EUCON HOLDING LIMITED

Quarterly Financial Statement And Dividend Announcement

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

On 28 December 2016, Eucon entered into a conditional sale and purchase agreement to acquire the entire issued and paid-up share capital of BJ Vast Universe Culture Communication Co., Ltd.

On 30 December 2016, Eucon entered into a conditional sale and purchase agreement to dispose the entire issued and paid-up share capital of Eucon Investment Holding Pte. Ltd. to Mr Wen Yao-Long.

In compliance with Singapore Financial Reporting Standard (FRS 105 - Non-current Assets Held for Sale and Discontinued Operations), certain figures of the prior periods have been represented to show the discontinued operation separately from continuing operations. Discontinued operations refers to PCB operations, mechanical drilling and routing services. Continued operations will be made up of planning and organizing of conventions and exhibitions, planning and execution of brand and/or product promotion activities and provision of creative graphic design services.

The results of discontinued operations for the financial period 1 January 2016 to 31 December 2016 are presented next page.

	Group			Group		
	12 months ended		Fav/	3 months ended		Fav/
	31/12/2016	31/12/2015	(Unfav)	31/12/2016	31/12/2015	(Unfav)
	$'000	$'000	%	$'000	$'000	%
Continuing Operations						
Revenue	**-**	**-**	**NM**	**-**	**-**	**NM**
Cost of services and sales	-	-	NM	-	-	NM
Gross profit	**-**	**-**	NM	**-**	**-**	NM
Gross margin	*0.0%*	*0.0%*	NM	*0.0%*	*0.0%*	NM
Other income (including interest income)	-	-	NM	-	-	NM
Administrative expenses	-	-	NM	-	-	NM
Distribution costs	-	-	NM	-	-	NM
Other expenses	-	-	NM	-	-	NM
Finance costs	-	-	NM	-	-	NM
(Loss) Profit before income tax	**-**	**-**	NM	**-**	**-**	NM
Income tax expense	-	-	-	-	-	-
Net (loss) profit for the year from continuing operations	**-**	**-**	NM	**-**	**-**	NM
Discontinued Operations						
(Loss) Profit for the year from discontinued operations	(11,336)	(21,672)	48	1,239	(15,370)	NM
(Loss) Profit for the year	**(11,336)**	**(21,672)**	48	**1,239**	**(15,370)**	NM
Attributable to:						
Equity holders of the parent	(9,849)	(19,049)	48	1,281	(13,350)	NM
Non-controlling interest	(1,487)	(2,623)	43	(42)	(2,020)	98
	(11,336)	**(21,672)**		**1,239**	**(15,370)**	NM
Statement of comprehensive income						
Net (loss) profit for the year	(11,336)	(21,672)	48	1,239	(15,370)	NM
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Measurement of defined benefits obligations	6	377	(98)	6	377	(98)
Foreign currency translation	1,302	841	NM	1,164	(375)	NM
Other comprehensive (loss) income for the year	**1,308**	**1,218**		**1,170**	**2**	NM
Total comprehensive (loss) income for the year	**(10,028)**	**(20,454)**	51	**2,409**	**(15,368)**	NM
Total comprehensive (loss) income attributable to:						
Equity holders of the parent	(5,374)	(18,124)	70	5,003	(12,981)	NM
Non-controlling interest	(4,654)	(2,330)	(100)	(2,594)	(2,387)	(9)
	(10,028)	**(20,454)**	51	**2,409**	**(15,368)**	NM

NM: Not meaningful

Loss before income tax is arrived at after charging (crediting) the following:

