-	(3)	(591)	(318)	49,793	-	49,793
Balance at 1 July 2008	50,520	(318)	-	185	-	-	(3)	(248)	-	50,136	-	50,136
Loss for the financial period	-	-	-	-	-	-	-	(83)	-	(83)	-	(83)
Balance at 30 September 2008	50,520	(318)	-	185	-	-	(3)	(331)	-	50,053	-	50,053

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 30 September 2008 was 1,036,800 (30 September 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.

	Period ended 30/09/2008	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	<u>336,054,577</u>	<u>336,054,577</u>

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.

	Period ended 30/09/2008	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	<u>2,500,000</u>	<u>2,500,000</u>

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	
	9 months ended 30/09/2008	9 months ended 30/09/2007
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	(0.75 cents)	0.57 cents
(ii) On a fully diluted basis	(0.75 cents)	0.57 cents

	Group	
	3 months ended 30/9/2008	3 months ended 30/9/2007
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	(0.81 cents)	0.16 cents
(ii) On a fully diluted basis	(0.81 cents)	0.16 cents

(i) EPS for nine months ended 30 September 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 (30/09/2007 : 337,042,848) 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		
	30/09/08	31/12/07	Change	30/09/08	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	11.53 cents	12.72 cents	(9.36%)	14.89 cents	15.02 cents	(0.87%)

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 30 September 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

Third quarter ended 30 September 2008 (3Q2008)

Compared to 3Q2007, Group turnover decreased by S\$4.6 million to S\$17.1 million in 3Q2008 as a result of a decrease in our distribution business volume. The decrease in overall sales revenue was mainly affected by the Beijing Olympic in August 2008.

The overall gross profit margin in 3Q2008 was lower. Gross profit margin for the manufacturing business was lower due to a drop in sales, increase in raw material cost and labour cost.

Higher administrative expenses in 3Q2008 were caused by an increase in staff related expenses. Finance costs decreased as a result of lower interest rate in early 3Q2008 compared to 3Q2007. The banking utilisation was S\$47.4 million and S\$46.3 million for 3Q2008 and 3Q2007 respectively.

The Group recorded a loss before tax of S\$2.6 million for 3Q2008. The decrease in profitability was due to higher manufacturing costs, overhead costs and increased in administrative costs.

Nine months ended 30 September 2008 (9M2008)

Group revenue decreased marginally by S\$0.3 million to S\$59.7 million in 9M2008. The product mix between the manufacturing and distribution business segments remained stable at 34% and 66%.

The decrease in the overall gross profit margin was attributable to an increase in raw material and labour costs as well as substantial increase in logistic cost, in particular, disruption of transportation caused by the snow storm in PRC in 1Q2008.

Loss before income tax of S\$2.3 million was due mainly to a significant increase in raw material and overhead costs.

Balance sheet

Compared to 31 December 2007, cash and bank balances were lower due mainly to settlement of trade payables. This had in turn resulted in a decrease in trade payables.

However, in 3Q 2008, cash and bank balances increased by S\$2.1 million to S\$5.0 million compared to 2Q2008, as a result of payments received from customers.

Compared to 31 December 2007, bank loans increased by S\$3.9 million to S\$47.4 million due to higher utilisation of banking facilities to settle trade payables.

There was a net current liabilities as at 30 September 2008 due mainly to a significant drop in the share price of an investment security.

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

The Group will continue to focus on its core business and positioned itself as a well-recognized and established manufacturer and distributor of active and passive components providing high quality capacitors, inductors and a wide range of other components to global brand Multinational Corporations.

To maintain the Group's competitive edge under the current fierce competitive economic environment, the Group will focus on the cost reduction measures, inventory control and in improving its production management and procurement efficiency. The Group will also focus its effort on product and process improvement as well as upgrading the existing older machines.

In view of steep increase in PRC labour and logistic costs, as well as increase in basic raw material prices, the Group has strategized its selling effort in increasing its selling price to mitigate the impact on cost hike.

The Group is committed to a viable business model and operation that will steer Eurotronic to remain competitive.

In addition to its core component business, the Group is in the process of acquiring the remaining 75% shareholding of Dinghan Biotechnology Co Ltd ("Dinghan") in China. The balance 25% interest in the registered and paid-up capital of Dinghan is held by Eurotronic Investment Pte Ltd, a wholly-owned subsidiary of the Company.

The Group will also continue to pursue its diversification into other profitable business ventures.

Due to volatile market situation, the Group does not expect to deliver a profit for year 2008.

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/recommended, a statement to that effect.

No dividend has been recommended by the Directors for the period ended 30 September 2008.

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

Confirmation by the Board pursuant to Rule 705(4) 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 3Q2008 and 9M2008 financial statements for the period ended 30 September 2008 set out above to be false or misleading in any material aspect.

On behalf of the Board of Directors
of Eurotronic Group Ltd

Huang Shih An
Chairman

Huang Chuang Shueh Ou
Vice Chairman

30 October 2008