EUCON HOLDING LIMITED

(Company Registration No.: 200107762R)

(Incorporated in the Republic of Singapore)

(the "**Company**" together with its subsidiaries, the "**Group**")

DIFFERENCE BETWEEN UNAUDITED AND AUDITED FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The Board of Directors (the "Board") of Eucon Holding Limited (the "Company" and together with its subsidiaries, the "Group") refers to the unaudited full year financial results announcements for the financial year ended 31 December 2015 ("FY2015") released via the SGXNet on 29 February 2016 (the "Unaudited Financial Statements"). Further reference is made to the Audited Financial Statements of the Company for FY2015 (the "Audited Financial Statements") which will be provided to shareholders and the SGX-ST in due course.

Pursuant to Rule 704(6) of the Listing Manual, the Board wishes to highlight that there are certain adjustments made by the Company to the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Statements of Financial Position (Group and Company) and Consolidated Statement of Cash Flows in the Audited Financial Statements compared to what was disclosed in the Unaudited Financial Statements. The adjustments were made following the finalisation of the audit and a summary of the adjustments is set out below.

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2015

	Unaudited Financial Statements	Audited Financial Statements	Difference	Note
	$'000	$'000	$'000	
Revenue	**52,493**	**52,493**	-	
Cost of services	(49,687)	(49,687)	-	
Gross profit	**2,806**	**2,806**		
Other income (including interest income)	3,070	3,088	(18)	a
Administrative expenses	(24,189)	(9,982)	(14,207)	b
Distribution costs	(1,821)	(1,770)	(51)	
Other expenses	(1,706)	(14,518)	12,812	b
Share of loss of associate	-	-	-	
Finance costs	(1,296)	(1,296)	-	
Loss before income tax	**(23,136)**	**(21,672)**		
Income tax expense	(796)	-	(796)	a, c
Net loss for the period	**(23,932)**	**(21,672)**		
Attributable to:				
Equity holders of the parent	(21,169)	(19,049)	(2,120)	a, b, c
Non-controlling interest	(2,763)	(2,623)	(140)	a, b, c
	(23,932)	**(21,672)**		
Statement of comprehensive income				
Net loss for the period	(23,932)	(21,672)		
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit obligation	-	377	(377)	a
Foreign currency translation	2,237	841	1,396	a, b, c
Other comprehensive loss for the period	**2,237**	**1,218**		
Total comprehensive loss for the period	**(21,695)**	**(20,454)**		
Total comprehensive loss attributable to:				
Equity holders of the parent	(19,216)	(18,124)	(1,092)	a, b, c
Non-controlling interest	(2,479)	(2,330)	(149)	a, b, c
	(21,695)	**(20,454)**		

Statements of Financial Position as at 31 December 2015

	Group			Company			
	Unaudited Financial Statements	Audited Financial Statements	Difference	Unaudited Financial Statements	Audited Financial Statements	Difference	Note
	$'000	$'000	$'000	$'000	$'000	$'000	
Current assets							
Cash and cash equivalents	6,355	6,355	(0)	1,197	1,197	-	
Pledged bank deposits	1,919	1,919	-	-	-	-	
Structured deposits	17,105	17,105	0	-	-	-	
Trade receivables	12,071	12,071	-	-	-	-	
Other receivables and prepayments	1,308	1,307	1	19	19	-	
Land use rights	100	100	-	-	-	-	
Inventories	4,295	4,295	-	-	-	-	
Total current assets	43,153	43,152		1,216	1,216		
Non-current assets							
Investment in subsidiaries	-	-	-	30,364	32,669	(2,305)	d
Land use rights	2,937	3,061	(124)	-	-	-	b
Property, plant and equipment	18,561	19,940	(1,379)	750	750	-	b
Other receivables	746	746	-	-	-	-	
Goodwill	-	-	-	-	-	-	
Deferred tax asset	325	33	292	-	-	-	c(ii)
Total non-current assets	22,569	23,780		31,114	33,419		
Total assets	**65,722**	**66,932**		**32,330**	**34,635**		
Current liabilities							
Trade and other payables	17,911	17,881	30	11,000	11,000	-	a
Provisions	12,747	12,747	-	12,747	12,747	-	
Derivative financial instruments	252	252	-	-	-	-	
Borrowings	11,017	12,977	(1,960)	-	-	-	e
Current portion of finance leases	-	-	-	-	-	-	
Total current liabilities	41,927	43,857		23,747	23,747	-	
Non-current liabilities							
Retirement benefit obligations	54	54	-	-	-	-	
Due to shareholders	11,060	11,060	-	11,060	11,060	-	
Long-term bank loans	6,769	4,808	1,961	-	-	-	e
Total non-current liabilities	17,883	15,922		11,060	11,060	-	
Capital, reserves and non-controlling interests							
Share capital	56,127	56,127	-	56,127	56,127	-	
Reserves	(54,720)	(53,628)	(1,092)	(58,604)	(56,299)	(2,305)	d
Equity attributable to equity holders of the company	1,407	2,499		(2,477)	(172)		
Non-controlling interest	4,505	4,654	(149)	-	-	-	
Total equity	5,912	7,153		(2,477)	(172)		
Total liabilities and equity	**65,722**	**66,932**		**32,330**	**34,635**		