Discontinued Operation				
Depreciation of property, plant and equipment	4,086	6,149	501	1,388
Impairment of land use rights	-	939	-	939
Impairment of property, plant and equipment	-	10,024	-	10,024
Impairment loss on goodwill	-	82	-	82
Deferred tax written off	33	-	33	-
Allowance for doubtful debts - net	255	2	255	2
Reversal of provision for inventory obsolescence	(583)	(425)	(1,360)	(425)
Defined benefit obligations	-	(157)	-	(157)
Loss on fair value of financial derivatives	-	162	-	162
Amortisation of land use rights	96	96	30	30
Provision for loss on share buy-back	-	1,554	-	(100)
Property, plant and equipment written off	-	759	-	759
Net foreign exchange loss (gain)	(1,852)	(1,488)	(8,229)	1,255
(Gain) Loss on disposal of property, plant and equipment	(3,294)	1,416	(3,267)	712

Discontinued operations:

	Group			Group		
	12 months ended		Fav/	3 months ended		Fav/
	31/12/2016	31/12/2015	(Unfav)	31/12/2016	31/12/2015	(Unfav)
	$'000	$'000	%	$'000	$'000	%
Revenue	**46,651**	**52,493**	(11)	**13,130**	**11,040**	19
Cost of services and sales	(43,966)	(49,687)	12	(8,284)	(10,858)	24
Gross profit	**2,685**	**2,806**	(4)	**4,846**	**182**	NM
Gross margin	*5.8%*	*5.3%*		*36.9%*	*1.6%*	NM
Other income (including interest income)	1,269	3,088	(59)	552	(123)	NM
Administrative expenses	(9,402)	(9,982)	6	(2,308)	(944)	(144)
Distribution costs	(2,003)	(1,770)	(13)	(863)	(463)	(86)
Other expenses	(2,768)	(14,518)	81	(709)	(13,733)	95
Finance costs	(1,101)	(1,296)	15	(263)	(289)	9
(Loss) Profit before income tax	**(11,320)**	**(21,672)**	48	**1,255**	**(15,370)**	NM
Income tax expense	(16)	-	-	(16)	-	-
Net (loss) profit for the period	**(11,336)**	**(21,672)**	48	**1,239**	**(15,370)**	NM

NM: Not meaningful

Net loss for the period as a percentage of revenue	-24.3%	-41.3%	9.4%	-139.2%

1(b)(i) A balance sheet (for the issuer and group) together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position

	Group		Company	
	As at 31/12/2016	As at 31/12/2015	As at 31/12/2016	As at 31/12/2015
	$'000	$'000	$'000	$'000
Current assets				
Cash and cash equivalents	46,047	6,355	15,504	1,197
Restricted cash	-	1,919	-	-
Structured deposits	-	17,105	-	-
Trade receivables	-	12,071	-	-
Other receivables and prepayments	-	1,307	-	19
Assets classified as held for sale	61,496	-	-	-
Land use rights	-	100	-	-
Inventories	-	4,295	-	-
Total current assets	107,543	43,152	15,504	1,216
Non-current assets				
Investment in subsidiaries	-	-	30,000	32,669
Land use rights	-	3,061	-	-
Property, plant and equipment	-	19,940	-	750
Other receivables	-	746	-	-
Deferred tax asset	-	33	-	-
Total non-current assets	-	23,780	30,000	33,419
Total assets	**107,543**	**66,932**	**45,504**	**34,635**
Current liabilities				
Trade and other payables	391	15,585	389	8,704
Provisions	-	12,747	-	12,747
Liabilities classified as held for sale	73,739	-	-	-
Derivative financial instruments	-	252	-	-
Short-term bank loans	-	8,852	-	-
Current portion of long-term bank loans	-	4,125	-	-
Due to shareholders	-	2,296	-	2,296
Total current liabilities	74,130	43,857	389	23,747
Non-current liabilities				
Retirement benefit obligations	-	54	-	-
Due to shareholders	-	11,060	-	11,060
Long-term bank loans	-	4,808	-	-
Total non-current liabilities	-	15,922	-	11,060
Capital, reserves and non-controlling interests				
Share capital	102,027	56,127	102,027	56,127
Reserves	(68,614)	(53,628)	(56,912)	(56,299)
Equity attributable to equity holders of the company	33,413	2,499	45,115	(172)
Non-controlling interest	-	4,654	-	-
Total equity	33,413	7,153	45,115	(172)
Total liabilities and equity	**107,543**	**66,932**	**45,504**	**34,635**

