

EUROPTRONIC GROUP LTD**Full Year Financial Statement 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**

These figures have not been audited.

For the purpose of comparison, the consolidated results and balance sheet for the Group for the year ended 31 December 2001 have been presented on a proforma basis pursuant to the restructuring exercise of the group undertaken for the listing purpose.

	Group			Company		
	31/12/2002	Proforma 31/12/2001	% Change	31/12/2002	31/12/2001	% Change
(\$'000)						
Revenue	42,751	36,771	16.26	-	-	-
Cost of Sales	(29,814)	(25,108)	18.74	-	-	-
Gross Profit	12,937	11,663	10.92	-	-	-
Other operating income	707	185	NM	1,956	-	100.00
Selling and distribution costs	(2,152)	(1,394)	54.38	-	-	-
Administrative expenses	(4,698)	(3,800)	23.63	(115)	(25)	NM
Other operating expenses	-	(219)	NM	-	-	-
Profit from operations	6,794	6,435	5.58	1,841	(25)	NM
Finance cost	(1,104)	(1,249)	(11.61)	-	-	-
Profit before income tax	5,690	5,186	9.72	1,841	(25)	NM
Share of result from associates	1,288	-	100.00	-	-	-
Net Income	6,978	5,186	34.55	1,841	(25)	NM
Income tax expense	(195)	(618)	(68.45)	(397)	-	100.00
Profit attributable to the shareholder	6,783	4,568	48.49	1,444	(25)	NM

NM: Not meaningful

Notes: (i) Profit before share of associates is arrived at after charging/(crediting) the followings:

	Group			Company		
	31/12/2002	Proforma 31/12/2001	% Change	31/12/2002	31/12/2001	% Change
(\$'000)						
Interest Income	(20)	(54)	(62.96)	(12)	-	100.00
Depreciation	2,592	1780	45.62	-	-	-
Provision / (write back) for Doubtful Debt	(201)	-	100.00	-	-	-

Foreign exchange gain / (Loss)(net)	(340)	(125)	NM	(72)	13	NM
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(ii) The Group tax figures include an adjustment of S\$60,000 (2001: S\$21,000) for over provision of tax in prior year.

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

	Group		Company	
	31/12/2002	Proforma 31/12/2001	31/12/2002	31/12/2001
ASSETS				
Current assets:				
Cash and fixed deposits	4,977	1,813	280	-
Trade receivables	15,048	11,463	-	-
Due from related parties – trade	-	87	-	-
Other receivables and prepayments	2,160	1,729	23	775
Due from related parties – non-trade	-	-	-	2,160
Due from subsidiaries – non trade	-	-	2,096	-
Inventories	13,842	13,021	-	-
Property for sale	-	153	-	-
Total current assets	36,027	28,266	2,399	2,935
Non-current assets:				
Property, plant and equipment	32,004	30,146	-	-
Investment in subsidiaries	-	-	40,776	1,000
Due from subsidiaries	-	-	14,557	-
Investment in associates	16,048	-	-	-
Other investments	350	369	-	-
Goodwill on consolidation	2,924	1,279	-	-
Total non-current assets	51,326	31,794	55,333	1,000
Total assets	87,353	60,060	57,732	3,935
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Bank loans and overdrafts	7,558	10,849	-	-
Trade payables	9,003	11,394	-	-
Due to related party – trade	-	8	-	-
Due to related party – non trade	-	-	-	1,704
Due to subsidiaries – non trade	-	-	7,037	-
Other payables	2,457	635	82	103
Unsecured loan payable to director	2,948	1,348	-	-
Income tax payable	205	690	-	-
Obligations under finance lease	590	423	-	-
Total current liabilities	22,761	25,347	7,119	1,807
Non-current liabilities:				
Long-term bank loans	7,995	10,524	-	-
Unsecured loan from director	-	2,948	-	-
Secured convertible bonds	-	-	-	-
Obligations under finance lease	1,132	685	-	-
Deferred income tax	80	15	-	-
Total non-current liabilities	9,207	14,172	-	-
Negative goodwill on consolidation	2,062	-	-	-

