

For Immediate Release

**Europtonic narrows net loss to US\$0.2 million for 2Q2015
led by positive restructuring efforts**

- **Improvement in core component manufacturing business contributed by increase in gross profit margin from 6.4% for 2Q 2014 to 20.9% for 2Q 2015**
- **Continued focus on cost management initiatives to reduce existing debt levels**
- **Group's core business to benefit from fast-growing global demand for high-voltage, direct current capacitors; market to grow at a CAGR of 16.0% to US\$3.9 billion by 2020**

Singapore, 14 August 2015 -SGX Main board-listed Europtonic Group Ltd ("Europtonic" or the "Group"), a leading manufacturer and distributor of electronic components in Asia, today announced its results for the three months ended 30 June 2015 ("2Q2015").

The Group narrowed its net loss to US\$0.2 million for 2Q 2015 as compared to a net loss of US\$1.8 million in the corresponding period last year. Revenue decreased 40.7% year-on-year ("yoy") to US\$3.9 million for 2Q 2015 due to the exclusion of its non-performing electric component distribution business pending shareholders' approval for disposal¹. In tandem, cost of sales dropped 49.9% yoy to US\$3.1 million for 2Q 2015. However, gross profit margin expanded from 6.4% to 20.9% as the Group's core component manufacturing business benefited from a higher profit margin as compared to that of the proposed disposal business.

The Group's restructuring efforts achieved initial success as overheads reduced 57.2% yoy to US\$1.7 million for 2Q 2015. In addition, total borrowings reduced 51.0% to US\$12.0 million as at 30 June 2015 as compared to 31 December 2014. The restructuring has enabled the Group to concentrate efforts on growing its core business of component manufacturing.

With a focus on prudent cost management, the Group has announced on 29 June 2015 its intention to sell its land and building in Suzhou, People's Republic of China which has recently been redesignated by the local government for commercial uses. Subject to sale of the Land and Building, the Company intends to utilise part of its proceeds to manage its existing debt levels.

¹This disposal was first announced on 9 March 2015, updated on 16 April 2015 and is subject to shareholders' approval at an Extraordinary General Meeting (EGM) to be convened. Shareholders will be informed of the date of the EGM once the circular has been approved by SGX.

CEO of Europtronic Group Ltd., Mr. Justin Huang said, “The restructuring efforts and the improvement in our component manufacturing business have proven that we are on the right track towards enhancing profitability for the Group. The expertise and capabilities of our research and development team has aided us in providing quality, cost-effective, and patent-protected products to tap on growth opportunities present in the industrial capacitors segment driven by the growing worldwide demand for electric vehicles and new energy. The high barrier of entry to our industry allows us to maintain a sticky relationship with world class component makers in this niche market where we are able to enjoy favourable margins. Against this positive backdrop, the management continues to dedicated efforts to expand its market share for business growth while maintaining a strong focus on prudent cost management.”

Global market research and consulting firm, Markets and Markets forecast global high-voltage, direct current capacitors market to grow at a Compound Annual Growth Rate (“CAGR”) of 16.0% over the period from 2014 to 2020 to US\$3.9 billion driven by rapid industrialization particularly from emerging countries. With this positive industry outlook, the Group expects the performance of its component manufacturing business to continue gaining traction, barring unforeseen circumstances.

Looking ahead, the management is confident that the performance of its operations will continue to improve. The priorities remain in guiding the company to exit the SGX-ST watch-list.

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About Europtronic Group Limited (Europtronic)

Listed on the Singapore Exchange since 2002, Europtronic has a strategic focus on two core businesses of electronic components manufacturing and distribution.

With beginnings dating back to 1977, Europtronic has evolved from a trading company into one of Asia’s premier manufacturers and distributors of electronic components. With factories in Shenzhen and Suzhou, China, the Group manufactures its own brand of film capacitors including general purpose film capacitors, interference suppression capacitors (X2), snubber capacitors, DC Link capacitors and AC capacitors. Europtronic also sells chip inductors and chip beads via its subsidiary, Housing Technology Corp., in Hsinchu, Taiwan. In recognition of its quality products, Europtronic has built up a strong portfolio of key customers including Schneider Electric, Emerson, GE, Eaton, Delta, TPV, Chicony, LG, TCL, Sharp and Panasonic.

As an established distributor of electronic components, Europtronic represents renowned international brands including Sharp, Micro Crystal, Semikron, AEM, River and Suzuki. In addition to its in-house brand of film capacitors, the Group also distributes other active and passive components such as fuses, resistors, capacitors, inductors, crystals, opto-devices, LCD panels, EEPROMs and power modules.

Europtronic is geographically diversified in Asia, with offices in Singapore, Hong Kong, Shanghai, Beijing, Suzhou, Shenzhen, Taipei, Hsinchu and London.

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