1(b)(ii) Aggregate amount of the group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31/12/2016		As at 31/12/2015	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
-	-	12,977	2,296

The amount repayable after one year

As at 31/12/2016		As at 31/12/2015	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
-	-	4,808	11,060

Details of any collaterals

For 2015, the group's borrowings are primarily secured by personal guarantees from a director, property and land use rights.

1 (c) Cash Flow Statement for year ended 31 December

	Group		Group	
	12 months ended		3 months ended	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	$'000	$'000	$'000	$'000
Operating Activities:				
(Loss) Profit before income tax:	(11,320)	(21,672)	1,255	(15,370)
Adjustments for:-				
Depreciation of property, plant and equipment	4,086	6,149	501	1,388
Impairment of land use rights	-	939	-	939
Impairment of property, plant and equipment	-	10,024	-	10,024
Impairment loss on goodwill	-	82	-	82
Deferred tax written off	33	-	33	-
Allowance for doubtful debts - net	255	2	255	2
Reversal of provision for inventory obsolescence	(583)	(425)	(1,360)	(425)
Defined benefit obligations	(54)	(157)	(54)	(157)
Loss on fair value of financial derivatives	(252)	162	(252)	162
Amortisation of land use rights	96	96	30	30
Share-based payment expense	1,870	-	1,870	-
Provision for loss on share buy-back	-	1,554	-	(100)
Property, plant and equipment written off	-	759	-	759
Interest income	(29)	(865)	(13)	(811)
Interest expense	1,101	1,296	263	289
Net foreign exchange loss (gain)	(1,852)	(1,488)	(8,229)	1,255
(Gain) Loss on disposal of property, plant and equipment	(3,294)	1,416	(3,267)	712
Operating loss before working capital changes	(9,943)	(2,128)	(8,968)	(1,221)
Changes in working capital:-				
Trade receivables	(6,086)	8,852	(819)	2,387
Other receivables and prepayments	376	1,393	567	(420)
Inventories	(2,256)	798	(2,212)	111
Trade and other payables	6,762	(3,658)	5,652	1,898
Cash (used in) generated from operations	(11,147)	5,257	(5,779)	2,755
Net interest (paid) received	(1,072)	(431)	(250)	522
Contribution to defined benefit plan	-	(16)	-	(16)
Cash flows (used in) generated from operating activities	**(12,219)**	**4,810**	**(6,029)**	**3,261**
Investing Activities:				
Proceeds from issuance of share capital	45,000	-	45,000	-
Decrease in investment in structured deposits	11,133	3,196	3,100	1,327
Proceeds on disposal of property, plant and equipment	5,119	62	4,945	(146)
Purchase of property, plant and equipment	(2,047)	(3,803)	(1,994)	(2,404)
Cash flows generated from investing activities	**59,205**	**(545)**	**51,051**	**(1,223)**
Financing Activities:				
Decrease (Increase) in restricted cash	1,711	(1,556)	(4)	(1,582)
Repayment of bank loans	(19,133)	(15,955)	(6,079)	(3,024)
New bank loans raised	19,871	15,655	8,534	3,214
Repayment to shareholders	(1,018)	(3,712)	(552)	(389)
New loans from shareholders	2,277	717	665	-
Repayment of finance lease obligations	-	(21)	-	-
Cash flows generated from (used in) financing activities	**3,708**	**(4,872)**	**2,564**	**(1,781)**
Net (decrease) increase in cash and cash equivalents	**50,695**	**(607)**	**47,586**	**257**
Cash and cash equivalents at beginning of year	6,355	6,916	9,406	6,106
Effect of exchange rate changes on the balances of cash held in foreign currencies	38	46	96	(8)
Cash and cash equivalents at end of year **	**57,088**	**6,355**	**57,088**	**6,355**

** Cash and cash equivalents at end of year of S$57,088,000 comprises of cash and cash equivalents of S$11,041,000 held by PCB-related subsidiaries which are classified under assets held for sale.