Shareholders' equity	53,323	20,541	50,613	2,128
Total liabilities and shareholders' equity	87,353	60,060	57,732	3,935
Net current assets/(liabilities)	13,266	2,919	(4,720)	1,128

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

Amount repayable in one year or less, or on demand

As at 31/12/2002		As at 31/12/2001	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
8,148	2,948*	11,272	-

Amount repayable after one year

As at 31/12/2002		As at 31/12/2001	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
9,127	-	11,209	2,948*

Details of any collateral

* The loan from director is unsecured, interest-free and payable on or after 1 January 2003.

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

Consolidated Cash Flow Statement	31/12/2002	Proforma 31/12/2001
\$'000		
Cash flows from operating activities:		
Profit before share of results of associates	5,690	5,186
Adjustments for:		
Depreciation expense	2,592	1,780
Amortisation of goodwill - net	(43)	50
Interest income	(20)	(54)
Interest expense	1,104	1,249
(Gain) Loss on disposal of plant and equipment	-	(17)
Operating profit before working capital changes	9,323	8,194

Trade receivables	(3,585)	(3,049)
Due to related parties - trade	(8)	41
Other receivables and prepayments	(431)	(618)
Due from related parties - trade	87	19
Due from related parties - non trade	-	(304)
Inventories	(821)	(5,351)
Trade payables	(2,391)	2,993
Other payables	1,822	172
Due to directors (net) - non-trade	(1,348)	(459)
Cash generated from operations	2,648	1,638
Interest paid	(1,104)	(1,249)
Interest received	20	54
Income tax paid	(615)	(904)
Net cash from (used in) operating activities	949	(461)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(6,235)	(12,314)
Proceeds from property, plant and equipment	220	679
Other investments	19	(27)
Acquisition of subsidiary	-	(1,000)
Acquisition of associates	(14,484)	-
Net cash used in investing activities	(20,480)	(12,662)
Cash flows from financing activities:		
Payment of dividend to previous shareholder of a subsidiary	(500)	-
Proceeds from issuing shares	29,441	-
(Decrease) Increase in loans	(5,676)	10,210
Increase obligations under finance lease	614	1,030
Net cash from financing activities	23,879	11,240
Net effect of exchange rate changes in consolidating subsidiaries	(1,040)	689
Net increase (decrease) in cash and cash equivalents	3,308	(1,194)
Cash and cash equivalents at beginning of year	1,669	2,863
Cash and cash equivalents at end of year	4,977	1,669
CASH AND CASH EQUIVALENTS		
Cash and bank balances	4,976	1,344
Fixed deposits	1	469
Bank overdraft	-	(144)
	4,977	1,669

