

SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT

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

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

The consolidated statement of comprehensive income for the quarter ended 30 June 2015 has been prepared on the assumption that the Proposed Disposal of the Subsidiaries (the "Proposed Disposal") (as announced on 16 April 2015) has been completed. The Proposed Disposal is subject to shareholders' approval at an Extraordinary General Meeting to be convened.

If, however, the Proposed Disposal is not approved, the revised consolidated statement of comprehensive income can be found in Appendix 1.

These figures have not been audited.

	Group			Group		
	6 months ended 30/06/2015 US\$'000	6 months ended 30/06/2014 US\$'000	% Increase/ (Decrease)	3 months ended 30/06/2015 US\$'000	3 months ended 30/06/2014 US\$'000	% Increase/ (Decrease)
Revenue	8,560	11,853	(27.78)	3,948	6,655	(40.68)
Cost of sales	(6,988)	(11,355)	(38.46)	(3,123)	(6,230)	(49.87)
Gross profit	1,572	498	NM	825	425	94.12
Other income	139	88	57.95	4	33	(87.88)
Other gains/(losses) - net	4,581	(18)	NM	(85)	(256)	(66.80)
Expenses						
- Distribution and marketing	(186)	(853)	(78.19)	(95)	(390)	(75.64)
- Administrative	(1,153)	(2,489)	(53.68)	(634)	(1,291)	(50.89)
- Finance	(374)	(662)	(43.50)	(221)	(350)	(36.86)
Profit/(loss) before income tax	4,579	(3,436)	NM	(206)	(1,829)	(88.74)
Income tax expense	(40)	(17)	NM	-	(17)	(100.00)
Net profit/(loss)	4,539	(3,453)	NM	(206)	(1,846)	(88.84)
Other comprehensive income/(losses):						
Items that may be reclassified subsequently to profit or loss:						
Available-for-sale financial assets						
- Reclassification	-	(124)	(100.00)	-	(124)	(100.00)
Currency translation differences arising from consolidation						
- Losses	(1)	(347)	(99.71)	103	(203)	NM
- Reclassification	1,504	-	NM	-	-	NM
Items that will not be reclassified subsequently to profit or loss:						
Revaluation loss on property, plant and equipment	(3,840)	-	NM	-	-	NM
Other comprehensive income/(losses), net of tax	(2,337)	(471)	NM	103	(327)	NM
Total comprehensive income/(losses)	2,202	(3,924)	NM	(103)	(2,173)	(95.26)
Profit/(loss) attributable to:						
Equity holders of the Company	4,539	(3,453)	NM	(206)	(1,846)	(88.84)
Non-controlling interests	-	-	NM	-	-	NM
	4,539	(3,453)	NM	(206)	(1,846)	(88.84)
Total comprehensive income/(losses) attributable to:						
Equity holders of the Company	2,202	(3,924)	NM	(103)	(2,173)	(95.26)
Non-controlling interests	-	-	NM	-	-	NM
	2,202	(3,924)	NM	(103)	(2,173)	(95.26)
Profit/(loss) per share for net profit/(loss) attributable to equity holders of the Company (cents per share)						
- Basic	0.57	(0.44)	NM	(0.03)	(0.24)	(87.87)
- Diluted	0.57	(0.44)	NM	(0.03)	(0.24)	(87.87)

1(a)(ii) Addition information to the income statement

Profit/(loss) for the financial year ended 30 June is arrived at after (charging)/crediting the following:

	6 months ended 30/06/2015 US\$'000	Group 6 months ended 30/06/2014 US\$'000	% Increase/ (Decrease)
Amortisation of intangible assets	(1)	(7)	(85.71)
Depreciation of property, plant and equipment	(1,011)	(1,424)	(29.00)
Foreign exchange gain, net	133	17	NM
Provision for corporate guarantee	(78)	-	NM
Net gain on disposal of subsidiaries	4,526	-	NM
Loss on disposal of an available-for-sale financial asset	-	(22)	(100.00)
Loss on disposal of property, plant and equipment	-	(2)	(100.00)
Impairment loss on available-for-sale financial assets	-	(135)	(100.00)
Reclassification from other comprehensive income on disposal of an available-for-sale financial asset	-	124	(100.00)
Interest expenses	(374)	(662)	(43.50)
Interest income	6	9	(33.33)