1(d)(i) A statement for the issuer and the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity for the financial year ended 31 December

	Share capital $'000	Currency translation reserves $'000	Statutory reserves $'000	Other reserves $'000	Capital reserves $'000	Accumulated losses $'000	Total attributable to equity holders of the company $'000	Non-controlling interests $'000	Total $'000
Group									
At 1 January 2015	**56,127**	**(8,676)**	**7,912**	**(2,993)**	**-**	**(31,747)**	**20,623**	**6,984**	**27,607**
Total comprehensive income for the year:									
Loss for the year	**-**	-	-	-	-	(19,049)	**(19,049)**	(2,623)	**(21,672)**
Other comprehensive loss for the year	**-**	548	-	**-**	**-**	377	**925**	293	**1,218**
Total	**-**	**548**	**-**	**-**	**-**	**(18,672)**	**(18,124)**	**(2,330)**	**(20,454)**
At 31 December 2015	**56,127**	**(8,128)**	**7,912**	**(2,993)**	**-**	**(50,419)**	**2,499**	**4,654**	**7,153**
At 1 January 2016	**56,127**	**(8,128)**	**7,912**	**(2,993)**	**-**	**(50,419)**	**2,499**	**4,654**	**7,153**
Total comprehensive income for the year:									
Loss for the year	-	-	-	-	-	(9,849)	**(9,849)**	(1,487)	**(11,336)**
Other comprehensive income for the year	**-**	1,695	1	**-**	**-**	-	**1,696**	(394)	**1,302**
Total	**-**	**1,695**	**1**	**-**	**-**	**(9,849)**	**(8,153)**	**(1,881)**	**(10,034)**
Transactions with owners, recognised directly in equity:									
Issue of share capital	45,900	-	-	-		-	**45,900**	-	**45,900**
Recognition of share-based payments	-	-	-	-	970	-	**970**	-	**970**
Effects on acquiring non-controlling interests in a subsidiary	-	-	-	(7,803)	-	-	**(7,803)**	(2,773)	**(10,576)**
Total	**45,900**	**-**	**-**	**(7,803)**	**970**	**-**	**39,067**	**(2,773)**	**36,294**
At 31 December 2016	**102,027**	**(6,433)**	**7,913**	**(10,796)**	**970**	**(60,268)**	**33,413**	**-**	**33,413**
Company									
At 1 January 2015	**56,127**	**1,384**	**-**	**-**	**-**	**(41,567)**	**15,944**	**-**	**15,944**
Total comprehensive income for the year:									
Loss for the period	-	-	-	-	-	(16,546)	**(16,546)**	-	**(16,546)**
Other comprehensive loss for the year	-	430	-	-	-	-	**430**	-	**430**
Total	**-**	430	**-**	**-**	**-**	(16,546)	**(16,116)**	**-**	**(16,116)**
At 31 December 2015	**56,127**	**1,814**	**-**	**-**	**-**	**(58,113)**	**(172)**	**-**	**(172)**
At 1 January 2016	**56,127**	**1,814**	**-**	**-**	**-**	**(58,113)**	**(172)**	**-**	**(172)**
Total comprehensive income for the year:									
Loss for the period	-	-	-	-	-	(1,594)	**(1,594)**	-	**(1,594)**
Other comprehensive income for the year	-	9	-	-	-	2	**11**	-	**11**
Total	**-**	**9**	**-**	**-**	**-**	**(1,592)**	**(1,583)**	**-**	**(1,583)**
Transactions with owners, recognised directly in equity:									
Issue of share capital, representing transactions with owners, recognised directly in equity	45,900	-	-	-	-	-	**45,900**	-	**45,900**
Recognition of share-based payments	-	-	-	-	970	-	**970**		**970**
Total	**45,900**	**-**	**-**	**-**	**970**	**-**	**46,870**	**-**	**46,870**
At 31 December 2016	**102,027**	**1,823**	**-**	**-**	**970**	**(59,705)**	**45,115**	**-**	**45,115**

