



EUROPTRONIC GROUP LTD

(Company Registration Number 200009775K)

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

FURTHER SALE BY EUROPTRONIC INVESTMENT PTE LTD OF ITS INTEREST IN TECSTAR TECHNOLOGY CO., LTD

1. Introduction

The Board of Directors of Europtronic Group Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to its announcements dated 12 September 2014 and 22 September 2014 relating to the sale by the Company’s wholly owned subsidiary, Europtronic Investment Pte Ltd (“**Europtronic Investment**”), of part of its investment in Tecstar Technology Co., Ltd (“**Tecstar**”) by way of open market sale on the GreTai Securities Market, Taiwan (the “**Partial Sale**”).

Europtronic Investment had, in October 2014, received cash dividend for the sum of NT\$599,110 and 58,166 ordinary shares of Tecstar were allotted and issued by Tecstar to Europtronic Investment as dividend shares (the “**Dividend Shares**”).

Following the Partial Sale and taking into account the Dividend Shares which were allotted and issued to Europtronic Investment, Europtronic Investment held an aggregate of 97,035 ordinary shares of Tecstar (the “**Balance Shares**”).

The Company wishes to announce that Europtronic Investment had disposed the Balance Shares (the “**Balance Sale**” and together with the Partial Sale, the “**Total Sale**”), in tranches, by way of open market sale on the GreTai Securities Market, during the period from 23 September 2014 to 28 November 2014. The last transaction for the Balance Sale was undertaken by Europtronic Investment on 28 November 2014 (the “**Last Transacted Date**”).

2. Details of the Total Sale

Pursuant to the Total Sale, an aggregate of 5,165,035 ordinary shares of Tecstar (the “**Sale Shares**”), representing approximately 17.0% of the issued share capital of Tecstar as at the Last Transacted Date, was sold by Europtronic Investment.

Europtronic Investment had undertaken the sale of the Sale Shares in tranches and by way of open market sale on the GreTai Securities Market based on the then prevailing market price of the ordinary shares of Tecstar.

Solely for illustration purposes, based on the weighted average price of the ordinary shares of Tecstar of NT\$9.55 each which were traded on the GreTai Securities Market on the Last Transacted Date, the market value of the Sale Shares, being 5,165,035 ordinary shares of Tecstar, would amount to NT\$49,326,084.

Europtronic Investment had received a total net cash proceeds of approximately NT\$57,596,896 (equivalent to approximately US\$1,843,100.68¹) for the Sale Shares (the “**Net Proceeds**”).

3. Use of Proceeds

The Group intends to use the Net Proceeds as general working capital of the Group.

4. Rationale for the Total Sale

The Total Sale has enabled the Group to liquidate its investment in Tecstar and to channel these funds for general working capital purposes.

5. Information on Tecstar

(Information relating to Tecstar has been extracted from publicly available sources.)

Tecstar is a public company incorporated in Taiwan on 13 April 1995 and its issued ordinary shares are listed and quoted on the GreTai Securities Market.

Tecstar is principally engaged in the business of developing and producing information products, multilayer ferrite chip beads, multilayer chip inductors and ferrite cores in Taiwan.

Based on the latest audited consolidated financial statements of Tecstar for its financial year ended 31 December 2013, the net asset value of Tecstar was approximately NT\$403,572,000 and it recorded a net profit before tax of approximately NT\$51,484,000.

Based on the Last Transacted Date, the weighted average price of the ordinary shares of Tecstar, traded on the GreTai Securities Market, was NT\$9.55 each.

6. Rule 1006 of the Listing Manual

Pursuant to Rule 1005 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the SGX-ST may aggregate separate transactions completed within the last 12 months and treat them as if they were one transaction.

Under the Partial Sale, Europtronic Investments had sold an aggregate of 5,068,000 ordinary shares of Tecstar in tranches during the period from 8 May 2014 to 19 September 2014. On an aggregate basis, the relative figures of the Partial Sale, under Rules 1006(a) and (c) of the Listing Manual, computed on the bases of assessment pursuant to Rule 1006 of the Listing Manual and based on the latest published unaudited consolidated financial statements of the Company for the six-month period ended 30 June 2014 (“**HY2014**”), exceed 5% but does not exceed 20%. Accordingly, the Company had, on 22 September 2014, released an announcement on the Partial Sale and disclosing such information as required under Rule 1010 of the Listing Manual.

¹ Based on the exchange rate of US\$1.00 to NT\$0.032 on 28 November 2014, extracted from the website, www.oanda.com/convert/fxdailyH, and unless otherwise stated, the said exchange rate has been used in this announcement to convert NT\$ to US\$.

Similarly, on an aggregate basis, the relative figures under Rules 1006(a) and (c) of the Listing Manual for the Total Sale which includes the Partial Sale exceed 5% but does not exceed 20%.

