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

PROPOSED ACQUISITION OF BJ VAST UNIVERSE CULTURE COMMUNICATION CO., LTD.

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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 29 December 2016 entered into a conditional sale and purchase agreement ("**Sale and Purchase Agreement**") with Ms. Zhan Yang (the "**Vendor**"), to acquire the entire issued and paid-up share capital of BJ Vast Universe Culture Communication Co., Ltd. (北京中盛浩宇文化传播有限公司) (the "**Target**") from the Vendor (the "**Proposed Acquisition**").

2. THE PROPOSED ACQUISITION

2.1 The Company shall pay the Vendor a consideration of RMB2,400,000 (approximately S$496,800 based on exchange rate of 0.2070) (the "**Consideration**") for the entire issued and paid-up share capital of the Target free from encumbrances. The Consideration shall be wholly satisfied in cash. The Consideration was arrived at after arm's length negotiations and on a willing buyer and willing seller basis, taking into account, *inter alia,* the business prospects of the Target and the value and industry experience of the management team of the Target.

2.2 The Proposed Acquisition is subject to (i) the approval of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in respect of the Proposed Acquisition; and (ii) the SGX-ST not having imposing any condition(s) which are unacceptable to the Company and/or the Vendor, on or before 30 April 2017.

3. THE TARGET

Established in 2010, the Target specializes in advertising, marketing and public relations in the People's Republic of China. The Target presently has three business segments (i) conventions and exhibitions; (ii) public relations; and (iii) creative design, and is the midst of launching two additional business segments – (i) destination marketing; and (ii) sports activities.

The Target has diversified industry experience in government, communications, real estate, retail and finance. Its clients include China Unicom (中国联通), Lenovo, China Mobile (中国移动), Dixon, China Post Group (中国邮政集团) and Ping An Group (平安集团).

Set out below is the 3-year financial highlights of the Target for the financial year ended 31 December 2013 ("**FY2013**"), 2014 ("**FY2014**") and 2015 ("**FY2015**"), and for 10 months financial period ended 31 October 2016 ("**FP2016**"):

	<----------Unaudited---------->			
(RMB'000)	**FY2013**	**FY2014**	**FY2015**	**FP2016**
Revenue	1,186	2,132	2,805	2,352
EBITDA	(19)	(3)	47	1,071
Net (loss)/profit after tax	(19)	(4)	47	1,071
Net asset value	959	955	1,003	2,073

Based on the financials of the Target for FP2016, the Consideration values the Target at a price to earnings ratio of 2.24 times and price to net asset value ratio of 1.15 times.

4. RATIONALE FOR THE PROPOSED ACQUISITION

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 Proposed Acquisition is a diversification into the Media Business (as defined in the Circular). Please refer to Section 7 of the Circular for more information on the Proposed Diversification.

5. RULE 1006

5.1 **Relative Figures.** The relative figures of the Proposed Acquisition 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 acquisition
Rule 1006(b): Net profit/(loss) attributable to the assets acquired, compared with the Group's net profit	-1.77%[(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	0.57%[(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 October 2016 is RMB1,071,202 (or approximately S$222,382), based on an exchange rate of S$1 : RMB4.83) whereas the unaudited net loss attributable to the Group for the financial period ended 30 September 2016 is S$12,575,000.

(2) The Consideration is RMB2,400,000 (approximately S$496,000), based on an exchange rate of S$1 : RMB4.83). The market capitalisation of S$87,360,000 is derived from the volume weighted average price of S$0.028 per share as at 28 December 2016, being the market day preceding the date of the Sale and Purchase Agreement *(Source: Bloomberg)*.

5.2 **Non-disclosable Transaction.** The Board notes that the relative figures under Rules 1006(b) (read with Rule 1007) of the Listing Manual do not exceed 5%. Accordingly, the Proposed Acquisition constitutes a "Non-disclosable Transaction". Notwithstanding that the Proposed Acquisition constitutes a "Non-disclosable Transaction":

(a) the Proposed Acquisition is subject to the approval of the SGX-ST pursuant to the conditions of the approval-in-principle granted by the SGX-ST in respect of the transactions set out in the Circular (see page 13 of the Circular); and

(b) the Board has resolved to announce the Proposed Acquisition in the interest of disclosure and transparency.

6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

6.1 Assumptions

The pro forma financial effects of the Proposed Acquisition 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 Acquisition.

The pro forma financial effects of the Proposed Acquisition 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 Acquisition 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.

6.2 **NTA per share**

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA of the Group as at 31 December 2015 (S$'000)	7,153	7,567
Number of issued shares excluding treasury shares ('000)	570,000	570,000
NTA per share (S$ cents)	1.25	1.33

6.3 **EPS**

	Before the Proposed Acquisition	After the Proposed Acquisition
Net profit of the Group for the period ending 31 December 2015 (S$'000)	(21,672)	(21,450)
Weighted average number of ordinary shares outstanding for basic earnings per share computation ('000)	570,000	570,000
Basic EPS per share (S$ cents)	(3.80)	(3.76)

7. 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 Proposed Acquisition.

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 Acquisition. 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 Acquisition 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 (other than information relating to the Target) and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed herein (other than information relating to the Target) 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