EUROPTRONIC GROUP LTD
(Company Registration Number 200009775K)
(Incorporated in the Republic of Singapore on 18 November 2000)

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

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*Europtronic Group Ltd (the "**Company**") was placed on the watch-list pursuant to Rule 1311 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") with effect from 5 March 2014.*

Pursuant to Rule 1313(2) of the Listing Manual of the SGX-ST, the Board of Directors (the "**Board**") of the Company wishes to provide the following updates:

Update on Financial Position

The Company recorded an unaudited loss of USD3.5 million in 1H FY2014 compared to a loss of USD1.9 million in 1H FY2013. The widening loss was mainly due to the decrease in revenue as a result of scaling down of the Group's distribution business. In additional, the fixed costs that the Group needs to bear still remain high.

Update on Future Direction

The scaling down of the Group's distribution business frees up resources which enabled the Group to reduce its bank borrowing and focus on its manufacturing business.

Negotiations with the authorities in the People's Republic of China ("PRC") in relation to the terms of the compulsory acquisition of the Group's factory and office premises located at No. 1618 Yundongdadao, Wujiang Economic and Technological Development Zone, Suzhou, Jiangsu Province, PRC 215200 (the "Premises") are still on-going. This uncertainty has affected the process of new products development and upgrading of machinery under the Group's manufacturing business.

Management will continue to explore all avenues to improve the financial position of the Group, including disposing its other non-core assets.

By Order of the Board
Of Europtronic Group Limited

Huang Shih An
Chairman
8 Aug 2014