NM: Not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

The statement of financial position has been prepared on the assumption that the Proposed Disposal of the Subsidiaries (the "Proposed Disposal") (as announced on 16 April 2015) has been completed. The Proposed Disposal is subject to shareholders' approval at an Extraordinary General Meeting to be convened.

If, however, the Proposed Disposal is not approved, the revised statement of financial position can be found in Appendix 2.

These figures have not been audited.

	Group		Company	
	30/06/2015	31/12/2014	30/06/2015	31/12/2014
	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS				
Current assets				
Cash and cash equivalents	294	3,227	4	18
Available-for-sale financial assets	1	1	1	1
Trade and other receivables	33,605	10,857	13,033	2,525
Inventories	3,499	4,276	-	-
	37,399	18,361	13,038	2,544
Assets held for sale under FRS 105	28,142	-	-	-
	65,541	18,361	13,038	2,544
Non-current assets				
Investments in subsidiaries	-	-	13,800	13,800
Investment properties	208	3,329	-	-
Property, plant and equipment	8,352	42,459	-	-
Intangible assets	50	406	-	-
	8,610	46,194	13,800	13,800
Total assets	74,151	64,555	26,838	16,344
LIABILITIES				
Current liabilities				
Trade and other payables *	37,980	21,071	15,900	14,234
Current income tax liabilities	4	66	-	-
Provision for corporate guarantee	6,567	7,083	6,567	7,083
Borrowings	11,565	22,191	-	-
	56,116	50,411	22,467	21,317
Non-current liabilities				
Borrowings	409	2,215	-	-
Deferred income tax liabilities	6,314	7,326	-	-
	6,723	9,541	-	-
Total liabilities	62,839	59,952	22,467	21,317
NET ASSETS	11,312	4,603	4,371	(4,973)
EQUITY				
Capital and reserves attributable to equity holders of the company				
Share capital	46,115	43,950	46,115	43,950
Capital and statutory reserve	605	1,652	66	66
Currency translation reserve	1,865	362	3,228	3,228
Asset revaluation reserve	18,044	21,884	-	-
Share option reserve	132	132	132	132
Accumulated losses	(55,449)	(63,306)	(45,170)	(52,349)
	11,312	4,674	4,371	(4,973)
Non-controlling interests	-	(71)	-	-
Total equity	11,312	4,603	4,371	(4,973)

* Other payables inclusive of US\$4.0 million loan from a shareholder.

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

	Group			
	As at 30/06/2015		As at 31/12/2014	
	Secured	Unsecured	Secured	Unsecured
	US\$'000	US\$'000	US\$'000	US\$'000
(a) Amount repayable in one year or less, or on demand	11,565	-	22,191	-
(b) Amount repayable after one year	409	-	2,215	-

Details of any collateral

The credit facilities of the Group's subsidiaries were secured by the leasehold properties of Europtronic (Suzhou) Co Ltd.

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

The statement of cash flows has been prepared on the assumption that the Proposed Disposal of the Subsidiaries (the "Proposed Disposal") (as announced on 16 April 2015) has been completed. The Proposed Disposal is subject to shareholders' approval at an Extraordinary General Meeting to be convened.

If, however, the Proposed Disposal is not approved, the revised statement of cash flows can be found in Appendix 3.

These figures have not been audited.