1(d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs,exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

On 12 October 2016, the Company issued 2,500 million ordinary shares at $0.018 each for $45 million and 50 million ordinary shares at $0.18 each, amounting to $900,000, as introducer shares. As at 31 December 2016, total share capital issued stands at $102,027,000.

1(d)(iii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	As at 31/12/2016	As at 31/12/2015
The total number of issued shares excluding treasury shares	3,120,000,000	570,000,000

1(d)(iv) **A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

2. **Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has adopted the same accounting policies and methods of computation for the current year consistent with those of the audited financial statements for the year ended 31 December 2015. In the current financial year, the Group has adopted all the new and revised Financial Reporting Standards ("FRSs") that are relevant to its operations and effective for annual periods beginning on 1 January 2016.

The adoption of these new and revised FRSs does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior years.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and effect, of the change.**

Not applicable.

6. **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year after deducting any provision for preference dividends.**

	Group		Group	
	12 months ended		3 months ended	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
From continuing and discontinued operations:				
Earnings per ordinary share for the year based on net profit/(loss) for the year:				
(i) Based on the weighted average number of ordinary shares in issue (cts); and	(0.82)	(3.34)	0.04	(2.34)
Weighted average number of shares	1,207,500,000	570,000,000	3,120,000,000	570,000,000
(ii) On a fully diluted basis (cts)	(0.82)	(3.34)	0.04	(2.34)
Weighted average number of shares	1,207,500,000	570,000,000	3,120,000,000	570,000,000
From continuing operations:				
Earnings per ordinary share for the year based on net profit/(loss) for the year:				
(i) Based on the weighted average number of ordinary	0.00	0.00	0.00	0.00
Weighted average number of shares	1,207,500,000	570,000,000	3,120,000,000	570,000,000
(ii) On a fully diluted basis (cts)	0.00	0.00	0.00	0.00
Weighted average number of shares	1,207,500,000	570,000,000	3,120,000,000	570,000,000

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on; and (b) immediately preceding financial year.**

	Group		Company	
	As at 31/12/2016	As at 31/12/2015	As at 31/12/2016	As at 31/12/2015
Net asset value per ordinary share (cts)	1.07	0.44	1.45	(0.03)
Number of shares	3,120,000,000	570,000,000	3,120,000,000	570,000,000

8. Review of the Group's performance

On 28 December 2016, Eucon entered into a conditional sale and purchase agreement to acquire the entire issued and paid-up share capital of BJ Vast Universe Culture Communication Co., Ltd.

On 30 December 2016, Eucon entered into a conditional sale and purchase agreement to dispose the entire issued and paid-up share capital of Eucon Investment Holding Pte. Ltd. to Mr Wen Yao-Long.

In compliance with Singapore Financial Reporting Standard (FRS 105 - Non-current Assets Held for Sale and Discontinued Operations), certain figures of the prior periods have been represented to show the discontinued operation separately from continuing operations. Discontinued operations refers to PCB operations, mechanical drilling and routing services. Continued operations will be made up of planning and organizing of conventions and exhibitions, planning and execution of brand and/or product promotion activities and provision of creative graphic design services.

The following income statement analysis were prepared based on discontinued operations.

INCOME STATEMENT

DISCONTINUED OPERATIONS

Revenue

For the year ended 31 December 2016 ("FY16"), the Group reported revenue of $46.7 million, a decrease of 11% from $52.5 million from the corresponding year 2015 ("FY15"). It is a decrease across the board with mechanical drilling and routing bearing the brunt. This is mainly due to low PCB market sentiments globally.

