EUCON HOLDING LIMITED
(Company Registration No.: 200107762R)
(Incorporated in the Republic of Singapore)
(the "**Company**" together with its subsidiaries, the "**Group**")

(A) CONSULTATION ON WHETHER THE SINGAPORE EXCHANGE ("SGX-ST") HAS ANY OBJECTION TO THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF BJ VAST UNIVERSE CULTURE COMMUNICATION CO., LTD PURSUANT TO ONE OF THE CONDITIONS IMPOSED BY THE SGX-ST IN ITS APPROVAL IN-PRINCIPLE DATED 9 SEPTEMBER 2016 ("PROPOSED ACQUISITION");

(B) APPLICATION FOR WAIVER OF THE REQUIREMENT UNDER RULE 1014(2) TO SEEK SHAREHOLDERS' APPROVAL FOR THE PROPOSED DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF EUCON INVESTMENT HOLDING PTE. LTD. (THE "TARGET", AND TOGETHER WITH ITS SUBSIDIARIES, THE "TARGET GROUP") ("PROPOSED DISPOSAL"); AND

(C) APPLICATION FOR FURTHER EXTENSION OF 12 MONTHS UNTIL 4 MARCH 2018 TO COMPLY WITH THE REQUIREMENTS FOR EXIT FROM THE FINANCIAL WATCHLIST ("PROPOSED EXTENSION")

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1. The board of directors (the "**Board**") of the Company refers to the following announcements made by the Company:

   (a) with respect to the Proposed Acquisition, an announcement dated 1 January 2017;

   (b) with respect to the Proposed Disposal, an announcement dated 1 January 2017 (which for the avoidance of doubt is a different announcement from that referred in (a) above); and

   (c) with respect to the Proposed Extension, the announcement dated 3 March 2017.

2. Further to the Company's correspondence with the SGX-ST, the Board is pleased to announce that on 31 March 2017:

   (a) the SGX-ST has advised that it has no objection to the Proposed Acquisition and the Company not commissioning an independent valuation for the Proposed Acquisition;

   (b) the SGX-ST has no objection waiving Listing Rule 1014(2) in respect of the Proposed Disposal, subject to the following:

(i) the Company announcing the waiver granted, the reasons for seeking the waiver and the conditions as required under Listing Rule 107[1];

(ii) submission of a written confirmation from the Company that the waiver does not contravene any laws and regulations governing the Company and the constitution of the Company; and

(iii) Oriental Straits Fund III submitting a letter to the SGX-ST confirming that it will vote in favour of the Proposed Disposal should shareholders' approval be required.

(c) the SGX-ST has no objection to the Proposed Extension of time to 4 March 2018 for the Company to comply with the requirements for exit from the financial watchlist subject to the following:

(i) the Company announcing the period of extension granted, the reasons for seeking the extension of time and the conditions as required under Listing Rule 107[1]; and

(ii) Submission of a written confirmation from the Company that the waiver does not contravene any laws and regulations governing the Company and the constitution of the Company.

3. The reasons for the Company having (i) sought the waiver of the requirement under Rule 1014(2) to seek shareholders' approval for the Proposed Disposal; and (ii) applied for a further extension of 12 months until 4 March 2018 to comply with the requirements for exit from the financial watchlist, are set out in Appendix 1 and 2, respectively.

4. Please note that the SGX-ST reserves the right to amend and/or vary the above decision and such decision is subject to changes in the SGX-ST's policies.

5. Shareholders of the Company are advised to exercise caution when trading in the shares of the Company. Persons who are in doubt as to the action they should take, should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

BY ORDER OF THE BOARD

JI ZENGHE
EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

3 April 2017

[1] Listing Rule 107 provides that the SGX-ST may waive or modify compliance with a listing rule (or part of a rule) either generally or to suit the circumstances of a particular case, unless the listing rule specifies that the SGX-ST will not waive it. The SGX-ST may grant a waiver subject to such conditions, as it considers appropriate. If the SGX-ST waives a listing rule (or part of a rule) subject to a condition, the condition must be satisfied for the waiver to be effective. Where a waiver is granted, the issuer must announce the waiver, the reasons for seeking the waiver and the conditions, if any, upon which the waiver is granted as soon as practicable.

Appendix 1

Set out below are reasons why the Company had sought from the SGX-ST the waiver of the requirement under Rule 1014(2) to seek shareholders' approval for the Proposed Disposal.

To recap, the relative figures of the Proposed Disposal computed on the bases set out in Rules 1006(a) and (b) of the Listing Manual is equivalent to 97.20% and 79.13%, respectively. Notwithstanding both relative figures exceed 20%, the Company sought a waiver from the SGX-ST for the Company to seek shareholders' approval for the Proposed Disposal on the following basis:

1. Oriental Straits Fund III is supportive of the Proposed Disposal. Oriental Straits Fund III is the controlling shareholder of the Company with approximately 80% of shareholding in the Company following the proposed subscription completed on 12 October 2016 ("**Proposed Subscription**").

2. Given the foregoing, convening an extraordinary general meeting to seek shareholders' approval for the Proposed Disposal will require the Company to unnecessarily incur valuable resources which would otherwise be better spent for new businesses pursuant to the proposed diversification approved by shareholders of the Company at the extraordinary general meeting dated 12 October 2016 ("**Proposed Diversification**").

3. The relative figure of Rule 1006(a) of 97.20%, which is calculated based on the unaudited net asset value of the Group as of 30 September 2016 as required by Listing Rule 1002(3)(c) is not representative of the true financial position of the Group. Where the unaudited net asset value of the Group as of 31 October 2016 is used (as adjusted for the S$45 million of cash received pursuant to the Proposed Subscription), the Rule 1006(a) relative figure will decrease to approximately negative 12.9%.

4. The relative figure of Rule 1006(b) of 79.13% is a product of two negative figures (loss as opposed to profit) – the unaudited net loss attributable to the Target Group and Group for financial period ended 30 September 2016 is S$9,951,000 and S$12,575,000, respectively. Notwithstanding, given the Target Group is loss-making (and has a negative net asset value), the Proposed Disposal is not prejudicial to the shareholders of the Company, especially when considered in totality with the Proposed Diversification. The Proposed Disposal is also consistent with the Group's plans to work towards meeting the requirements for removal from the financial watchlist by 4 March 2018.

Appendix 2

Set out below are reasons why the Company had applied to the SGX-ST for a further extension of 12 months until 4 March 2018 to comply with the requirements for exit from the financial watchlist.

1. To recap, pursuant to Listing Rule 1315, the cure period of 36 months commencing from 5 March 2014 (being the date on which the Company was placed on the watchlist due to the Financial Entry Criteria) for the Company to meet the requirements of the Financial Exit Criteria had expired on 4 March 2017. Notwithstanding, the Company has taken active steps to meet the requirements of the Financial Exit Criteria and rehabilitate the Company, as evidenced by the Proposed Subscription, Proposed Acquisition and Proposed Disposal.

2. The 12 month extension application to 4 March 2018 for purposes of meeting the requirements of the Financial Exit Criteria was therefore made to undertake the Proposed Diversification, provide the Company a buffer against events beyond its control for the timely completion of the Proposed Acquisition and Proposed Disposal, as well as to provide time for the Company to provide its first set of audited financial statements after the Proposed Acquisition and Proposed Disposal in respect of financial year ending 31 December 2017.