

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

Eucon Holding Limited (the "Company") was placed on the watch-list pursuant to Rule 1311 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") with effect from 5 March 2014.

Pursuant to Rule 1313(2) of the Listing Manual of the SGX-ST, the Board of Directors (the "Board") of the Company wishes to provide the following updates:

Update on Financial Position

(S\$'000)	1H17	2H16	Fav/ (Unfav) %	2Q17	2Q16	Fav/ (Unfav) %
<u>Continued Operations:</u>						
Revenue	1.1	-	NM	0.4	-	NM
Gross profit	0.7	-	NM	0.4	-	NM
Profit from operations	2.1	-	NM	0.1	-	NM
Finance costs	-	-	NM	-	-	NM
Pre-tax profit	2.1	-	NM	0.1	-	NM
Tax expense	(0.2)	-	NM	(0.1)	-	NM
Net profit for the period from continuing operations	1.9	-	NM	-	-	NM
<u>Discontinued Operations:</u>						
Loss for the period from discontinued operations	-	(6.9)	NM	-	(2.9)	NM
Net profit / (loss) for the period	1.9	(6.9)	NM	-	(2.9)	NM

*NM – Not meaningful

Revenue for the six months ended 30 June 2017 ("1H17") were made up of revenue from management of cultural events and activities of \$531,000 and provision of management services to BJ Aozhong Real Estate for certain of their assets for \$610,000 .

Revenue for the three months ended 30 June 2017 ("2Q17") were made up of revenue from management of cultural events and activities of \$79,000 and provision of management services to BJ Aozhong Real Estate for certain of their assets for \$305,000. The decline in revenue from management of cultural events and activities for 2Q17 is due to seasonal demand.

The gross profit margin for 1H17 is 64.7% while for 2Q17 is 94.3%. This increase in gross profit margin is due to higher composition of provision of management services in 2Q17 revenue. As compared with provision of management services, gross profit margin from management of cultural events and activities is lower as it includes other costs such as renting of event space, decorations, etc.

After taking into consideration administrative and other expenses, the Group reported a net profit of \$48,000 for 2Q17.

Update on Future Direction

Subsequent to the \$45 million fund injection on 12 October 2016, the Group's focus will be on the removal from SGX watch-list via assets acquisition. In accordance with the Circular dated 27 September 2016, the Company will consult the SGX-ST on any acquisitions entered into in the next 12 months following completion of the Proposed Subscription and the SGX-ST may require the Company to comply with one or more of the following conditions:

- (i) Target company to be profitable;
- (ii) Target company to be in healthy financial position;
- (iii) An independent valuation to be commissioned on the target company; and
- (iv) Moratorium of at least 6 months on the shareholdings of the controlling shareholders.

Subsequent to the acquisition of Beijing Vast Universe, the Group is still continuing to look out for potential and profitable target assets. The utmost priority for the Group is to be profitable in 2017 and exit the Watchlist.

Shareholders are advised to exercise caution in trading their Shares. The Company will make the necessary announcements when there are further developments.

BY ORDER OF THE BOARD

Ji Zenghe
Executive Chairman and Chief Executive Officer
8 August 2017