Eucon Holding Limited
RCB REG NO: 200107762R

ENTRY INTO S$93,717,433 SUBSCRIPTION AGREEMENT – THE PROPOSED ALLOTMENT AND ISSUANCE OF UP TO 5,206,524,059 SHARES AT AN ISSUE PRICE OF S$0.018 PER SHARE

1. INTRODUCTION

The board of directors (the "**Board**" or "**Directors**") of Eucon Holding Limited (the "**Company**", together with its subsidiaries, the "**Group**") wishes to announce that the Company has today entered into a conditional subscription agreement ("**Subscription Agreement**") with Oriental Straits Fund III ("**Subscriber**") and Mr Wen Yao-Long ("**Undertaking Shareholder**"), pursuant to which the Company shall allot and issue up to 5,206,524,059 ordinary shares ("**Shares**") in the capital of the Company, at an issue price of S$0.018 per Share ("**Issue Price**") to the Subscriber for an aggregate subscription amount of up to S$93,717,433 ("**Maximum Subscription Amount**") (the "**Subscription**").

The Subscription is a fund-raising initiative by the Company to, *inter alia*, raise money to fund future acquisitions to be undertaken by the Company and for working capital requirements.

2. INFORMATION RELATING TO THE SUBSCRIBER AND THE INTRODUCER

Shareholders should note that information relating to the Subscriber and the Introducer in this paragraph and elsewhere in this Announcement was provided by the Subscriber and the Introducer, respectively. The Company and the Directors have not independently verified the accuracy and correctness of such information herein.

2.1 Information on the Subscriber

The Subscriber is an exempted company incorporated with limited liability in the Cayman Islands, and is structured as a closed-end private equity fund. Its registered office is at 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9007, Cayman Islands. The Subscriber's investment objective is to invest directly in real estate or property assets, or indirectly through companies with real estate portfolios or through underlying funds targeting investments in such asset classes. The Subscriber's directors are Mr Chio Hock Lai, Mr Zhou Yin, and Ms Dawn Cummings.

2.2 Information on the Introducer

The Company was introduced to the Subscriber by an independent third party, Wellmont Investment Limited ("**Introducer**"), a company incorporated in the British Virgin Islands with its principal business being investment holding. Pursuant to an agreement between the Company and the Subscriber dated 28 May 2015, the Introducer shall be entitled to an introducer fee ("**Introducer Fee**") on a success basis, which shall be satisfied by way of allotment and issuance of such number of Shares ("**Introducer Shares**") at the Issue Price, the aggregate of which represents approximately 2.0% of the Subscription Amount (as defined below in Paragraph 3.2).

The legal and beneficial owner of the Introducer is Mr. Yeo Kan Yen. Mr. Yeo is not related to any Director or substantial shareholder of the Company.

To the best knowledge of the Directors, save as disclosed above and in relation to the Subscription, neither the Subscriber nor the Introducer have any other connections (including business relationships) with the Company, its directors and substantial shareholders. Both the Subscriber and Introducer do not fall within any of the prohibited categories as set out in Rule 812 of the SGX-ST Listing Manual to whom the Company is prohibited from issuing the Shares.

3. THE SUBSCRIPTION

3.1 Overview

Subject to the terms and conditions of the Subscription Agreement, the Company agrees to allot and issue:

(a) 4,926,759,333 Shares ("**Subscription Shares**") to the Subscriber on the Completion Date (as defined herein), and the Subscriber agrees to subscribe for the Subscription Shares; and

(b) in the event any Subscription Request is issued by the Subscriber to the Company, an aggregate of up to 279,764,726 Shares ("**Option Shares**") to the Subscriber.