On the contrary, for the three months ended 31 December 2016 ("4Q16"), the Group reported revenue of $13.1 million, an increase of 19% from $11.0 million from the corresponding period in 2015 ("4Q15"). This improvement is carried forward from 3rd quarter of 2016 where an increase in sales orders were received from 4 major customers under PCB Operations. However, due to price competitiveness, profit margin of these sales orders was low.

PCB Operations

PCB operations continue to be the major contributor accounting for 96% of our Group's revenue in FY16. Revenue from PCB operations decreased by 4% from $46.8 million in FY15 to $44.8 million in FY16. As compared to FY15, the increase in sales orders in 2nd half of 2016 is unable to cover for the decrease in sales orders in 1st half of 2016.

On a quarterly basis, revenue from PCB operations increased by 29% from $9.9 million in 4Q15 to $12.8 million in 4Q16. This increase is due to an increase in sales orders were received from 4 major customers.

Mechanical Drilling and Routing

Revenue from Mechanical drilling and Routing segment decreased by 67% from $5.7 million in FY15 to $1.9 million in FY16. Mechanical drilling and routing segments are mainly made up of sub-contracted sales which are volatile to any fluctuations in market demands.

On a quarterly basis, revenue from Mechanical drilling and Routing decreased by 67% from $1.2 million in 4Q15 to $0.4 million in 4Q16.

Geographical Markets

China operations remained as the key contributor to Group's revenue in FY16 at 73%. Since the conversion of Taiwan subsidiary to PCB Operation in 2014, revenue from Taiwan had stabilised at a range of $2 million to $3 million per quarter for FY16.

Profitability

Gross Profit

Gross profit decreased from a gross profit of $2.8 million in FY15 to $2.7 million in FY16. Mechanical drilling and Routing segment posted a gross loss of $0.8 million while PCB Operation made up with S$3.5 million gross profit.

On a quarterly basis, gross profit increased from $0.2 million in FY15 to $4.8 million in FY16. This improvement is due to part of cost restructuring through disposal of under-utilised mechanical drilling machineries in November 2016.

Expenses

Other Income

The decrease in other income was mainly due to a $1 million exchange gain recorded in FY15 and decrease in interest income from structured deposits. Structured deposits decreased from $17.1 million in FY15 to $5.2 million in FY16.

Administrative Expenses

Administrative expenses remained constant at $9 million range for FY15 and FY16.

Distribution Costs

Distribution costs pertain mainly to sales commission payable to sales representatives in processing sales for PCB manufacturing. The slight increase in distribution costs is due to higher commission paid to sales representatives.

Other Expenses

Disposal gain or loss from sale of plant and machinery and exchange difference are classified accordingly between other income or other expenses based on the net effect in that financial period.

The decrease in other expenses from $14.5 million in FY15 to $2.8 million in FY16 is mainly due to $10.0 million of impairment loss on plant and equipments and $1 million of impairment loss on land use rights recognised in FY15. Whereas in FY16, other expenses is made up of provision of $1 million introducer fee for Tranche 2 of the $88 million Subscription exercise.

Finance Costs

Finance costs remained constant at $1 million range for FY15 and FY16.

STATEMENTS OF FINANCIAL POSITION

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On 30 December 2016, Eucon entered into a conditional sale and purchase agreement to dispose the entire issued and paid-up share capital of Eucon Investment Holding Pte. Ltd. to Mr Wen Yao-Long.

In compliance with Singapore Financial Reporting Standard (FRS 105 - Non-current Assets Held for Sale and Discontinued Operations), certain figures of the prior periods have been represented to show the discontinued operation separately from continuing operations. Discontinued operations refers to PCB operations, mechanical drilling and routing services. Continued operations will be made up of planning and organizing of conventions and exhibitions, planning and execution of brand and/or product promotion activities and provision of creative graphic design services.