	Group		Group	
	6 months ended 30/06/2015 US\$'000	6 months ended 30/06/2014 US\$'000	3 months ended 30/06/2015 US\$'000	3 months ended 30/06/2014 US\$'000
Cash flows from operating activities:				
Total profit/(loss)	4,539	(3,453)	(206)	(1,846)
Adjustments for:				
- Income tax expenses	40	17	-	17
- Amortisation of intangible assets	1	7	1	5
- Depreciation of property, plant and equipment	1,011	1,424	467	711
- Net gain on disposal of subsidiaries	(4,526)	-	-	-
- Loss on disposal of available-for-sale financial assets	-	22	-	22
- Loss on disposal of property, plant and equipment	-	2	-	-
- Reclassification from other comprehensive income on disposal of available-for-sale financial assets	-	(124)	-	(124)
- Impairment loss on available-for-sale financial assets	-	135	-	135
- Interest income	(6)	(9)	(2)	(6)
- Finance expense	374	662	221	350
- Provision on corporate guarantee	78	-	48	-
- Currency exchange differences	146	47	(49)	77
	1,657	(1,270)	480	(659)
Changes in working capital				
- Inventories	(47)	(905)	(5)	(691)
- Trade and other receivables	(24,814)	1,667	(2,876)	(772)
- Trade and other payables	18,551	3,035	(202)	2,672
Cash (used in)/generated from operations	(4,653)	2,527	(2,603)	550
Interest received	6	9	2	6
Interest paid	-	(160)	-	(69)
Income tax paid	(102)	(123)	(40)	68
Net cash (used in)/provided by operating activities	(4,749)	2,253	(2,641)	555
Cash flows from investing activities:				
Additions of property, plant and equipment	(35)	(718)	(35)	(294)
Disposal of available-for-sale financial assets	-	280	-	280
Net cash used in investing activities	(35)	(438)	(35)	(14)
Cash flows from financing activities:				
Bank deposit pledged to bank	-	(200)	-	(200)
Bank deposit released from pledge	-	57	-	57
(Repayment of)/proceeds from loans from Directors	(62)	(497)	-	914
Repayments of provision for corporate guarantee	(594)	-	(587)	-
Proceeds from borrowings	20,025	30,445	13,236	18,344
Repayment of borrowings	(19,067)	(32,278)	(12,328)	(18,959)
Proceeds from finance lease liabilities	-	1,419	-	(11)
Repayment of finance lease liabilities	(242)	(488)	(92)	(193)
Proceeds from issuance of ordinary share, net	2,165	-	2,165	-
Interest paid	(374)	(502)	(221)	(281)
Net cash provided by/(used in) financing activities	1,851	(2,044)	2,173	(329)
Net (decrease)/increase in cash and cash equivalents	(2,933)	(229)	(503)	212
Cash and cash equivalents				
Beginning of financial period	3,227	3,445	797	3,004
End of financial period	294	3,216	294	3,216

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

The statement of changes in equity for the quarter ended 30 June 2015 has been prepared on the assumption that the Proposed Disposal of the Subsidiaries (the "Proposed Disposal") (as announced on 16 April 2015) has been completed. The Proposed Disposal is subject to shareholders' approval at an Extraordinary General Meeting to be convened.

If, however, the Proposed Disposal is not approved, the revised statement of changes in equity can be found in Appendix 4.

These figures have not been audited.

	Share capital	Share option reserve	Capital and statutory reserve	Fair value reserves	Currency translation reserve	Revaluation reserve	Accumulated losses	Total	Non-controlling interest	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Group										
Balance at 1 April 2015	43,950	132	605	-	1,762	18,044	(55,243)	9,250	-	9,250
Share issued	2,165	-	-	-	-	-	-	2,165	-	2,165
Total comprehensive income/losses for the period	-	-	-	-	103	-	(206)	(103)	-	(103)
Balance at 30 June 2015	46,115	132	605	-	1,865	18,044	(55,449)	11,312	-	11,312
Balance at 1 April 2014	43,950	132	1,652	878	951	37,894	(56,556)	28,901	(71)	28,830
Total comprehensive losses for the period	-	-	-	(124)	(203)	-	(1,846)	(2,173)	-	(2,173)
Balance at 30 June 2014	43,950	132	1,652	754	748	37,894	(58,402)	26,728	(71)	26,657
Company										
Balance at 1 April 2015	43,950	132	66	-	3,228	-	(44,767)	2,609	-	2,609
Share issued	2,165	-	-	-	-	-	-	2,165	-	2,165
Total comprehensive losses for the period	-	-	-	-	-	-	(403)	(403)	-	(403)
Balance at 30 June 2015	46,115	132	66	-	3,228	-	(45,170)	4,371	-	4,371
Balance at 1 April 2014	43,950	132	66	-	3,228	-	(44,149)	3,227	-	3,227
Total comprehensive losses for the period	-	-	-	-	-	-	(290)	(290)	-	(290)
Balance at 30 June 2014	43,950	132	66	-	3,228	-	(44,439)	2,937	-	2,937

