

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

Europtronic Group Ltd (the “Group”) 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 results for the first half ended 30 June 2015 (“1H 2015”) was prepared on the basis that the disposal of the Group’s non-performing electronic component distribution business (the “Proposed Disposal”), comprising nine subsidiaries, had taken place with effect from 1 January 2015. The Proposed Disposal was first announced on 9 March 2015 and 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.

The Group recorded an unaudited net profit of USD4.54 million for 1H 2015 compared to a loss of USD3.45 million for the first half ended 30 June 2014 (“1H 2014”). The profit was mainly due to (i) assume that the Proposed Disposal had taken place which would enable the Group to reduce its operating costs and improve its operational efficiencies; and (ii) the profit generated from the Group’s component manufacturing business.

The Group registered a net operating profit of US\$0.01 million in 1H 2015 and this is contributed mainly by its core electronic component manufacturing business.

Update on Future Direction

The Group had announced on 16 April 2015, the proposed disposal of its several non-performing and dormant subsidiaries to Mr. Tan Chee Kong (the “Purchaser”). Upon completion of the said disposal, the Group will be able to reduce its operating overhead further and focus its resources on its component manufacturing business. Efforts from reducing the Group’s overhead had improve the Group’s performance in its 1H 2015 results.

The Company sees better business prospect that will benefit its component manufacturing business, especially from the industrial segments, such as those dealing

with the electric vehicles and new energy markets. The Group will be focusing on turning its core business around and expects the performance of its component manufacturing business to improve, barring unforeseen circumstances.

The Group had also announced on 29 June 2015, to sell its land and building in Suzhou which has been recently redesignated by the local government in the People's Republic of China for commercial uses. The Group will ensure that the sale of land and building in Suzhou will not be to the prejudice of the Group's continued focus on its core business.

In the immediate term, the Group remains focused on growing the profitability of the Group's existing business. Where appropriate and only if it would enhance the Group's profitability in the current financial year, the Group may undertake investments into new businesses.

The Group is committed towards meeting the requirements of Rule 1314 of the Listing Manual (the "Listing Manual") of the SGX-ST and exiting the SGX-ST's watch-list.

The Group would like to reassure its shareholders that it has and will continue to take active steps with a view to seek an exit from the SGX-ST's watch-list according to Rule 1314 of the Listing Manual.

By Order of the Board
Of Europtronic Group Limited

Huang Shih An
Non-Executive Chairman
14 August 2015