The relative figures for the Total Sale, computed on the bases of assessment pursuant to Rule 1006 of the Listing Manual and based on the latest published unaudited consolidated financial statements of the Company for its nine-month period ended 30 September 2014 ("9M2014"), are as follows:-

Rule 1006		The Total Sale ('000)	The Group ('000)	
(a)	The net asset value of the Sale Shares disposed of compared with the Group's net asset value as at 30 September 2014	US\$1,578 ⁽¹⁾	US\$23,603	6.69%
(b)	The net profits attributable to the Sale Shares disposed of compared with the Group's net losses ⁽²⁾ for 9M2014	-	US\$(4,939)	N.A. ⁽³⁾
(c)	The aggregate value of the consideration received compared with the Company's market capitalisation as at 26 November 2014	S\$2,418 ⁽⁴⁾	S\$13,370 ⁽⁵⁾	18.09%
(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		
(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		

Notes:-

- (1) The net asset value of the Sale Shares of approximately US\$1,578,435 (equivalent to approximately NT\$49,326,084) was determined by multiplying the number of Sale Shares of 5,165,035 ordinary shares by the weighted average price of the ordinary shares of Tecstar of NT\$9.55 each, traded on the GreTai Securities Market on 28 November 2014, being the Last Transacted Date.
- (2) Net losses means losses before income tax, minority interests and extraordinary items.
- (3) As at 30 September 2014, the Group did not receive any dividend from the Sale Shares. Rule 1006(b) of the Listing Manual is therefore not applicable.

- (4) The aggregate value of consideration received from the Total Sale was based on the Net Proceeds of approximately NT\$57,596,896 (equivalent to approximately S\$2,418,006²).
- (5) The market capitalisation of the Company of approximately S\$13,369,551 was determined by multiplying the existing number of issued shares of 786,444,154 shares by the weighted average price of the shares of S\$0.017 each transacted on 26 November 2014, being the last market day on which trades were done for the shares of the Company immediately preceding the date of this announcement.

As none of the relative figures as computed above exceeds 20%, the Total Sale is considered to be a discloseable transaction for the purposes of Chapter 10 of the Listing Manual of the SGX-ST.

7. Rule 704(18)(b) of the Listing Manual

Pursuant to Rule 704(18)(b) of the Listing Manual of the SGX-ST and based on the latest audited consolidated financial statements of the Company for its financial year ended 31 December 2013 ("FY2013"), the Group's aggregate cost of investment in quoted securities is as follows:-

	Before the Total Sale ⁽¹⁾	After the Total Sale
Aggregate cost of the Group's quoted investments (US\$'000)	2,186	Nil
Aggregate cost of the Group's quoted investments as a percentage of the Group's latest audited consolidated net tangible assets as at 31 December 2013	7.25%	Nil
Total market value of the Group's quoted investments (US\$'000)	1,578 ⁽²⁾	Nil
Amount of any provision of diminution in value of investments	Nil	Nil
Audited consolidated net tangible assets of the Group as at 31 December 2013 (US\$'000)	30,157	30,157

Note:-

- (1) For purposes of illustrating the Group's aggregate cost of investment in quoted securities prior to the Total Sale, the 58,166 Dividend Shares received by Europtronic Investment in October 2014 was not taken into consideration as such shares were issued free of payment to Europtronic Investment.
- (2) Solely for illustration purposes, the market value of the ordinary shares of Tecstar was computed based on the weighted average price of the ordinary shares of Tecstar of NT\$9.55 (equivalent to approximately US\$0.31) each transacted on the GreTai Securities Market on 28 November 2014, being the Last Transacted Date.

As at 31 December 2013 and as at the date of this announcement, save for the investment held by Europtronic Investment in Tecstar, the Group does not have any other investment in quoted securities.

² Based on the exchange rate of S\$1.00 to NT\$23.82 on 28 November 2014, extracted from the website, www.oanda.com/convert/fxdailyH, and unless otherwise stated, the said exchange rate has been used in this announcement to convert NT\$ to S\$.

8. Financial Effects of the Total Sale

The proforma financial effects of the Total Sale set out below have been prepared based on the latest audited consolidated financial statements of the Company for FY2013 and is prepared solely for illustrative purposes only.

8.1 Net Tangible Assets ("NTA")

Assuming that the Total Sale had been completed on 31 December 2013 and based on the latest audited consolidated financial statements of the Company for FY2013, the proforma financial effects of the Total Sale on the consolidated NTA of the Company are as follows:-

	Before the Total Sale	After the Total Sale
NTA as at 31 December 2013 (US\$'000)	30,157	29,814
Number of issued shares	786,444,154	786,444,154
NTA per share as at 31 December 2013 (US cents)	3.83	3.79

8.2 Earnings per share ("EPS")

Assuming that the Total Sale had been completed on 1 January 2013 and based on the latest audited consolidated financial statements of the Company for FY2013, the proforma financial effects of the Total Sale on the consolidated EPS of the Company are as follows:-

	Before the Total Sale	After the Total Sale
Loss attributable to shareholders (US\$'000)	(11,467)	(11,810)
Weighted average number of issued shares	786,444,154	786,444,154
Loss per share (US cents)	(1.46)	(1.50)

8.3 Net Book Value

The net book value of the Sale Shares as at 31 December 2013 was US\$2,185,953. The Net Proceeds arising from the Total Sale was approximately NT\$57,596,896 (equivalent to approximately US\$1,843,101).

Accordingly, the deficit of the Net Proceeds over the net book value of the Sale Shares as at 31 December 2013 is approximately US\$(342,852) and the net loss on the Total Sale is approximately US\$(342,852).

9. 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 Total Sale.

By Order of the Board
Eurotronic Group Ltd

HUANG SHIH-AN
Chairman
1 December 2014