

EUROPTRONIC GROUP LTD (“the Company”)
(Incorporated in Singapore)
(Company Registration No. 200009775K)

REPLY TO SGX QUERIES REGARDING THE COMPANY TO CONTINUE AS GOING CONCERN

The Board of Directors of the Company refers to the queries raised by the Singapore Exchange Securities Trading Limited (“SGX-ST”) in its email of 19 May 2015 in relation to the Company to continue as going concern and wishes to provide the Company’s response to such queries as follows:

SGX-ST’s Queries

We refer to the Company’s announcement dated 1 April 2015 on the emphasis of matter by auditors on financial statements for the financial year ended 31 December 2014. The Independent Auditors of the Company noted “the existence of a material uncertainty which may cast significant doubt about the ability of the Group and of the Company to continue as going concerns.”

For the Exchange’s consideration under Rule 1303(3)(c) and noting the Independent Auditor’s findings on “Going concern”.

Query 1. The Board’s opinion if the Company will be able to operate as going concern and basis for the Board’s view.

Query 2. The Board’s confirmation that all material disclosures have been provided for trading of the Company’s shares to continue.

Company’s Response

Reply to Query 1: The Board is of the view that the going concern assumption of the Company is appropriate after considering:

- (i) Continuing financial support from the controlling shareholders;
- (ii) Continuing support from the banks;
- (iii) Incoming funds from potential RTO or placement;
- (iv) Orders on hand and expected orders, as well as positive operating activities of the Group’s component manufacturing business in the financial year 2015 as the Group expects stronger customer’s support from its high-end industrial capacitors which command a higher margin; and
- (v) The proposed disposal of the Group’s non-performing component distribution business.

Reply to Query 2: The Board confirms that, to the best of its knowledge, all material disclosures in compliance with SGX-ST Listing Manual have been provided for trading of the Company's shares to continue.

By Order of the Board
EUROPTRONIC GROUP LTD

Huang Shih-An
Non-Executive Chairman
20 May 2015