Consolidated Statement of Cash Flows for the year ended 31 December 2015

	Unaudited Financial Statements	Audited Financial Statements	Difference	Note
	$'000	$'000	$'000	
Operating Activities:				
Loss before Income Tax:	(23,136)	(21,672)	(1,464)	
Adjustments for:-				
Depreciation of property, plant and equipment	6,579	6,149	430	f
Impairment of goodwill	82	82	-	
Impairment of land use rights	1,063	939	124	a
Impairment of property, plant equipment	11,408	10,024	1,384	a
Reversal of allowance for doubtful debts - net	(56)	2	(58)	g
Allowance for inventories	150	(425)	575	h
Defined benefits obligations	-	(157)	157	a
Loss on fair value of financial derivatives	-	162	(162)	i
Amortisation of land use rights	96	96	-	
Provision for loss on share buy-back	1,554	1,554	0	
Property, plant and equipment written off	1	759	(758)	j
Interest income	(22)	(865)	843	k
Interest expense	1,296	1,296	-	
Net foreign exchange gain	(1,843)	(1,488)	(355)	i, l
Loss on disposal of property, plant and equipment	1,416	1,416	-	
Operating (loss) profit before working capital changes	(1,411)	(2,128)	717	
Changes in working capital:-				
Trade receivables	8,910	8,852	58	g
Other receivables and prepayments	1,392	1,393	(1)	
Inventories	223	798	(575)	h
Trade and other payables	(4,132)	(3,658)	(474)	a, i
Cash generated from operations	4,981	5,257	(276)	
Net interest paid	(1,274)	(431)	(843)	k
Contribution to defined benefit plan	-	(16)	16	a
Cash flows generated from operating activities	**3,707**	**4,810**	**(1,103)**	
Investing Activities:				
Decrease (Increase) in investment in structured deposits	3,560	3,196	364	l
Proceeds on disposal of property, plant and equipment	205	62	143	l
Purchase of property, plant and equipment	(3,732)	(3,803)	71	l
Cash flows generated from (used in) investing activities	**33**	**(545)**	**578**	
Financing Activities:				
(Increase) Decrease in pledged bank deposits	(1,556)	(1,556)	-	
Repayment of bank loans	(34,596)	(15,955)	(18,641)	m
New bank loans raised	34,820	15,655	19,165	m
Repayment to shareholders	(3,712)	(3,712)	-	
New loans from shareholders	717	717	-	
Repayment of finance lease obligations	(21)	(21)	-	
Cash flows (used in) generated from financing activities	**(4,348)**	**(4,872)**	**524**	
Net (decrease) increase in cash and cash equivalents	**(607)**	**(607)**		
Cash and cash equivalents at beginning of period	6,916	6,916		
Effect of exchange rate changes on the balances of cash held in foreign currencies	46	46		
Cash and cash equivalents at end of period	**6,355**	**6,355**		

Notes:-

a) Adjustment to take up pension obligation while aligning Republic of China Generally Accepted Accounting Principal ("ROC GAAP") to Singapore Financial Reporting Standards ("SFRS").

b) Reclassification of impairment loss from administrative expenses to other expenses, coupled with adjustment to reverse out impairment provision.

c) Adjustment to take up:

   (i) Tax impact of pension while aligning Republic of China Generally Accepted Accounting Principal ("ROC GAAP") to Singapore Financial Reporting Standards ("SFRS"); and

   (ii) Reversal of deferred tax asset recognised on tax losses due to uncertainty of future profits.

d) Adjustment due to reversal of provision of impairment loss on subsidiaries.

e) Reclassification between long-term bank borrowings and short-term bank borrowings.

f) Adjustment to reverse out over depreciation of plant and equipment of $0.4 million after taking into consideration prior year's provision of impairment on plant and equipment.

g) Adjustment on understatement of movement in provision for doubtful debts with corresponding adjustment on trade receivables.

h) Adjustment on overstatement of movement in allowance for inventories with corresponding adjustment on inventories.

i) Adjustment on understatement on fair value of financial derivatives with corresponding adjustment on net foreign exchange gain.

j) Adjustment on understatement on plant and equipment written off.

k) The increase in interest income is upon reclassification of interest income from structured deposits from other income.

l) The differences in cash flows from investing activities are due to reclassifications with net foreign exchange gain under operating activities.

m) The differences in cash flows from financing activities are due to overstatement in repayment of bank loans and new bank loans raised.

BY ORDER OF THE BOARD

WEN YAO-LONG
EXECUTIVE CHAIRMAN & CHIEF EXECUTIVE OFFICER

31 March 2016