

EUCON HOLDING LIMITED

(Company Registration No. 200107762R)

SUPPLEMENTAL AGREEMENT TO THE AGREEMENT RELATING TO CORPORATE RESTRUCTURING EXERCISE OF PRC SUBSIDIARIES

BACKGROUND

The Board of Directors (the “Board”) of Eucon Holding Limited (the “Company”) wishes to refer to the Company’s announcement made on 14 June 2007 whereby it was announced that the Company had entered into an agreement dated 12 June 2007 (the “Agreement”) with HongTa Innovation Partners Co., Ltd (“HongTa”) to effect a corporate restructuring exercise (the “Restructuring Exercise”) involving a number of the Company’s PRC Subsidiaries. The Restructuring Exercise was implemented to facilitate an investment by HongTa and to streamline the structure of the PRC Subsidiaries, with a view to future fund raising exercises and a potential listing (“IPO”) of Shanghai Zhuo Kai Electronic Technology Co., Ltd (“Zhou Kai”). The principal activities of Zhou Kai are to provide PCB Manufacturing and laser drilling services.

In accordance with the Agreement, the Company and HongTa had injected USD714,225 and RMB50 million (approximately USD6.7 million) respectively into Zhou Kai. In addition, the Company had sold to Zhuo Kai 55% of its interest in the registered capital of the *Other Subsidiaries in PRC (as defined below) and the Company had re-invested part of the proceeds in Zhou Kai. Consequently, Zhou Kai’s registered capital has been revised to USD25,117,440. The Company owns 87.5% shareholding in Zhuo Kai which is USD21,977,760 equivalent and HongTa owns 12.5% shareholding in Zhuo Kai which is USD3,139,680 equivalent. As a result of the Restructuring Exercise, the Company’s effective interest in the registered capital of the Other Subsidiaries in PRC is 93.125% (45% direct interest and 48.125% indirect interest through Zhou Kai).

(Please refer to the attached for a copy of related announcement previously made)

INITIAL IPO COMMITMENT

Under the Agreement, HongTa has the right to request Zhou Kai to buy back partial or the entire Zhou Kai shares owned by HongTa if Zhou Kai is unable to meet all of the following conditions.

- (a) Zhou Kai is to fulfill the IPO commitment within 36 months with effect of the completion of the initial capital injection, and

- (b) Zhuo Kai is to meet certain net profit target for combined fiscal year of 2007, 2008 and 2009.

Failing which, the buy back price of the Zhou Kai shares owned by HongTa will be calculated based on the following, whichever is higher:

- (a) The invested amount by HongTa plus interest computed at an annual rate of 15%, or
- (b) A value equivalent to its relative shareholding of Zhou Kai net assets at the time of buy back.

SUPPLEMENTAL AGREEMENT

In view of the harsh and challenging business environment in the past 2 years, both Hongta and the Company have agreed to re-negotiate the investment arrangement and have entered into a Supplemental Agreement which will supersede the Agreement in the following areas: -

(i) Change in Shareholding in Zhuo Kai

The Company will transfer 7% of its existing shareholding in Zhuo Kai (based on the audited net equity as at 31 December 2009) to HongTa for a nominal consideration of RMB10,000. Upon completion of the said transfer, HongTa's revised shareholding in Zhuo Kai will be 19.5% while the Company's shareholding will be reduced to 80.5%.

Consequent to the above, the Company's effective interest in the Other Subsidiaries in PRC will be reduced to 89.275% (45% direct interest and 44.275% indirect interest through Zhuo Kai).

(ii) Buy-back Option

- (a) Zhuo Kai is to fulfill the IPO commitment within 60 months with effect from the date of the completion of the above-mentioned share transfer. Failing which, HongTa is able to exercise its buy-back option to request the Company to buy-back its 19.5% shareholding in Zhuo Kai;
- (b) In determining the buy back price, HongTa's 19.5% shareholding in Zhuo Kai is valued via the computation as below, whichever is higher:
 - i. Based on initial capital injection of RMB 50 million, 15% per annum for the initial period of 36 months and 12% return per annum on the following 60 months period, or

- ii. A value equivalent to its relative shareholding on the net assets value of Zhuo Kai at the time of exercise.

The above computed value will be reduced by any accumulated dividends paid to HongTa, subject to a maximum reduction of the value to RMB 50 million.

In relation to the transfer of 7% shareholdings in Zhuo Kai to HongTa, the Group would recognise a loss on disposal of shareholdings amounting to S\$3.15 million (which is a non-cash item). The Board is of the opinion that the above transactions are not expected to have any material impact on the consolidated net tangible assets of the Group for the financial year ending 31 December 2010.

None of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the subject matter of this announcement, other than through their respective shareholdings in the Company.

BY ORDER OF THE BOARD

Wen Yao-Long
Executive Chairman & CEO

Date: 28 September 2010

* The Other Subsidiaries in PRC are: -

- Shanghai Zeng Kang Electronic Co., Ltd;
- Shanghai Yaolong Electronic Technology Co., Ltd;
- Shanghai Eu Ya Electronic Technology Co., Ltd; and
- Shanghai Lian Han Xin Electronic Technology Co., Ltd.