- 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**

On 17 June 2015, the Company has allotted a total 157,288,000 Placement Shares to Mr Chua Hwee Song, Mr Chan Chun Hoy and Mr Michael Burchell – Davies. After the allotment, the total number of issued shares is 943,732,152 (2014: 786,444,154)

The Company did not hold any treasury shares as at 30 June 2015. (2014: Nil)

- 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.**

	6 months ended 30/06/2015	6 months ended 30/06/2014
Number of issued shares	786,444,154	786,444,154
Add: Number of issued new shares	157,288,000	-
Number of issued shares excluding treasury shares	943,732,154	786,444,154

- 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 year reported on.**

Not applicable.

- 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 2014.

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	
	30/06/2015	30/06/2014
Gain/(loss) per ordinary share ("EPS") for the period based on net gain/(loss) attributable to the shareholders		
(i) Based on weighted average number of ordinary shares in issue ; and	0.57 cents	(0.44 cents)
(ii) On a fully diluted basis	0.57 cents	(0.44 cents)

(i) EPS for quarter ended 30 June 2015 on existing issued share capital is computed based on the weighted average number of shares issued during the year, amounted to 943,732,154 (30/06/2014 : 786,444,154) ordinary shares.

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		
	30/06/15	31/12/14	Increase / (Decrease)	30/06/15	31/12/14	Increase / (Decrease)
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	1.20 cents	0.59 cents	103.39%	0.46 cents	(0.63) cents	173.02%

Note:

NAV per ordinary share is computed based on 943,732,154 (31/12/2014 : 786,444,154) ordinary shares as at 30 June 2015.

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**

Statement of Comprehensive Income (First Half ended 30 June 2015 ("1H 2015") vs First Half ended 30 June 2014 ("1H 2014"))

Group revenue decreased by 27.78% or US\$3.29 million from US\$11.85 million to US\$8.56 million due to the disposal of Group's non-performing electronic component distribution business (the "Proposed Disposal")(as announced on 16 April 2015).

Gross profit increased by US\$1.07 million from US\$0.50 million to US\$1.57 million due to gross profit margin of the Group expanding from 4.20% in 1H 2014 to 18.36% in 1H 2015 after the Proposed Disposal.

Other income increased by US\$0.05 million from US\$0.09 million to US\$0.14 million due mainly to income generated from the disposal of scrap materials from the Group's component manufacturing business.

Other gain increased by US\$4.60 million from loss of US\$0.02 million to US\$4.58 million due mainly to the gain on the Proposed Disposal and exchange differences.

As a result of the Proposed Disposal, the distribution and marketing expenses decreased by 78.19% or US\$0.67 million from US\$0.85 million to US\$0.19 million, and the administrative expenses decreased by 53.68% or US\$1.34 million from US\$2.49 million to US\$1.15 million mainly from the reduction in staff headcount and marketing costs.

Finance expenses decreased by 43.50% or US\$0.29 million from US\$0.66 million to US\$0.37 million due mainly to repayment of bank loans which resulted in lower interest cost.

Overall, the Group reported a profit after tax and before minority interests of US\$4.54 million in 1H 2015 compared to a loss after tax and before minority interests of US\$3.45 million in 1H 2014.

The Group registered a net operating profit of US\$0.01 million in 1H 2015 and this is contributed mainly by its core electronic component manufacturing business.

