Eucon Holding Limited
RCB REG NO: 200107762R

CESSATION OF MANUFACTURING AND SALES OF LED EMITTERS AND DISPOSAL OF RELATING LED MACHINERIES

The Board of Directors of Eucon Holding Limited (the "Company" or together with its subsidiaries, the "Group") wishes to announce the cessation of manufacturing and sales of LED emitters (the "Cessation") and disposal of its relating LED machineries (the "Disposal"). LGANG Optronics Technology Co., Ltd ("LGANG") had entered into a Sale and Purchase Agreement ("the Agreement") with Bright View Electronics Co., Ltd ("the Purchaser") to dispose of its machineries and equipment used in the production of LED Emitters for a consideration of approximately S$836,000.

LED Emitters and Rationale for its Cessation

LGANG embarked onto research and development of LED in 2010 and subsequently expanded into LED business earlier this year. Announcement was made on 9th January 2012 on this diversification.

The Group sees the intensifying of price competitiveness of LED Emitters in Taiwan and China in the recent months. The Group foresees operating loss from sales of LED Emitters to continue into 2013 and may significantly affect the Group earnings in the future.

Information on Sale and Purchase Agreement

The total consideration amounted to approximately S$836,000. The Consideration was arrived on a willing buyer and willing seller basis after arm's length negotiations between LGANG and the Purchaser. The Consideration will be satisfied in Cash and the proceeds will be used for repayment of existing loan on LED machineries and into the Group's operational cashflow. The Disposal and Cessation are expected to be completed in the first quarter of financial year 2013.

Computation of Rule 1006 of SGX-ST Listing Manual

The relative figures of Rule 1006 of the SGX-ST Listing Manual based on the unaudited financials of LED business and Eucon Group's consolidated financial statements for the half year ended 30 June 2012 are as follows:

Rule	Bases	Relative Figures
1006(a)	The net asset value attributable to LED Emitters business to be disposed of is -S$1,668,946(i), compared to the Group's latest announced consolidated net asset value of S$52,107,000 as at 30 June 2012.	-3.2%
1006(b)	The net loss (before income tax, minority interests and extraordinary items) attributable to LED Emitters business to be disposed of is S$380,044, compared to the Group's latest announced consolidated net loss of S$9,402,000 as at 30 June 2012. (ii)	-4.0%.

1006(c)	The value of the consideration to be received is S$836,000, compared with the Eucon Group's market capitalization of S$13,110,000 (based on the weighted average price of the Group's shares transacted on the market day preceding the date of the Agreement.	6.4%
1006(d)	Not applicable	Not applicable

(i) As LED Emitter business is a sub-segment of LGANG's LED business and its operating period is within the financial year 2012, the NAV attributable to LED Emitters business is derived from the unaudited accounts of LGANG with the following adjustments:

	S$
NAV of LED Emitter business on 31 August 2012	380,044
Add: Loss on disposal of LED machineries and equipment	1,139,660
Add: Impairment loss on inventory	149,242
Adjusted NAV	1,668,946

(ii) Had the disposal loss of LED machineries and equipment of S$1.14 million been factored in, the net loss (before income tax, minority interests and extraordinary items) attributable to LED Emitters business to be disposed of compared to the Group's latest announced consolidated net loss would be 17.8%.

As the relative figures shown above exceed 5% but do not exceed 20%, the Disposal 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 Disposal.

Financial Effect on Cessation

Based on the un-audited financials of LED business, the net book value and net loss after tax attributable to LED Emitters sub-business segment are S$1,668,946. LGANG is expected to record a loss of S$1,139,660 from the Disposal.

For illustration purpose only, assuming (as per Rule 1010(8) of the SGX Listing Manual) that the Disposal had been effected as at 31 December 2011 and based on the audited accounts of the Group for the year ended 31 December 2011 ("FY2011"), the Disposal would have decreased the net asset value per share of the Group from 10.88 cents to 10.59 cents.

For illustration purpose only, assuming (as per Rule 1010(9) of the SGX Listing Manual) that the Disposal had been effected as at 1 January 2012 and based on FY2011 audited accounts of the Group, the Disposal would have increased the loss per share of the Group from 0.73 cents to 1.03 cents.

BY ORDER OF THE BOARD

Wen Yao-Long
Executive Chairman and CEO
15 October 2012