Please refer to "Proposed Disposal of Eucon Investment Holding Pte Ltd" and "Proposed Acquisition of BJ Vast Universe Culture Communication Co., Ltd" Announcement made on 1 January 2017 for more information.

The Group's cash and cash equivalents of $46.0 million in FY16 was due to proceeds from share issuance on 12 October 2016 of $45 million for 2,500 million shares at $0.018 each.

Assets classified as held for sale pertains to total assets under Eucon Investment Holding Pte Ltd.

Trade and other payables mainly pertains to accrual of $0.3 million of professional fees involved in this exercise.

Liabilities classified as held for sale pertains to total liabilities under Eucon Investment Holding Pte Ltd.

On 12 October 2016, the Company issued 2,500 million ordinary shares at $0.018 each for $45 million and 50 million ordinary shares at $0.18 each, amounting to $900,000, as introducer shares. As at 31 December 2016, total share capital issued stands at $102,027,000.

There is no non-controlling interest as at 4Q16 due to return of 19.5% shareholdings in one of the proposed disposed subsidiary, Shanghai Zhuo Kai Electronics Co., Ltd, by Hongta Innovation Partner Co., Ltd in October 2016. To-date, discussions are still in progress and no agreement had been entered into. Previously, announcements were made upon signing of agreement.

The Group's net working capital position improved by $34.1 million from a $0.7 million net liability position as at 4Q15 to a $33.4 million as at 4Q16.

As at 4Q16, the Group's current ratio (current assets/current liabilities) is 1.45. The Group's equity attributable to owners of the company stands at $33.4 million.

CASH FLOW STATEMENT

For 4Q16, cash flow used in operating activities of $6.0 million was mainly due to slower receipt from trade and other receivables, increase in inventory purchases and partially offsetted by slower repayment to trade and other payables.

For 4Q16, cash flow generated from investing activities of $51.1 million was mainly due to issuance of $45 million share capital, coupled with decrease in investment in structured deposits and proceeds from disposal of mechancial drilling machineries.

For 4Q16, cash flow generated from financing activities of $2.6 million was mainly due to increase in new bank loans raised, partially offsetted against repayment of bank loans.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement was disclosed to shareholders previously.

10. A commentary at the date of announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

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 shall 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 proposed 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.

11. Dividend

11(a) Any dividend declared for the current financial period reported on?

None

11(b) Any dividend declared for the corresponding period of the immediately preceding financial year?

None

11(c) Date payable

Not applicable

11(d) Books closure date

Not applicable

12. If no dividend has been declared/ recommended, a statement to that effect.

No dividend has been declared for the fourth quarter ended 31 December 2016.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

(a) Analysis by Reportable Segment

Segment revenue and expense are revenue and expense reported in the group's profit or loss that are either directly attributable to a segment or can be allocated on a reasonable basis to a segment.

Segment assets are all operating assets that are employed by a segment in its operating activities and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Segment liabilities are all operating liabilities of a segment and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Information regarding the group's reportable segments prepared based on measurement principles of FRS is presented below.

	Discontinued Operations					
Revenue and Expenses (by business segments)	**Mechanical Drilling and Routing Services**		**PCB operations**		**Total**	
($'000)	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Segment revenue to external parties	1,869	5,468	44,782	47,025	**46,651**	**52,493**
Segment results	(2,621)	(8,989)	(4,675)	(11,365)	**(7,296)**	**(20,354)**
Other income					**714**	**3,088**
Unallocated corporate expenses					**(3,637)**	**(3,110)**
Finance costs					**(1,101)**	**(1,296)**
Loss before income tax					**(11,320)**	**(21,672)**
Income tax credit					**(16)**	**-**
Net loss attributable to the Group					**(11,336)**	**(21,672)**

