Eucon Holding Limited

RCB REG NO: 200107762R

PROPOSED SUBSCRIPTION – RECEIPT OF APPROVAL-IN-PRINCIPLE FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

1. The Board of Directors ("**Board**") of the Company refers to the announcements released on 11 December 2015 and 29 June 2016 in relation to *inter alia* the Proposed Subscription ("**Announcements**"). Unless otherwise defined herein, the capitalised terms used herein shall have the same meaning ascribed to them in the Announcements, unless defined herein or the context requires otherwise.

2. The Board wishes to announce that the Company has on 9 September 2016 obtained the in-principle approval from the Singapore Exchange Securities Trading Limited in respect of the application for the listing and quotation of:

   (a) up to 4,926,759,333 new Shares ("**Subscription Shares**") issued in two tranches comprising (i) 2,500,000,000 Shares; and (ii) 2,426,759,333 Shares, each to be issued at S$0.018 per Subscription Share (subject to Shareholders' approval at the forthcoming extraordinary general meeting) or arising from the conversion of the Bonds pursuant to the exercise of the Bonds Subscription Option and the entry into the Bonds Subscription Agreement (terms and conditions to be subjected to Shareholders' approval in an extraordinary general meeting to be convened and the Exchange's approval);

   (b) up to 279,764,726 Option Shares to be issued at S$0.018 per Option Share (the "**Option Shares**"); and

   (c) up to 104,130,481 Introducer Shares to be issued at S$0.018 per Introducer Share (the "**Introducer Shares**"),

   (collectively, the "**Subscription**").

3. The Approval-in-principle is subject to, *inter alia,* the following key conditions:

   (a) Compliance with the Exchange's listing requirements;

   (b) Shareholders' approval for the Subscription, the Whitewash Resolution and the Proposed Business Diversification;

   (c) The Company shall not make any acquisition from Mr. Ji Zenghe and Mr. Fan Xianyong ("**Fund Substantial Investors**")[1] or their associates within 12 months

[1] The Fund Substantial Investors each may own more than 15% interest in Oriental Straits Fund III, the Subscriber, further details of which will be disclosed in the circular to be despatched in due course.

following completion of the Subscription unless the RTO requirements under the Listing Rule 1015 are complied with;

(d) The Company shall consult the Exchange on any acquisitions entered into in the next 12 months following completion of the Subscription and the Exchange may require the Company to comply with one or more of the following conditions:

(i) Target company to be profitable;

(ii) Target company to be in healthy financial position;

(iii) An independent valuation to be commissioned on the target company; and

(iv) Moratorium of at least 6 months on the shareholdings of the controlling shareholders.

(e) The Company and China Capital Impetus Investment Limited ("**Fund Manager**") undertaking to comply with the requirements in Chapter 9 of the Listing Manual for any transactions or agreements to be entered into by the Company or any entity at risk with the Fund Substantial Investors or their associates. For the purpose of seeking shareholders' approval under Chapter 9 of the Listing Manual for any proposal involving the Fund Substantial Investors or their associates, the Subscriber and its associates and the Fund Manager will abstain from voting on the proposal; and

(f) Submission of the following documents:-

(i) A written undertaking from the Company that it will comply with Rule 704(30) and Rule 1207(20) of the Listing Manual in relation to the use of the proceeds from the proposed subscription of shares and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;

(ii) A written undertaking from the Company that it will comply with Listing Rule 803; and

(iii) A written confirmation from the Company that it will not issue the Subscription Shares, the Bonds, the Option Shares and the Introducer Shares to persons prohibited under Rule 812(1) of the Listing Manual.

4. Please note that the Exchange's in-principle approval above is not to be taken as an indication of the merits of the Subscription, the Subscription Shares, the Bonds, the Option Shares, the Introducer Shares, the Company and/or its subsidiaries. For the avoidance of doubt, the Exchange’s in-principle approval above does not cover any Shares to be issued by the Company pursuant to the conversion of any Bonds.

5. Please note the Company's obligations under Listing Rule 864(4) to notify the Exchange immediately upon any significant changes affecting any matter contained in the application, or which would be required to be included in the application if it had arisen before the application was submitted.

6. The circular containing details of *inter alia* the Subscription, recommendation of the Directors and independent financial adviser and notice of extraordinary general meeting will be despatched to the Shareholders in due course. **Shareholders are advised to refrain from taking any action in relation to their Shares, which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations set out in the circular, which will be issued in due course.**

7. Further announcements in relation to the *inter alia* the Subscription will be made by the Company as and when appropriate.

By Order of the Board
Eucon Holding Limited

Wen Yao-Long
Executive Chairman and Chief Executive Officer
9 September 2016