3.2 Subscription Shares

The Subscription Shares shall be allotted and issued to the Subscriber on the Completion Date (as defined below) on, *inter alia*, the following terms and conditions of the Subscription Agreement:

Subscription Amount	:	S$88,681,668
Number of Subscription Shares	:	4,926,759,333 Subscription Shares, which is determined by dividing the Subscription Amount by the Issue Price.
Issue Price	:	S$0.018 per Subscription Share. The Issue Price of S$0.018 represents a discount of approximately 35.7% to the volume weighted average price ("**VWAP**") of the Shares for trades done on the SGX-ST on 11 December 2015, being the market day on which the Subscription Agreement is signed). The Issue Price of S$0.018 represents a discount of approximately 37.2%, 24.7% and 11.6% to the 1-month VWAP, 6-month VWAP and 12-month VWAP of the Shares respectively, for trades done prior to the signing of the Subscription Agreement.
Completion Date	:	Subject to the terms of the Subscription Agreement, the Subscription Shares shall be issued within

fourteen (14) business days from the date on which the last condition precedent is satisfied, fulfilled or waived (as the case may be), or on such other date as the parties may agree in writing.

3.3 Option Shares

The Option Shares shall be allotted and issued to the Subscriber on the Option Shares Issue Date (as defined below) on, *inter alia*, the following terms and conditions of the Subscription Agreement:

Maximum Option Shares Subscription Amount	:	S$5,035,765
Maximum number of Option Shares	:	279,764,726 Option Shares, which is determined by dividing the Maximum Option Shares Subscription Amount by the Issue Price.
Issue Price	:	S$0.018 per Option Share. The Issue Price of S$0.018 represents a discount of approximately 35.7% to the VWAP of the Shares for trades done on the SGX-ST on 11 December 2015, being the market day on which the Subscription Agreement is signed). The Issue Price of S$0.018 represents a discount of approximately 37.2%, 24.7% and 11.6% to the 1-month VWAP, 6-month VWAP and 12-month VWAP of the Shares respectively, for trades done prior to the signing of the Subscription Agreement.
Subscription Request	:	Subject to the terms of the Subscription Agreement, the Subscriber may require the Company to allot and issue such number of Option Shares at the Issue Price by issuing to the Company a duly completed subscription request ("**Subscription Request**") to the Company at any time during the Exercise Period.
Exercise Period	:	A six (6) month period commencing from the Completion Date. Unless agreed in writing between the Company and the Subscriber, the option to subscribe to the Option Shares shall *ipso facto* lapse on the expiry of the Exercise Period.
Option Shares Issue Date	:	No later than seven (7) business days after the Company's receipt of the respective Subscription Request, or such other date as may be mutually agreed in writing between the Company and Subscriber.

3.4 Basis of Subscription

The Company and the Subscriber agree and acknowledge that the Subscription has been agreed on, *inter alia*, the basis that immediately prior to and as at completion of the Subscription ("**Completion**"), save for the transactional costs in connection with the Subscription, the Company has no liabilities (including all forms of taxation imposed by any taxation authority on the Company in relation to transactions, undertakings or arrangements entered into on or before the date of the Subscription Agreement), whether actual, deferred or contingent, and there are no off-balance sheet liabilities in the Company (including all forms of financial guarantees provided by the Company in favor of the its subsidiaries and/or any third parties) (the "**Zero Liability Requirement**").

3.5 Status of the Subscription Shares and Option Shares

The Subscription Shares and Option Shares shall be issued by the Company to the Subscriber free from all claims, charges, liens and other encumbrances whatsoever and the Subscription Shares and Option Shares shall be freely transferable and shall rank pari passu in all respects with and carry all rights similar to existing Shares, except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the Completion Date (as defined herein) or the Option Shares Issue Date (as relevant).

Assuming the issued and paid- up share capital of the Company immediately prior to completion comprises 570,000,000 Shares, the enlarged share capital of the Company immediately following the issuance of 98,535,187 Introducer Shares, 4,926,759,333 Subscription Shares and the maximum 279,764,726 Option Shares, will comprise 5,875,059,246 Shares ("**Enlarged Share Capital**"). The aggregate of the Subscription Shares and maximum number of Option Shares will represent approximately 913.43% of the issued and paid up share capital of the Company as of the date of this Announcement[1] and 88.62% of the Enlarged Share Capital, as the case may be.