Assets and Liabilities						
Segment assets	7,583	25,989	51,296	38,949	**58,879**	**64,938**
Unallocated corporate assets					**48,664**	**1,994**
Consolidated total assets					**107,543**	**66,932**
Segment liabilities	1,163	4,246	36,936	42,175	**38,099**	**46,421**
Unallocated corporate liabilities					**37,001**	**13,358**
Consolidated total liabilities					**74,130**	**59,779**
Additions to non-current assets:						
- Property, plant and equipment	148	458	1,208	3,345	**1,356**	**3,803**
Property, plant and equipment written off	-	-	2	759	**2**	**759**
(Gain) Loss on disposal of property, plant and equipment written off	(3,225)	-	(69)	1,416	**(3,294)**	**1,416**
Depreciation	1,922	4,121	2,150	2,011	**4,072**	**6,132**
Amortisation of land use rights	386	44	96	52	**482**	**96**
Impairment loss on land use rights	-	939	-	-	**-**	**939**
Reversal of Allowance for inventories	(17)	(52)	(566)	(373)	**(583)**	**(425)**
(Reversal) Allowance for doubtful debts	(30)	(17)	323	19	**293**	**2**
Impairment loss on property, plant and equipment	-	5,649	-	4,375	**-**	**10,024**
Impairment loss for goodwill		-		82	**-**	**82**
Unallocated corporate expenditure:						
Capital expenditure					**-**	**-**
Depreciation					**14**	**17**

(b) Analysis by Geographical Information

Segment revenue is analysed based on the location of customers.

Total revenue and non-current assets (excluding financial assets, deferred tax assets and goodwill) are analysed based on the location of those assets.

	Discontinued Operations							
Revenue (by geographical segments)	**People's Republic of China**		**Taiwan**		**Singapore**		**Total**	
($'000)	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Segment revenue	34,002	41,380	12,649	11,113	-	-	**46,651**	**52,493**
Segment non-current tangible assets	-	19,005	-	3,246	687	750	**687**	**23,001**

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by business or geographical segments.

Not applicable

15. A breakdown of sales as follows:

	Discontinued Operations		
	Group		
	12 months ended		
	31/12/16	31/12/15	Inc/(Dec)
	$'000	$'000	%
Sales reported for the first half year	19,354	29,915	(35)
Net loss for first half year	(6,680)	(2,239)	(198)
Sales reported for second half year	27,297	22,578	21
Net loss for second half year	(4,656)	(19,433)	76

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

Not applicable

17. Interested party transactions

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

During the financial year, there were related parties transactions based on terms agreed between the parties as follows:-

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than $100,000 and transactions conducted under Shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under Shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Loan guarantees provided by Mr Wen Yao-Long and Ms Chan Hui-Chung to various financial institutions to secure credit facilities for the Group	Total facilities granted as at 31.12.2016: $8.3 million Amount outstanding as at 31.12.2016: $7.8 million	-
Loan from Sunny Worldwide Int'l Ltd (Amount outstanding as at 31.12.2016 is $11.4 million)	Interest for the 12 months ended 31.12.2016: $0.38 million	-
Loan from Mr Wen Yao-Long (Amount outstanding as at 31.12.2016 is $3.3 million)	Interest -free loan	-

Except for the above, there was no other interested person transaction, as defined in Chapter 9 of the Listing Manual of the SGX-ST, entered into the Group or by the Company during the financial year ended 31 December 2016.

18. Disclosure of persons occupying managerial positions in the Group, are relatives of the following Director, Chief Executive Officer and Substantial Shareholder of the Company

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that none of the persons occupying a managerial position in Eucon Holding Limited ("the Company") or any of its subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the Company.

19. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

The Company has procured undertakings from all its directors and executive officers under Rule 720(1).

BY ORDER OF THE BOARD

Ji Zenghe
Executive Chairman & CEO
23 February 2017