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

Issued Capital	Share application monies	Share premium	Legal reserve	Translation reserve	Proposed dividend	Accumulated profits (losses)	Total
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	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000
<u>Group</u>								
Balance at December 31, 2000	6,188	-	-	495	1,216		4,293	12,192
Share application monies	-	2,160	-	-	-		-	2,160
Profit for the year	-	-	-	-	-		4,568	4,568
Transfer	-	-	-	495	-		(495)	-
Translation adjustment	-	-	-	-	1,633		-	1,633
Dividends	-	-	-	-	-		(500)	(500)
Proforma adjustments	-	-	-	-	11		(23)	(12)
	6,188	2,160	-	990	2,860		7,843	20,041
Arising from (eliminated) on Restructuring Exercise	11,412	-	-	(990)	(2,860)		(7,562)	-
Balance at December 31, 2001	17,600	2,160	-	-	-		281	20,041
Issued to bondholders	1,187	(2,160)	973	-	-		-	-
New issue of shares	6,268	-	10,656	-	-		-	16,924
								-
Listing expenses			(1,925)					(1,925)
Profit for the period	-	-	-	-	-		2,768	2,768
								-
Transfer	-	-	-	225	-		(225)	-
								-
Translation adjustment	-	-	-	-	(450)		-	(450)
Balance at June 30, 2002	25,055	-	9,704	225	(450)		2,824	37,358
New issue of shares	3,000	-	12,000	-	-		-	15,000
Listing expenses			(558)					(558)
Profit for the period	-	-	-	-	-		4,015	4,015
								-
Transfer	-	-	-	330	-		(330)	-
Proposed Dividend	-	-	-	-	-	1,313	(1,313)	-
								-
Translation adjustment	-	-	-	-	(2,492)		-	(2,492)
Balance at December 31, 2002	28,055	-	21,146	555	(2,492)	1,313	5,196	53,323
<u>Company</u>								
Balance at December 31, 2000	-	-	-	-	-	-	(7)	(7)
Share application monies	-	2,160	-	-	-	-	-	2,160
								-
Net loss for the year	-	-	-	-	-	-	(25)	(25)
Balance at December 31, 2001	-	2,160	-	-	-	-	(32)	2,128
Arising from (eliminated) on restructuring exercise *	17,600	-	-	-	-	-	-	17,600
Issued to bondholders	1,187	(2,160)	973	-	-	-	-	-
New issue of shares	6,268	-	10,656	-	-	-	-	16,924
Listing expenses			(1,925)					(1,925)
Profit for the period	-	-	-	-	-	-	49	49
Balance at June 30, 2002	25,055	-	9,704	-	-	-	17	34,776
New issue of shares	3,000	-	12,000	-	-	-	-	15,000
Listing expenses			(558)					(558)
Profit for the period	-	-	-	-	-	-	1,395	1,395
Proposed Dividend	-	-	-	-	-	1,313	(1,313)	-
Balance at December 31, 2002	28,055	-	21,146	-	-	1,313	99	50,613

#Share issue expenses include professional fees amounting to S\$197,000.00 paid to auditors of the Company.

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 or 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 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

Changes in the company's issued share capital

	Period from 1 Jan 02 to 31 Dec 02	Proforma Period from 1 Jan 01 to 31 Dec 01
At beginning of period	20*	-
Incorporation of share issue		20*
Pursuant to restructuring exercise	176,000,000	176,000,000
To former bondholders	11,868,130	11,868,130
Initial Public Offers	62,680,000	-
Private Placement	30,000,000	
At end of period	280,548,150	187,868,150

* Subdivision of one ordinary share of \$1.00 each into 10 ordinary shares of \$0.10 each on February 18, 2002.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures are unaudited.

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

Same accounting policies and methods of computation are followed in the financial statements as compared with the most recent audited financial statements.

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 Figures	
	31/12/02	Proforma 31/12/01
Earnings per ordinary share for the financial year based on net profit attributable to the shareholders		
(i) Based on weighted average number of ordinary shares in issue ; and	2.8 cents	2.43 cents
(ii) On a fully diluted basis	2.8 cents	2.43 cents

(i) Earnings per ordinary share on existing issued share capital is computed based on the weighted average number of shares in issue during the period of 242,543,773 (31/12/2001:187,868,150) ordinary shares of S\$0.10 each.

(ii) There is no dilution in respect of the warrants/shares option outstanding at the end of both financial period.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		
	31/12/02	Proforma 31/12/01	Change
Net tangible asset backing per ordinary share based on existing issued share capital as at the end of the period reported on	18.70 cents	9.99 cents	87.19%

Note:

(i) The NTA per ordinary shares is based on 280,548,150 (31/12/2001:187,868,150) ordinary shares of S\$0.10 each at the end of period.

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

Turnover

Our turnover increased by S\$6.0 million or 16.0% from S\$36.8 million in 2001 to S\$42.8 million in 2002. This increase was as a result of higher turnover generated from our manufacturing business by S\$5.0 million from S\$18.9 million to S\$23.9 million and distribution business by S\$1.0 million from S\$17.9 million to S\$18.9 million respectively.