Balance Sheet

Cash and cash equivalents decreased by US\$2.93 million to US\$0.29 million in 1H 2015 due to the Proposed Disposal and repayment of bank loans.

Trade and other receivables increased by US\$22.75 million to US\$33.6 million in 1H 2015 due to the Proposed Disposal and higher sales generated from the Group's component manufacturing business in 1H 2015.

Inventories decreased by US\$0.78 million to US\$3.50 million in 1H 2015 due to the Proposed Disposal and with the remaining Group's component manufacturing business in Suzhou.

Assets held for sale increased by US\$28.14 million in 1H 2015 due to the reclassification of the land and building in Suzhou from the property, plant and equipment.

Investment properties decreased by US\$3.12 million to US\$0.21 million in 1H 2015 due to the same reasons to that for Inventories.

Property, plant and equipment decreased by US\$34.11 million to US\$8.35 million in 1H 2015 due to the same reasons to that for Inventories and the reclassification of the land and building in Suzhou to the assets held for sale.

Intangible assets decreased by US\$0.36 million to US\$0.05 million in 1H 2015 due to the same reasons to that for Inventories.

Trade and other payables increased by US\$16.91 million to US\$37.98 million in 1H 2015 due to the Proposed Disposal and increased purchases in tandem with the higher sales generated from the Group's component manufacturing business in 1H 2015.

Current borrowings decreased by US\$10.63 million to US\$11.57 million in 1H 2015 and non-current borrowings decreased by US\$1.81 million to US\$ 0.41 million in 1H 2015 due to the Proposed Disposal and repayment of bank loans.

Cash Flow Statement

Cash flow used in operating activities increased from deficit of US\$2.25 million in 1H 2014 to US\$4.75 million in 1H 2015 mainly due to higher trade receivables from the Proposed Disposal and higher sales generated from the Group's component manufacturing business in 1H 2015.

Cash flow used in investing activities decreased from US\$0.44 million in 1H 2014 to US\$0.04 million in 1H 2015 due to the purchase of lesser equipment in 1H 2015.

Cash flow provided by financing activities increased from a deficit of US\$2.04 million in 1H 2014 to US\$1.85 million in 1H 2015 due mainly to the proceeds from the placement in 1H 2015.

Overall, the Group recorded a net decrease in cash and cash equivalent of US\$2.92 million in 1H 2015 compared to 1H 2014.

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

The 1H 2015 results announcement is in line with item 10 of the Company's announcement dated 13 May 2015 where it was stated that the Proposed Disposal is expected to improve the overall financial position of the Group.

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 had announced on 16 April 2015, the proposed disposal of its several non-performing and dormant subsidiaries to Mr. Tan Chee Kong (the "Purchaser"). Upon completion of the said disposal, the Group will be able to reduce its operating overhead further and focus its resources on its component manufacturing business. Efforts from reducing the Group's overhead had improve the Group's performance in its 1H 2015 results.

The Company sees better business prospect that will benefit its component manufacturing business, especially from the industrial segments, such as those dealing with the electric vehicles and new energy markets. The Group will be focusing on turning its core business around and expects the performance of its component manufacturing business to improve, barring unforeseen circumstances.

The Group had also announced on 29 June 2015, to sell its land and building in Suzhou which has been recently redesignated by the local government in the People's Republic of China for commercial uses. The Group will ensure that the sale of land and building in Suzhou will not be to the prejudice of the Group's continued focus on its core business.

In the immediate term, the Group remains focused on growing the profitability of the Group's existing business. Where appropriate and only if it would enhance the Group's profitability in the current financial year, the Group may undertake investments into new businesses.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(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

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 quarter ended 30 June 2015.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have a general mandate from its shareholders for IPTs.

14. Use of Net Proceeds from Placement

On 17 June 2015, the Company allotted and issued 157,288,000 new ordinary shares of S\$0.019 each by way of Placement. The net proceeds from the issue of new shares under the Placement, after deducting expenses, were approximately S\$2,918,000.

