EUCON HOLDING LIMITED
(Incorporated in Singapore)
(Company Registration No: 200107762R)

PROPOSED DISPOSAL OF EUCON INVESTMENT HOLDING PTE. LTD.

---

1. INTRODUCTION

The Board of Directors (the "**Board**") of Eucon Holding Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 30 December 2016 entered into a conditional sale and purchase agreement ("**Sale and Purchase Agreement**") with Mr. Wen Yao-Long (the "**Purchaser**" or "**Mr. Wen**"), to acquire the entire issued and paid-up share capital of Eucon Investment Holding Pte. Ltd. (the "**Target**") (the "**Proposed Disposal**").

2. THE PROPOSED DISPOSAL

2.1 The Company shall dispose the entire issued and paid-up share capital of the Target, a wholly-owned subsidiary of the Company (the "**Target Shares**") to the Purchaser, in accordance with the terms and conditions of the Sale and Purchase Agreement.

2.2 Pursuant to an intra-Group restructuring exercise completed by the Company 1 October 2016 (as announced on SGXNET on 1 April 2016), the Company's subsidiaries which are engaged in the business of mechanical drilling, laser drilling, routing, manufacturing of integrated printed circuit boards were restructured to be subsidiaries of the Target (collectively, the "**Target Group**" and each a "**Target Group Company**"). The direct shareholding of the Target in each Target Group Company is set out in Appendix A.

2.3 The Purchaser shall pay the Company a nominal consideration of S$1.00 (the "**Nominal Consideration**") for the Target Shares. The Nominal Consideration was arrived at on a willing buyer and willing seller basis, taking into taking into consideration the net liability position of the Target Group of S$5,211,000 as of 31 October 2016.

2.4 The Proposed Disposal shall be subject to the following conditions precedent being satisfied on or before 30 April 2017:

(a) approval of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in respect of the Proposed Disposal and the SGX-ST not having imposing any condition(s) which are unacceptable to the Company and/or the Purchaser; and

(b) if required by the SGX-ST, the resolution of the shareholders of the Company ("**Shareholders**") and independent Shareholders (as applicable) having been obtained for the entry into, implementation and completion of the Proposed Disposal.

3. RATIONALE FOR THE PROPOSED DISPOSAL

Following the approval of shareholders for the Proposed Diversification (as defined in the circular dated 27 September 2016 issued by the Company to its shareholders (the "**Circular**")) on 12 October 2016, the Board believes that the Proposed Disposal is in the best interests of the Group as it enables the Group to focus all its resources to diversify into the Media Business (as defined in the Circular).

4. RULE 1006

4.1 **Relative Figures.** The relative figures of the Proposed Disposal 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	97.20%[(1)]
Rule 1006(b): Net profit/(loss) attributable to the assets acquired, compared with the Group's net profit	79.13%[(2)]
Rule 1006(c): The value of the Nominal Consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	0.00%[(3)]
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.

Notes:

(1) The net asset value of the Target Group as of 30 September 2016 is negative S$5,136,000; whereas the net asset value of the Group as of 30 September 2016 is negative S$5,284,000. Assuming the net asset value of the Group as of 31 October 2016 is used, and adjusted for the S$45 million share subscription completed on 12 October 2016, the adjusted net asset value of the Target Group as of 30 September 2016 is negative S$5,211,000 and net asset value of the Group is equivalent to S$40,264,000. The Rule 1006(a) relative figure is equivalent to negative12.9%.

(2) The unaudited net loss attributable to the Target Group for financial period ended 30 September 2016 is S$9,951,000, whereas the unaudited net loss attributable to the Group for the financial period ended 30 September 2016 is S$12,575,000.

(3) The Nominal Consideration is S$1.00. The market capitalisation of S$87,360,000 is derived from the volume weighted average price of S$0.028 per share as at 29 December 2016, being the market day preceding the date of the Sale and Purchase Agreement *(Source: Bloomberg)*.

4.2 **Major Transaction.** The Board notes that the relative figures under Rules 1006(a) and (b) (read with Rule 1007) of the Listing Manual exceed 20%. Accordingly, the Proposed Disposal constitutes a "Major Transaction".