The increase in turnover from our manufacturing business was as a result of higher sales in the PRC due to an increase in demand by our Original Electronic Manufacturer ("OEM") customers located in the PRC. We have also procured orders from new customers in 2002 through our continued efforts to expand our business in the PRC.

The increase in turnover from our distribution business for the PRC (including HK) was due mainly to higher demand for our passive components, which were distributed to OEMs for the manufacture of computer and computer peripherals (including computer monitors). Turnover generated from the other countries such as USA and Europe decreased mainly due to lower demand for electronic component in this region.

Gross profit

Our gross profit increased by S\$1.2 million from S\$11.7 million in 2001 to S\$12.9 million in 2002 due to higher revenue earned. However, our gross profit margin decreased from 31.7% to 30.3% as the improved performance by our manufacturing business was partially offset by a lower gross profit margin recorded for our distribution business.

Gross profit margin for our manufacturing business improved as we continued to enjoy benefits from economies of scale in production due to less reliance on subcontracting services after the commencement of operation of our Suzhou plant in April 2001. Contributions from our two plants in Suzhou and Shenzhen have added to the higher sales volume.

Profit before tax ('PBT')

Profit before tax increased by S\$1.8 million from S\$5.2 million in 2001 to S\$7.0 million in 2002 due mainly to higher sales and gross profit, other operating income and share of profit from the associates. This is partially offset by higher distribution costs of S\$0.8 million and higher administrative expenses of S\$0.5million. The increase in distribution costs was mainly due to higher transportation and traveling expenses and higher salaries cost incurred for our expanded marketing team in the PRC. The increase in administrative expenses are mainly due to inception of new subsidiaries and full year operation of our Suzhou plant.

Profit after tax ('PAT')

Profit after tax increased by S\$2.2 million from S\$4.6 million in 2001 to S\$6.8 million in 2002 due to lower effective tax rates for the Group in 2002.

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

Despite the uncertain outlook of global IT product industry, the Group is optimistic that its strategically located plants and established customer base will enable it to further improve its market position. New customer wins resulting from the Group's successful marketing efforts are expected to contribute the Group's revenue in 2003.

With our continued marketing efforts in the PRC and South East Asia and new customers secured, our directors are cautiously optimistic of the Group's prospect for 2003.

Internally, we will continue our efforts in strengthening our marketing team, improving the quality of our products and managing the general and administrative expenses more efficiently. Our research and development team will be working diligently to develop new capacitors and modified existing one to keep up with technologies changes.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	First & Final	Special Dividend
Dividend Type	Cash	Cash
Dividend Rate	3% or 0.3 cents per ordinary share (less tax)	3% or 0.3 cents per ordinary share (less tax)
Par value of shares	\$0.10	\$0.10
Tax Rate	22%	22%

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) Date payable

To be announced later.

(d) Books closure date

To be announced later.

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

Not applicable

**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****Primary reporting segment - business segments (The Group)**

The Group is primarily engaged in two business segments, namely manufacture and sale of film capacitors ("Manufacturing" and distribution of active and passive components ("Distribution"). The Group adopts these two business segments as the basis for its primary segment information.

December 31, 2002	<u>Manufacturing</u> S\$'000	<u>Distribution</u> S\$'000	<u>Unallocated</u> S\$'000	<u>Total</u> S\$'000
STATEMENT OF GROUP RESULTS				
Revenue	23,874	18,877	-	42,751
Result				
Segment result	9,776	3,161	-	12,937
Other operating income				707
Unallocated expenses				(6,850)
Profit from operations				6,794
Finance costs				(1,104)
Profit before income tax				5,690
Share of result from associates				1,288
Net Income				6,978
Income tax				(195)
Profit attributable to the shareholders of the Proforma Group				6,783

Other information:

