

For Immediate Release

Europtronic returns to the black for 1Q 2015

- **Core electronic manufacturing business generates recurring operating profit of US\$0.22 million**
- **Disposal of non-performing electronic component distribution business boosts 1Q 2015 net profit to US\$4.75 million**
- **Management expects core business order book to grow driven by burgeoning demand from electric vehicle and new energy markets**

Singapore, 12 May 2015 - SGX Mainboard-listed Europtronic Group Ltd (“Europtronic” or the “Group”), a leading manufacturer and distributor of electronic components in Asia, today announced a net profit attributable to shareholders of US\$4.75 million for the Group’s first quarter ended 31 March 2015 (“1Q 2015”) as compared to a loss of US\$1.61 million in the corresponding period last year. This positive result was mainly due to the disposal of its non-performing electronic component distribution business and return to profitability for its core electronic manufacturing business, which generated a recurring operating profit of US\$0.22 million. The revenue from the Group’s component manufacturing business in 1Q 2015 is US\$4.61 million compare to US\$3.78 million in 1Q 2014.

The results for 1Q 2015 was prepared on the basis that the disposal of the Group’s non-performing electronic component distribution business, comprising nine subsidiaries, had taken place with effect from 1 January 2015. This 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, “We are experiencing a turnaround in our core electronic component manufacturing business supported by recent design wins with our partners, who are world leaders in their respective markets. In order to maintain the growth momentum, we will continue to improve our design capabilities in the power industrial capacitor segment, to sustain the confidence of our partners and end-users. In addition, we are also encouraged by the positive impact of the disposal of loss-making subsidiaries as this will improve our cash flow position and reduce debt. The streamlined business operations will also improve our operating costs and efficiencies going forward.”

The recurring profit of US\$0.22 million from its mainstay business was the Group’s first quarterly profit over the last four years. With the management realigning its focus on the manufacturing business, Europtronic was able to secure new design wins with new products developed by its in-house design team, together with its Original Equipment Manufacturer (OEM) partners. These new design wins will generate a steadily improving order book for the Group’s component manufacturing business over the next few years.

The Group's core manufacturing business has enjoyed a revival due to the growing demands from the electric vehicle and new energy markets. In order to support the turnaround, the Group has recently raised funds via a placement of new shares which will be used for working capital to fund the growth in its mainstay business.

Mr Huang concluded, "With the implementation of our restructuring efforts, we have witnessed the positive impact and are hopeful that the Group will be able to exit from the SGX-ST watch-list. This will reward investors who have stayed supportive, despite the challenges we faced over the last four years. As we strive to remain listed, we are committed to our strategies in improving our financial performance to achieve profitability for this year. In the event that we are unable to stay listed on the SGX-Mainboard due to administrative requirements on market capitalization¹, the Group may seek to transfer to the Catalist-Board, if necessary."

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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.

Issued by and on behalf of Europtronic Group Limited by:

Financial PR Pte. Ltd.

Mr. Kamal Samuel, Director (kamal@financialpr.com.sg)

Mr. Tok Chong Yap, Senior Consultant (chongyap@financialpr.com.sg)

Ms. Allison Chen, Consultant (allison@financialpr.com.sg)

Tel: (65) 6438 2990 Fax: (65) 6438 0064

¹ In accordance to Rule 1314 of the Listing Manual, the Group will be able to apply for removal from watch-list if it records consolidated pre-tax profit for the most recently completed financial year (based on the latest full-year consolidated audited accounts, excluding exceptional or non-recurrent income and extraordinary items) and has an average daily capitalisation of S\$40 million or more over the last 120 market days on which trading was not suspended or halted.