Notwithstanding the relative figures above which renders the Proposed Disposal a "Major Transaction", given that the Target Group is loss-making and has a negative net tangible asset value, the Company has made a written submission to the SGX-ST to apply for waiver from the requirement for the Company to obtain Shareholders' approval for the Proposed Disposal. The SGX-ST is currently reviewing the application and the Company will provide any updates to Shareholders in due course.

5. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

5.1 Assumptions

The pro forma financial effects of the Proposed Disposal 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 Proposed Disposal.

The pro forma financial effects of the Proposed Disposal presented below:

(a) have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2015 and on the unaudited consolidated financial statements of the Target; and

(b) assumes that the Proposed Disposal had been completed on 1 January 2015 for illustrating the financial effects on the earnings per share ("**EPS**") of the Group; and on 31 December 2015 for illustrating the financial effects on the net tangible asset ("**NTA**") per share of the Group.

5.2 NTA per share

	Before the Proposed Disposal	**After the Proposed Disposal**
NTA of the Group as at 31 December 2015 (S$'000)	2,499	7,710
Number of issued shares excluding treasury shares ('000)	570,000	570,000
NTA per share (S$ cents)	0.438	1.353

5.3 **EPS**

	Before the Proposed Disposal	After the Proposed Disposal
Net profit of the Group for the period ending 31 December 2015 (S$'000)	(19,049)	(8,954)
Weighted average number of ordinary shares outstanding for basic earnings per share computation ('000)	570,000	570,000
Basic EPS per share (S$ cents)	(3.342)	(1.571)

6. INTERESTED PERSON TRANSACTION

Mr. Wen is a non-executive director of the Company. Accordingly, the Proposed Disposal constitutes an interested person transaction pursuant to Chapter 9 of the Listing Manual. For completeness, Mr. Wen was the chairman, chief executive officer and controlling shareholder of the Company prior to Tranche 1 Completion (as defined in the Circular). Mr. Wen was re-designated as a non-executive director upon Tranche 1 Completion

Notwithstanding the above, as (i) the Nominal Consideration of S$1.00 represents less than 3.0% of the audited NTA of the Group of S$7,153,000 as at 31 December 2015; and (ii) the Nominal Consideration of S$1.00 is below S$100,000, the Proposed Disposal is not subject to the approval of independent Shareholders of the Company.

7. INTERESTS OF DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS

Save for Mr. Wen, 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 Proposed Disposal.

8. DOCUMENTS FOR INSPECTION

A copy of the Sale and Purchase Agreement will be made available for inspection during normal business hours at the registered office of the Company at 80 Marine Parade Road, #11-02 Parkway Parade, Singapore 449269 for three (3) months from the date of this Announcement.

9. SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

10. CAUTION IN TRADING

Shareholders are advised to continue exercising caution in trading their shares and to read this Announcement together with all other existing and future announcements by the Company in relation to the Proposed Disposal carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

11. RESPONSIBILITY STATEMENT

The directors of the Company ("**Directors**") (including those who may have delegated detailed supervision of the preparation of this Announcement) collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed herein are fair and accurate in all material respects as at the date hereof, and that there are no material facts the omission of which would make this Announcement misleading. Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement.

BY ORDER OF THE BOARD

Ji Zenghe
Executive Chairman and Chief Executive Officer

1 January 2017

APPENDIX A

DIRECT SHAREHOLDING OF THE TARGET IN EACH TARGET GROUP COMPANY

Name of each Target Group Company (excluding the Target)	Company Registration No.	Place of Incorporation	Direct shareholding of the Target in each Target Group Company
Shanghai Zeng Kang Electronic Co., Ltd	310000400216305	People's Republic of China	45.0%
Shanghai Zhuo Kai Electronic Technology Co., Ltd	310000400287226	People's Republic of China	80.5%
Shanghai Eu Ya Electronic Technology Co., Ltd	310000400337717	People's Republic of China	45.0%
Shanghai Lian Han Xin Electronic Technology Co., Ltd	310000400478077	People's Republic of China	45.0%
Shanghai Yaolong Electronic Technology Co., Ltd	310000400258896	People's Republic of China	45.0%
LGANG Optronics Technology Co., Ltd	23005978	Taiwan	100%