Capital additions	5,791	361	83	6,235
Depreciation	2,258	19	315	2,592

STATEMENT OF
NET ASSETS**Assets**

Segment assets	48,458	11,384	-	59,842
Unallocated assets				27,511
Total assets				87,353

Liabilities

Segment liabilities	4,056	11,128	-	15,184
Unallocated liabilities				18,846
Total liabilities				34,030

December 31, 2001

	<u>Manufacturing</u>	<u>Distribution</u>	<u>Unallocated</u>	<u>Total</u>
	S\$'000	S\$'000	S\$'000	S\$'000

PROFORMA STATEMENT OF
GROUP RESULTS

Revenue	18,915	17,856	-	36,771
Result				
Segment result	7,781	3,882	-	11,663
Other operating income				185
Unallocated expenses				(5,413)
Profit from operations				6,435
Finance costs				(1,249)
Profit before income tax				5,186
Income tax				(618)
Profit attributable to the shareholders of the Proforma Group				4,568
Other information:				
Capital additions	11,964	350	-	12,314
Depreciation	1,474	234	72	1,780

PROFORMA STATEMENT OF
NET ASSETS**Assets**

Segment assets	41,097	13,620	-	54,717
Unallocated assets				5,343
Total assets				60,060

Liabilities

Segment liabilities	6,893	14,342	-	21,235
Unallocated liabilities				18,784
Total liabilities				40,019

Secondary reporting format - geographical segments (The Group)**December 31, 2002**

Geographical location of the customers comprise People's Republic of China (including Hong Kong SAR), Asia (excluding PRC and HK SAR) and others (mainly in Europe and U.S.A.).

**Revenue By
Location Of
customers**

	S\$'000
People's Republic of China (including Hong Kong SAR)	31,304
Asia (excluding PRC and Hong Kong SAR)	11,224
Others	223
	42,751

Assets and additions to property, plant and equipment ("Capital Additions") by geographical areas in which the assets are located are as follows:

	<u>Total Assets</u>	<u>Capital Additions</u>
	S\$'000	S\$'000
People's Republic of China (including Hong Kong SAR)	56,353	6,151
Asia (excluding PRC and Hong Kong SAR)	28,871	84
Others	2,129	-
	87,353	6,235

Proforma December 31, 2001

Geographical location of the customers comprise People's Republic of China (including Hong Kong SAR), Asia (excluding PRC and HK SAR) and others (mainly in Europe and U.S.A.).

**Revenue By
Location Of
customers**

	S\$'000
People's Republic of China (including Hong Kong SAR)	23,214
Asia (excluding PRC and Hong Kong SAR)	13,305
Others	252
	36,771

Assets and additions to property, plant and equipment ("Capital Additions") by geographical areas in which the assets are located are as follows:

	<u>Total Assets</u>	<u>Capital Additions</u>
	S\$'000	S\$'000
People's Republic of China (including Hong Kong SAR)	48,817	11,990
Asia (excluding PRC and Hong Kong SAR)	10,987	324
Others	256	-
	60,060	12,314

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 Paragraph 8.

15. A breakdown of sales

	S\$'000	Group Proforma S\$'000	% Change	S\$'000	Company Proforma S\$'000	% Change
	31/12/2002	31/12/2001		31/12/2002	31/12/2001	
2.(a) Sales reported for first half year	19,449	16,627	16.97	-	-	-
2.(b) Operating profit reported for first half year	2,768	2,261	22.42	49	(1)	NM
2.(c) Sales reported for second half year	23,302	20,144	15.68	-	-	-
2.(d) Operating profit reported for second half year	4,015	2,307	74.04	1,395	(24)	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 (*Refer to Para 16 of Appendix 7.2 for the required details*)

	Latest Full Year (S\$)	Previous Full Year (S\$)
Ordinary	656,500	0
Preference	656,500	0
Total:	1,313,000	0

BY ORDER OF THE BOARD

Huang Shih-An
Chairman
21/02/2003