The Company would like to provide an update on the use of the Proceeds, which have been utilised for the following purposes as at 7 July 2015:

(1) Trade creditors of the Company and its subsidiaries	S\$607,500
(2) Other operating expenses of the Company and its subsidiaries	S\$256,500
(3) Repayment of loans of the Company	S\$2,054,000

The use of net proceeds from the Placement is in accordance with the use of the net proceeds of the Placement provided in the Company's announcement dated 20 April 2015, i.e. for working capital.

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

- 15. 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

- 16. 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

- 17. A breakdown of sales.**

Not applicable

- 18. 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 (2015)	Previous Full Year (2014)
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 1H 2015 financial statements to be false or misleading in any material aspect.

On behalf of the Board of Directors
of Europtronic Group Ltd

Huang Shih An
Non-Executive Chairman
14 August 2015

Huang Chuang Shueh Ou
Vice Chairman

Appendix 1

This consolidated statement of comprehensive income for quarter ended 30 June 2015 was prepared in the event the Proposed Disposal did not take place . These figures have not been audited.

	Group			Group		
	6 months ended 30/06/2015 US\$'000	6 months ended 30/06/2014 US\$'000	% Increase/ (Decrease)	3 months ended 30/06/2015 US\$'000	3 months ended 30/06/2014 US\$'000	% Increase/ (Decrease)
Revenue	11,958	11,853	0.89	5,650	6,655	(15.1)
Cost of sales	(10,089)	(11,355)	(11.15)	(4,691)	(6,230)	(24.7)
Gross profit	1,869	498	NM	959	425	NM
Other income	222	88	NM	36	33	9.1
Other gains/(losses) - net	31	(18)	NM	(343)	(256)	34.0
Expenses						
- Distribution and marketing	(631)	(853)	(26.03)	(295)	(390)	(24.4)
- Administrative	(1,952)	(2,489)	(21.57)	(1,007)	(1,291)	(22.0)
- Finance	(617)	(662)	(6.80)	(356)	(350)	1.7
Profit/(loss) before income tax	(1,078)	(3,436)	(68.63)	(1,006)	(1,829)	(45.0)
Income tax expense	(40)	(17)	NM	-	(17)	(100.0)
Net profit/(loss)	(1,118)	(3,453)	(67.62)	(1,006)	(1,846)	(45.5)
Other comprehensive income/(losses):						
Items that may be reclassified subsequently to profit or loss:						
Available-for-sale financial assets						
- Reclassification	-	(124)	(100.0)	-	(124)	(100.0)
Currency translation differences arising from consolidation						
- Losses	(15)	(347)	(95.68)	171	(203)	NM
Other comprehensive income/(losses), net of tax	(15)	(471)	(96.82)	171	(327)	NM
Total comprehensive income/(losses)	(1,133)	(3,924)	(71.13)	(835)	(2,173)	(61.6)
Loss attributable to:						
Equity holders of the Company	(1,118)	(3,453)	(67.62)	(1,006)	(1,846)	(45.5)
Non-controlling interests	-	-	NM	-	-	NM
	(1,118)	(3,453)	(67.62)	(1,006)	(1,846)	(45.5)
Total comprehensive losses attributable to:						
Equity holders of the Company	(1,133)	(3,924)	(71.13)	(835)	(2,173)	(61.6)
Non-controlling interests	-	-	NM	-	-	NM
	(1,133)	(3,924)	(71.13)	(835)	(2,173)	(61.6)
Loss per share for net loss attributable to equity holders of the Company (cents per share)						
- Basic	(0.14)	(0.44)	(68.04)	(0.13)	(0.24)	(47.3)
- Diluted	(0.14)	(0.44)	(68.04)	(0.13)	(0.24)	(47.3)

Profit/(loss) for the quarter ended 30 June is arrived at after (charging)/crediting the following:

