Eucon Holding Limited
RCB REG NO: 200107762R

RESPONSE TO SINGAPORE EXCHANGE'S QUERY REGARDING ANNOUNCEMENT OF FULL YEAR RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

The Board of Directors of Eucon Holding Limited ("The Company") refers to its Full Year Results Announcement and wishes to provide the following information in response to the query raised by the Singapore Exchange ("SGX") on 6th March 2013.

SGX Query:
We note from page 6 of the Company's results announcement that the increase in the Company's administrative expenses was mainly due to a $9.7 million provision made for loss in share buy-back from Hongta Innovation Partners Co., Ltd ("Hongta"). Provision for loss on share buy-back was made after assessing on the probability of meeting the share buy-back requirements as stated in the Sales and Purchase Agreements signed in 2007 and 2010. In respect of the above, please provide the following information:

(i) When was the share buy-back.

Company Response:
With reference to "Announcement on Hongta" made on 28 Sep 2010, HongTa is able to exercise its buy-back option to request the Company to buy-back its 19.5% shareholding in Zhuo Kai if Zhuo Kai fails to fulfill the IPO commitment by the end of the 5 year period ending October 2015. The Company does not have the option to buyback Zhuo Kai shares from Hong Ta.

However, there is no specific time frame stipulated in the Agreement where Hongta is able to exercise its option. Provision for loss on share buy-back was made after assessing on the probability of meeting the share buy-back requirements as stated in the Sales and Purchase Agreements signed in 2007 and 2010.

(ii) Under what circumstances the Company would buy back shares from Hongta.

Company Response:
With reference to "Announcement on Hongta" made on 28 Sep 2010, HongTa is able to exercise its buy-back option to request the Company to buy-back its 19.5% shareholding in Zhuo Kai if Zhuo Kai fails to fulfill the IPO commitment by the end of the 5 year period ending October 2015.

(iii) Why is the Company making the provision and when was the decision made on the amount of provision to be made.

Company Response:
Provision for loss on share buy-back was made after assessing on the probability of meeting the share buy-back requirements as stated in the Sales and Purchase Agreements signed in 2007 and 2010. As per share buy-back requirement, Zhuo Kai is to fulfill the IPO commitment by the end of the 5 year period ending October 2015. Zhuo Kai incurred a net loss for financial year ended 31 December 2012, failing to meet the requirement of having 3 consecutive years of profit track record (which refers to financial years of December 31, 2012 to 2014) for IPO submission. This provision was made during 7 February 2013 as soon as the management has obtained the full year results of Zhuo Kai and its subsidiaries which reflected net loss position for the Zhuo Kai group.

Provision of $9.7 million refers to the loss on share buy-back which Eucon Group will take up in the P&L if the share buy-back was to be exercised. Computation was determined via consideration payable less Net Asset Value of 19.5% of equity of subsidiary group.

BY ORDER OF THE BOARD

Wen Yao-Long
Executive Chairman and CEO
6 March 2013