



**EUROPTRONIC GROUP LTD**

(Company Registration Number 200009775K)

(Incorporated in the Republic of Singapore on 18 November 2000)

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**FURTHER CLARIFICATION ON THE ANNOUNCEMENT DATED 7 NOVEMBER 2017 RELATING TO THE UPDATE ON THE SALE BY EUROPTRONIC GROUP LTD OF ITS ENTIRE INTEREST IN EUROPTRONIC (SUZHOU) CO., LTD**

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The Board of Directors of Europtronic Group Ltd (the “**Company**”) refers to the announcement made on 7 November 2017 (the “**Update Announcement**”) relating to the update on the sale by the Company of its entire interest in Europtronic (Suzhou) Co., Ltd (“**Europtronic Suzhou**”) to Nantong Jianghai Power Electronics Co., Ltd (南通新江海动力电子有限公司) (“**Nantong Jianghai**”) (the “**Sale**”).

Unless otherwise defined, all capitalised terms shall bear the same meanings ascribed to them in the Update Announcement.

It was disclosed in the Update Announcement that the payment of the Final Instalment by Nantong Jianghai is subject to (i) the payment of the Second Instalment by Nantong Jianghai and (ii) the receipt by Europtronic Suzhou of certain accounts receivables identified in the Sale and Purchase Agreement (the “**Uncollected Receivables**”). The Uncollected Receivables are accounts receivables due to Europtronic Suzhou from unrelated third party customers for goods and services provided by Europtronic Suzhou. These were transactions entered in the ordinary course of business and are not amounts due from any related parties, directors or controlling shareholders of the Company.

The Company wishes to clarify that:

- (a) the amount of the Uncollected Receivables was RMB65,749,126.78 as at 31 May 2016 instead of RMB65,809,554 as stated in the Update Announcement; and
- (b) the amount of the Uncollected Receivables was RMB56,390,178.20 as at 31 March 2017 instead of RMB54,242,097 as stated in the Update Announcement.

The discrepancy in the amounts arose as the initial figures reflected in the Update Announcement consist solely of trade receivables whereas the Uncollected Receivables should also be adjusted to take into account prepayment and other non-trade receivables.

In addition, the net proceeds of the First Instalment received by the Company amounted to RMB70,756,623 (equivalent to approximately US\$10.181 million<sup>1</sup>) (after deducting local taxes of RMB9,388,377 paid to the relevant PRC authorities) and was utilised by the Company in the following manner:

- (i) US\$3.958 million was used by the Company for the Group’s operating expenses;

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<sup>1</sup> Based on the exchange rate of US\$1.00 to RMB6.95 as at 3 January 2017, being the date on which the First Instalment was paid by Nantong Jianghai to the Europtronic Suzhou Shareholders in USD and such amount was converted by Nantong Jianghai from RMB to USD by using the average exchange rate quoted by the People’s Bank of China.

- (ii) US\$1.7 million was used by the Company to repay one of the loans owing to Huang Chuang Shueh-Ou, a director and controlling shareholder of the Company. Mrs Huang had provided this loan to the Company by taking a loan in her personal name from a bank and mortgaging her personal property as security for the loan taken. Such loan was taken by Mrs Huang so that the Company can fulfil its obligation on a demand by the bank for repayment of bank borrowings. As at 30 September 2017, a sum of US\$9.9 million remains outstanding and payable by the Company to Mrs Huang for loans extended by her to the Group; and
- (iii) the balance US\$4.523 million was used to repay bank borrowings.

Save for the above, the contents of the Update Announcement remain unchanged.

By Order of the Board  
Eurotronic Group Ltd

HUANG SHIH-AN  
Non-Executive Chairman  
5 February 2018