	6 months ended 30/06/2015 US\$'000	Group 6 months ended 30/06/2014 US\$'000	% Increase/ (Decrease)
Amortisation of intangible assets	(5)	(7)	(28.57)
Depreciation of property, plant and equipment	(1,048)	(1,424)	(26.40)
Foreign exchange gain, net	22	17	29.41
Provision for corporate guarantee	(78)	-	NM
Loss on disposal of an available-for-sale financial asset	-	(22)	(100.00)
Loss on disposal of property, plant and equipment	-	(2)	(100.00)
Gain on disposal of intangible assets	87	-	NM
Impairment loss on available-for-sale financial assets	-	(135)	(100.00)
Reclassification from other comprehensive income on disposal of an available-for-sale financial asset	-	124	(100.00)
Interest expenses	(617)	(662)	(6.80)
Interest income	7	9	(22.22)

NM: Not meaningful

Appendix 2

This consolidated statement of financial position as at 30 June 2015 was prepared in the event the Proposed Disposal did not take place. These figures have not been audited.

	Group		Company	
	30/06/2015	31/12/2014	30/06/2015	31/12/2014
	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS				
Current assets				
Cash and cash equivalents	2,379	3,227	4	18
Available-for-sale financial assets	1	1	1	1
Trade and other receivables	13,135	10,857	2,634	2,525
Inventories	3,958	4,276	-	-
	19,473	18,361	2,639	2,544
Assets held for sale under FRS 105	28,142	-	-	-
	47,615	18,361	2,639	2,544
Non-current assets				
Investments in subsidiaries	-	-	13,800	13,800
Investment properties	3,329	3,329	-	-
Property, plant and equipment	13,317	42,459	-	-
Intangible assets	237	406	-	-
	16,883	46,194	13,800	13,800
Total assets	64,498	64,555	16,439	16,344
LIABILITIES				
Current liabilities				
Trade and other payables *	20,272	21,071	13,171	14,234
Current income tax liabilities	4	66	-	-
Provision for corporate guarantee	6,567	7,083	6,567	7,083
Borrowings	22,570	22,191	-	-
	49,413	50,411	19,738	21,317
Non-current liabilities				
Borrowings	2,124	2,215	-	-
Deferred income tax liabilities	7,326	7,326	-	-
	9,450	9,541	-	-
Total liabilities	58,863	59,952	19,738	21,317
NET ASSETS	5,635	4,603	(3,299)	(4,973)
EQUITY				
Capital and reserves attributable to equity holders of the company				
Share capital	46,115	43,950	46,115	43,950
Capital and statutory reserve	1,652	1,652	66	66
Currency translation reserve	347	362	3,228	3,228
Asset revaluation reserve	21,884	21,884	-	-
Share option reserve	132	132	132	132
Accumulated losses	(64,424)	(63,306)	(52,840)	(52,349)
	5,706	4,674	(3,299)	(4,973)
Non-controlling interests	(71)	(71)	-	-
Total equity	5,635	4,603	(3,299)	(4,973)

* Other payables inclusive of US\$4.0 million loan from a shareholder.

Appendix 3

This consolidated statement of cash flow for quarter ended 30 June 2015 was prepared in the event the Proposed Disposal did not take place. These figures have not been audited.