3.6 Representations, Warranties and Undertakings

The subscription by the Subscriber of the Subscription Shares and Option Shares is subject to certain representations, warranties, and undertakings as are customary for transactions of this nature or other similar transactions, and (i) in respect of the Company, the representations and warranties include the Zero Liability Requirement, and (ii) in respect of the Undertaking Shareholder, the representations and warranties include those provided by the Company.

3.7 Indemnity

The Undertaking Shareholder and the Company have undertaken that they shall (jointly and severally) fully indemnify the Subscriber against all liabilities which may be suffered or incurred by the Subscriber in connection with, *inter alia*, any breach of representations, warranties and undertakings by the Undertaking Shareholder and the Company contained in the Subscription Agreement.

[1] The issued and paid up share capital of the Company as of the date of this Announcement comprises 570,000,000 Shares.

3.8 Use of Subscription Proceeds

It is contemplated between the Company and the Subscriber that the proceeds of the Subscription ("**Subscription Proceeds**") shall be used to fund future acquisitions and for the working capital of the Company. Please see Section 4 below for more information on the proposed use of Subscription Proceeds.

3.9 Conditions Precedent to the issue of the Subscription Shares

The Company shall not be obliged to allot and issue and the Subscriber shall not be obliged to subscribe for the Subscription Shares unless the conditions precedent, including but not limited to the key conditions precedent as set out in Appendix A, have been fulfilled (or waived), as relevant on the Completion Date.

3.10 Long-Stop Date

If any of the conditions precedent set out in the Subscription Agreement is not satisfied, fulfilled or waived (as the case may be) by 30 June 2016, the Subscription Agreement shall terminate.

4. PURPOSE OF THE SUBSCRIPTION AND USE OF PROCEEDS

The Company intends to use the proceeds of the Subscription to finance the Group's investment opportunities or acquisitions of other businesses, as and when these arise, in order to enhance shareholders' value.

Assuming the Subscriber subscribes for the maximum 279,764,726 Option Shares, the Company expects to receive estimated gross proceeds of approximately S$93.7 million from the issue of the Subscription Shares and Option Shares ("**Gross Proceeds**"). The Board intends to apply such Gross Proceeds for the following purposes:

Proposed use of Gross Proceeds	% of Gross Proceeds from the issue of the Subscription Shares and Option Shares
(a) Proposed acquisitions to be undertaken by the Company	80
(b) Working capital and general corporate purposes	20

Shareholders should note that the proposed distribution set out above only serves as a general guideline. In the event that the Gross Proceeds initially allocated for the purposes set out in (a) above are not fully applied towards such uses for any reasons, the Company shall use the remaining Gross Proceeds for working capital of the Company and its subsidiaries and/or for such other purposes as the Company in its discretion may deem fit.

Pending the deployment of the proceeds from the Subscription, such proceeds may be placed as deposits with banks and/or financial institutions, invested in short term money markets or debt instruments or for any other purpose on a short term basis as the Directors may, in their absolute discretion, deem fit from time to time.

The Company will make periodic announcements on the utilisation of the proceeds

from the Subscription, after the proceeds from the Subscription are materially disbursed.

5. FINANCIAL EFFECTS

The financial effects as set out below are strictly for illustrative purposes and do not necessarily reflect the actual financial position and performance of the Group, prepared according to the relevant accounting standards, following the Subscription.

The financial effects of the Subscription are prepared based on the latest audited consolidated financial statements of the Group for FY2014 and the following assumptions:

(i) the allotment and issuance of 5,206,524,059 Shares to the Subscriber, comprising 4,926,759,333 Subscription Shares and the maximum 279,764,726 Option Shares;

(ii) the allotment and issuance of 98,535,187 Introducer Shares to the Introducer;

(iii) the Group's NTA was computed assuming that the Subscription was completed on 31 December 2014;

(iv) the Group's EPS/LPS was computed assuming that the Subscription was completed on 1 January 2014; and

(v) save for the estimated fixed expenses as stated in Section 4 above, expenses in connection with the Subscription are disregarded for the purposes of calculating the financial effects.

