



EUROPTRONIC GROUP LTD

(Company Registration Number 200009775K)

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

SALE OF SHARES IN HOUSING TECHNOLOGY CORP BY EUROPTRONIC TAIWAN IND. CORP

1. Introduction

The Board of Directors (the “**Board**”) of Europtronic Group Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that one of its subsidiaries, Europtronic Taiwan Ind. Corp (“**ER Taiwan**”) had, on 3 August 2016, entered into a sale and purchase agreement of the same date (the “**Sale and Purchase Agreement**”) with Mr. Wei JiaXing and Ms. Li PeiPei (the “**Purchaser**”) pursuant to which ER Taiwan has agreed to sell and the Purchaser has agreed to purchase 6,000,835 shares (the “**Sale Shares**”) in the capital of Housing Technology Corp (“**Housing**”), at the cash consideration of NTD\$6,081,938 (equivalent to approximately USD189,587), based on the Net Tangible Assets (“**NTA**”) of Housing as at 30 June 2016.

Accordingly, Housing has ceased to be a subsidiary of ER Taiwan with immediate effect.

2. Information on Housing

2.1 Background

Housing is a 99.997% subsidiary of ER Taiwan, which engaged in the trading of inductor.

As at the date of the Sale and Purchase Agreement, Housing has 6,001,000 shares, which consist of 6,000,835 shares (being the Sale Shares) held by ER Taiwan.

2.2 Financial Information

The net book value of Housing as at 30 June 2016 was NTD6,081,938 (equivalent to approximately USD189,587). The net book value is equal to the NTA of the Sale, therefore no gain or loss from the Sale since the purchase consideration is based on the NTA of Housing as at 30 June 2016.

3. Rationale for the Sale

The Group continues its effort in disposing non-core business or assets and to simplify the business structure.

The Sale is in line with the Group’s strategy of streamlining its non-core business and to reduce the Group’s operating costs.

The Board is also of the view that the Sale is in the interests of the Company that Housing is a non-core business of the Group and its disposal at cash consideration based on the NTA of Housing as at 30 June 2016 can improve the Group's cashflow.

4. Relative Figures computed pursuant to Rule 1006 of the Listing Manual

Based on the latest published unaudited consolidated financial statements of the Company for its six month period ended 30 June 2016 ("1H2016"), the relative figures for the Sale, computed on the bases of assessment pursuant to Rule 1006 of the Listing Manual, are as follows:-

Rule 1006		The Proposed Disposal ('000)	The Group ('000)	(%)
(a)	The net asset value of the assets to be disposed of compared with the Group's net asset value as at 30 June 2016	US\$190 ⁽¹⁾	US\$(3,179)	(5.96)
(b)	The net loss ⁽²⁾ attributable to the assets disposed of compared with the Group's net loss ⁽²⁾ for 1H2016	US\$(37) ⁽³⁾	US\$(4,579)	0.81 ⁽⁴⁾
(c)	The aggregate value of the consideration received compared with the Company's market capitalisation as at 1 April 2016 ⁽⁵⁾	US\$190 ⁽⁶⁾	US\$1,397 ⁽⁷⁾	13.57
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable as the transaction is a disposal		
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of compared with the Group's proved and probable reserves	Not applicable as the Company is not a mineral, oil and gas company		

Notes:

- (1) Based on the NTA of Housing as at 30 June 2016 of approximately US\$190,000 (equivalent to approximately NTD6,081,938) on a consolidated basis.
- (2) Net profits or net loss means profits or loss before income tax, minority interests and extraordinary items.
- (3) Based on the net loss of Housing for 1H2016 of approximately US\$(37,000) (equivalent to approximately NTD(1,243,000)) on a consolidated basis.

- (4) The relative figure under Rule 1006(b) of the Listing Manual became a positive number as both the Group and Housing reported net losses for 1H2016.
- (5) Being the last Market Day on which the Shares of the Company were traded on the SGX-ST.
- (6) The consideration is based on the amount of the Sale Price of approximately US\$190,000 (equivalent to approximately NTD6,081,938).
- (7) The market capitalisation of the Company of US\$1,397,000 (equivalent to approximately S\$1,887,464) was determined by multiplying the existing number of Shares of 943,732,154 Shares by the weighted average price of the Shares of US\$0.00148 per Share (equivalent to approximately S\$0.002 per Share) on 1 April 2016, being the last Market Day on which the Shares were traded on the SGX-ST. Trading in the Shares were suspended with effect from 9.00 a.m. on 4 April 2016.

In accordance with Rule 1007 of the Listing Manual, the Company had consulted the SGX-ST as to whether the Sale is to be subject to shareholders' approval.

The SGX-ST had advised the Company that the Sale does not require the approval of shareholders pursuant to Rule 10 of the Listing Manual.

5. Financial Effects of the Sale

The proforma financial effects of the Sale set out below have been prepared based on the audited consolidated financial statements of the Company for its financial year ended 31 December 2015 ("FY2015") and is prepared solely for illustrative purposes only.

5.1 Net Tangible Assets ("NTA")

Assuming that the Sale had been completed on 31 December 2015 and based on the latest audited consolidated financial statements of the Company for FY2015, the proforma financial effects of the Sale on the consolidated NTA of the Company are as follows:-

	Before the Sale	After the Sale
NTA as at 31 December 2015 (US\$'000)	667	667
Number of issued shares	943,732,154	943,732,154
NTA per share as at 31 December 2015 (US cents)	0.07	0.07

5.2 Earnings per share ("EPS")

Assuming that the Sale had been completed on 1 January 2015 and based on the latest audited consolidated financial statements of the Company for FY2015, the proforma financial effects of the Sale on the consolidated EPS of the Company are as follows:-

	Before the Sale	After the Sale
Loss attributable to shareholders (US\$'000)	(5,753)	(5,753)

	Before the Sale	After the Sale
Weighted average number of issued shares	943,732,154	943,732,154
Loss per share (US cents)	(0.61)	(0.61)

6. Interests of Directors and Controlling Shareholders

As at the date of this announcement, save for their shareholdings in the Company, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Sale.

7. Documents for Inspection

A copy of the Sale and Purchase Agreement is available for inspection at the Company's registered office at 60 Kaki Bukit Place Eunos Techpark #01-10 Singapore 415979 during normal business hours for a period of three (3) months from the date of this announcement.

8. Responsibility Statement

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Sale, the Company and its subsidiaries and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

By Order of the Board
Eurotronic Group Ltd

HUANG SHIH-AN
Non-Executive Chairman
30 August 2016