	Group		Group	
	6 months ended 30/06/2015 US\$'000	6 months ended 30/06/2014 US\$'000	3 months ended 30/06/2015 US\$'000	3 months ended 30/06/2014 US\$'000
Cash flows from operating activities:				
Total loss	(1,118)	(3,453)	(1,006)	(1,846)
Adjustments for:				
- Income tax expenses	40	17	-	17
- Amortisation of intangible assets	5	7	3	5
- Depreciation of property, plant and equipment	1,048	1,424	485	711
- Loss on disposal of available-for-sale financial assets	-	22	-	22
- Loss on disposal of property, plant and equipment	-	2	-	-
- Gain on disposal of intangible assets	(87)	-	(1)	-
- Interest income	(7)	(9)	(3)	(6)
- Finance expense	617	662	356	350
- Impairment loss on available-for-sale financial assets	-	135	-	135
- Reclassification from other comprehensive income on disposal of available-for-sale financial assets	-	(124)	-	(124)
- Provision on corporate guarantee	78	-	48	-
- Currency exchange differences	(2)	47	(66)	77
	574	(1,270)	(184)	(659)
Changes in working capital				
- Inventories	318	(905)	369	(691)
- Trade and other receivables	(2,278)	1,667	(1,263)	(772)
- Trade and other payables	(737)	3,035	(1,305)	2,672
Cash (used in)/generated from operations	(2,123)	2,527	(2,383)	550
Interest received	7	9	3	6
Interest paid	(41)	(160)	(20)	(69)
Income tax paid	(102)	(123)	(40)	68
Net cash (used in)/provided by operating activities	(2,259)	2,253	(2,440)	555
Cash flows from investing activities:				
Additions of property, plant and equipment	(63)	(718)	(35)	(294)
Disposal of available-for-sale financial assets	-	280	-	280
Disposal of intangible assets	253	-	-	-
Net cash provided by/(used in) investing activities	190	(438)	(35)	(14)
Cash flows from financing activities:				
Bank deposit pledged to bank	-	(200)	-	(200)
Bank deposit released from pledge	-	57	-	57
(Repayment of)/proceeds from loans from Directors	(62)	(497)	-	914
Repayments of provision for corporate guarantee	(594)	-	(587)	-
Proceeds from borrowings	26,091	30,445	16,461	18,344
Repayment of borrowings	(25,549)	(32,278)	(15,604)	(18,959)
Proceeds from finance lease liabilities	-	1,419	-	(11)
Repayment of finance lease liabilities	(254)	(488)	(98)	(193)
Proceeds from issuance of ordinary share, net	2,165	-	2,165	-
Interest paid	(576)	(502)	(336)	(281)
Net cash provided by/(used in) financing activities	1,221	(2,044)	2,001	(329)
Net (decrease)/increase in cash and cash equivalents	(848)	(229)	(474)	212
Cash and cash equivalents				
Beginning of financial period	3,227	3,445	2,853	3,004
End of financial period	2,379	3,216	2,379	3,216

Appendix 4

This consolidated statement of changes in equity as at 30 June 2015 was prepared in the event the Proposed Disposal did not take place. These figures have not been audited.

	Share capital	Share option reserve	Capital and statutory reserve	Fair value reserves	Currency translation reserve	Revaluation reserve	Accumulated losses	Total	Non-controlling interest	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Group										
Balance at 1 April 2015	43,950	132	1,652	-	176	21,884	(63,418)	4,376	(71)	4,305
Share issued	2,165	-	-	-	-	-	-	2,165	-	2,165
Total comprehensive income/(losses) for the period	-	-	-	-	171	-	(1,006)	(835)	-	(835)
Balance at 30 June 2015	46,115	132	1,652	-	347	21,884	(64,424)	5,706	(71)	5,635
Balance at 1 April 2014	43,950	132	1,652	878	951	37,894	(56,556)	28,901	(71)	28,830
Total comprehensive losses for the period	-	-	-	(124)	(203)	-	(1,846)	(2,173)	-	(2,173)
Balance at 30 June 2014	43,950	132	1,652	754	748	37,894	(58,402)	26,728	(71)	26,657
Company										
Balance at 1 April 2015	43,950	132	66	-	3,228	-	(52,544)	(5,168)	-	(5,168)
Share issued	2,165	-	-	-	-	-	-	2,165	-	2,165
Total comprehensive losses for the period	-	-	-	-	-	-	(296)	(296)	-	(296)
Balance at 30 June 2015	46,115	132	66	-	3,228	-	(52,840)	(3,299)	-	(3,299)
Balance at 1 April 2014	43,950	132	66	-	3,228	-	(44,149)	3,227	-	3,227
Total comprehensive losses for the period	-	-	-	-	-	-	(290)	(290)	-	(290)
Balance at 30 June 2014	43,950	132	66	-	3,228	-	(44,439)	2,937	-	2,937