EUCON HOLDING LIMITED

(Company Registration No.: 200107762R)
(Incorporated in the Republic of Singapore)
(the "**Company**" together with its subsidiaries, the "**Group**")

INCREASE IN REGISTERED AND PAID-UP CAPITAL OF THE COMPANY'S SUBSIDIARY, BJ VAST UNIVERSE CULTURE COMMUNICATION CO., LTD

Unless otherwise defined, all capitalized terms and references used herein shall bear the same meanings ascribed to the Company's announcement dated 25 October 2016.

1. INTRODUCTION

The board of directors (the "**Board**") of the Company refers to the previous announcement dated 25 October 2016, and wishes to announce that the Company has increased the registered and paid-up capital of its wholly-owned subsidiary, BJ Vast Universe Culture Communication Co., Ltd. （北京中盛浩宇文化传播有限公司）(the "**Subsidiary**") by RMB 38,000,000 (equivalent to S$7,893,600), from RMB 1,000,000 to RMB 39,000,000 (the "**Additional Investment**"). The Subsidiary is currently held through a 99% owned subsidiary, Xinghuironghui (Tianjin) Equity Investment Fund Partnership LLP ("**Tianjin Fund**").

2. RATIONALE FOR THE ADDITIONAL INVESTMENT

The Company intends to increase the paid-up capital of the Subsidiary to RMB 39 million, among other things:

(i) expand the management team of the Subsidiary to handle larger scale contracts;
(ii) lease space for conventions and exhibitions in order to allow the Subsidiary to compete for larger scale contracts, which has the effect of directly increasing the Company's profitability.

This is in line with the Company's focus to be profitable for FY2017 and exit SGX watch-list in 2018.

3. RULE 1006

3.1 Relative Figures. The relative figures of the Additional Investment computed on the bases set out in Rule 1006(a) to (d) of the Listing Manual are as follows:

Rule 1006(a): Net asset value of assets to be disposed of, compared with the Group's net asset value	Not applicable as this is an additional investment
Rule 1006(b): Net profit/(loss) attributable to the assets acquired, compared with the Group's net profit	-1.99%[(1)]
Rule 1006(c): The value of the Consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	7.34%[(2)]

Rule 1006(d): 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 Consideration is payable in cash

Notes:

(1) The unaudited net profit attributable to the Target for financial period ended 31 December 2016 is RMB947,045 (or approximately S$194,067, based on an exchange rate of S$1 : RMB4.88) whereas the unaudited net loss attributable to the Group for the financial period ended 31 December 2016 is S$9,740,000.

(2) The Additional Investment is RMB38,000,000 (approximately S$7,786,885, based on an exchange rate of S$1 : RMB4.88). The market capitalisation of S$106,080,000 is derived from the volume weighted average price of S$0.034 per share as at 19 April 2017, being the market day preceding the date of the Sale and Purchase Agreement (Source: Bloomberg).

3.2 **Disclosable Transaction.** As the computation under 1006(c) exceeds 5% but do not exceeds 20%, the Additional Investment is a discloseable transaction but not a major transaction within the meaning of Chapter 10 of the SGX-ST Listing Manual. Therefore, the Company is not required to seek shareholders' approval for the Additional Investment.

4. FINANCIAL EFFECTS OF THE ADDITIONAL INVESTMENT

4.1 Assumptions

The pro forma financial effects of the Additional Investment set out below are purely for illustration purposes only and do not reflect the actual future financial situation of the Company or the Group after completion of the Additional Investment.

The pro forma financial effects of the Additional Investment presented below:

(a) have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2016 and on the unaudited financial statements of the Subsidiary; and

(b) assumes that the Additional Investment had been completed on 1 January 2016 for illustrating the financial effects on the earnings per share ("EPS") of the Group; and on 31 December 2016 for illustrating the financial effects on the net tangible asset ("NTA") per share of the Group.

4.2 NTA per share

	Before the Additional Investment	**After the Additional Investment**
NTA of the Group as at 31 December 2016 (S$'000)	34,601	34,601
Number of issued shares excluding treasury shares ('000)	3,120,000	3,120,000
NTA per share (S$ cents)	1.11	1.11

4.3 EPS

	Before the Additional Investment	After the Additional Investment
Net profit of the Group for the period ending 31 December 2016 (S$'000)	(9,740)	(9,740)
Weighted average number of ordinary shares outstanding for basic earnings per share computation ('000)	3,120,000	3,120,000
Basic EPS per share (S$ cents)	(3.12)	(3.12)

5. INTERESTS OF DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS

None of the directors (other than in his capacity as a director or shareholder of the Company) and substantial shareholders of the Company has any interest, direct or indirect, in the Additional Investment.

BY ORDER OF THE BOARD

Ji Zenghe
Executive Chairman and Chief Executive Officer
20 April 2017