5.1 Share Capital

Issued and Paid-up Share Capital	As at 31 December 2014	Immediately following issuance of the Subscription Shares, Option Shares and Introducer Shares
Number of Shares	570,000,000	5,875,059,246
Share Capital (S$)	56,127,017	151,618,066

5.2 Net tangible assets ("NTA")

	As at 31 December 2014	Immediately following issuance of the Subscription Shares, Option Shares and Introducer Shares
NTA of the Group (S$)	27,525,000	123,016,066
Number of Shares	570,000,000	5,875,059,246
NTA Per Share (S$)	0.05	0.02

5.3 Loss per Share ("LPS")

	FY2014	Immediately following issuance of the Subscription Shares, Option Shares and Introducer Shares
Net profit/ (loss) of the Company and its subsidiaries for FY2014 (S$)	(10,646,000)	(10,646,000)
Weighted average number of Shares	570,000,000	5,875,059,246
Net profit/ (loss) per Share (Scents) - Basic and diluted	(1.87)	(0.001)

6. WHITEWASH WAVIER

Under Rule 14 of the Code, where (a) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company; or (b) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1% of the voting rights, such person must extend offers immediately to the holders of any class of share capital of the company which carries votes and in which such person, or persons acting in concert with him, hold shares.

As disclosed in Section 3.5 above, the Subscriber and its concert parties will acquire more than 30% of the voting rights in the Company following completion of the Subscription. As a result, the Subscriber and its concert parties would incur an obligation to make a mandatory offer under the Code, unless the relevant waivers under the Code are obtained. Accordingly, the Subscriber intends to make an application to the Securities Industry Council ("**SIC**") for a waiver of the obligations of the Subscriber and its concert parties to make the mandatory offer for the Company as a result of the allotment and issue of the Subscription Shares and Option Shares.

7. EGM

The allotment and issue of the Subscription Shares, Option Shares and the Introducer Shares are subject to the approval of the Shareholders at an extraordinary general meeting of the Company ("**EGM**") to be convened. Additionally, there will be a change in controlling interest pursuant to Listing Rule 803 of the SGX-ST Listing Manual following completion of the Subscription, for which specific Shareholders' approval shall be sought. Shareholders should also note that following the issue of the Subscription Shares, the Subscriber will become a substantial shareholder of the Company.

A circular to the Shareholders containing more information on the Subscription and such other transactions in connection with and/or incidental to the Subscription, together with notice of the EGM, will be despatched by the Company in due course.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed above, none of the directors (other than in his capacity as director or shareholder of the Company, as the case may be) of the Company has any interest, direct or indirect in the Subscription. To the best of the knowledge of the Board, save as disclosed above, there are no substantial shareholders in the Company who have any interest, direct or indirect, in relation to the Subscription.

9. APPLICATION TO SGX-ST AND THE SIC

The Company will be submitting an application together with the conforming documents to the SGX-ST for the listing and quotation of the Subscription Shares, Option Shares and the Introducer Shares on the Official List of the SGX-ST at the appropriate time. The Company will make the necessary announcements upon the receipt of the approval-in-principle from the SGX-ST for the listing and quotation of the Subscription Shares, Option Shares and the Introducer Shares on the Official List of the SGX-ST.

As the Subscriber will acquire more than 30% of the voting rights of the Company following completion of the Subscription, it would incur an obligation to make a mandatory offer, unless the relevant waivers under the Code are obtained. The Subscriber intends to make an application to the SIC in respect of the Whitewash Waiver.

The Company will update the Shareholders as and when there are material updates to the applications.

10. FINANCIAL ADVISER AND LEGAL COUNSEL

The Company has appointed RHB Securities Singapore Pte. Ltd. as its financial adviser and Morgan Lewis Stamford LLC as its legal counsel in relation to Singapore law in relation to the Subscription.

11. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The Subscription is subject to conditions. There is no certainty or assurance as at the date of this announcement that the Subscription will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

12. RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of the preparation of this Announcement) collectively and individually accept full responsibility for the accuracy of the information given in this Announcement (other than information relating to the Subscriber and the Introducer) and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed herein (other than information relating to the Subscriber and the Introducer) are fair and accurate in all material respects as at the

date hereof, and that there are no material facts the omission of which would make this Announcement misleading. Where any information has been extracted or reproduced from published or otherwise publicly available sources or provided by the Subscriber and the Introducer, the sole responsibility of the Directors has been to ensure that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement.

BY ORDER OF THE BOARD

WEN YAO-LONG
EXECUTIVE CHAIRMAN & CHIEF EXECUTIVE OFFICER

11 December 2015

APPENDIX A
KEY CONDITIONS PRECEDENT

1. Due Diligence

   The Subscriber being satisfied with its due diligence investigations into the financial, legal, tax and business of the Company, including being satisfied that the Zero Liability Requirement has been satisfied.

2. Regulatory Approvals

   All necessary consents, approvals and waivers of all relevant government bodies, stock exchange and other regulatory authority having jurisdiction over the transactions contemplated in the Subscription Agreement and all other transactions in connection therewith and incidental thereto, having been obtained by the Company or the Subscriber, as relevant, including without limitation, the approval in-principle for the listing and quotation of the Subscription Shares, Option Shares and Introducer Shares on the Main Board of the SGX-ST and the waiver by Securities Industry Council ("**SIC**") being obtained by the Subscriber in respect of the Whitewash Waiver.

3. Representations and Warranties

   All the representations and warranties of the Company and the Subscriber set out under the Subscription Agreement, as the case may be, being true and accurate in all material respects as of the date of the Subscription Agreement and as at the Completion Date.

4. Shareholders' Approval

   The resolution of the Shareholders having been obtained for the transactions contemplated in the Subscription Agreement and all other transactions in connection therewith and incidental thereto, including but not limited to:

   (a) allotment and issue of the Subscription Shares;

   (b) allotment and issue of the Option Shares;

   (c) allotment and issue of the Introducer Shares;

   (d) the Whitewash Waiver, and such waiver not having been revoked prior to the Completion Date;

   (e) the transfer of controlling interest pursuant to the allotment and issue of the Subscription Shares and Option Shares to the Subscriber;

   (f) the change in core business of the Company to such business as may be advised by the Subscriber; and

   (g) any additional items as may be agreed in writing between the Company and the Subscriber.

5. Voting Undertaking

   The execution by Wen Yao-Long and Sunny Worldwide International Ltd of its respective shareholder's undertaking on the terms set out in the Subscription Agreement.

6. No changes in share capital

   For the period between the date of the Subscription Agreement and the Completion Date, the Company not having allotted or issued, or agreed to allot or issue, any share or loan capital, and there being no change to the share capital as at the date of the Subscription Agreement.

7. No Winding-Up

No order being made, petition presented or meeting convened for the purpose of considering a resolution for the winding up of the Company or any of its subsidiaries, or the appointment of any liquidator (provisional or otherwise), judicial manager, administrator, receiver, receiver and manager, custodian or similar official in respect of the Company, any of the Company's subsidiaries or any part of their respective property, assets and/or undertaking.

8. No Material Adverse Change

No material adverse change in the prospects, operations, conditions (financial or otherwise) of the Company having occurred between the date of the Subscription Agreement and the Completion Date, both dates inclusive.

9. No Illegality

No relevant authority taking, instituting, implementing or threatening to take, institute or implement any action, proceeding, suit, investigation, inquiry or reference, or having made, proposed or enacted any statute, regulation, decision, ruling, statement or order or taken any steps, and there not continuing to be in effect or outstanding any statute, regulation, decision, ruling, statement or order which would or might (i) make the transactions contemplated in the Subscription Agreement and all other transactions in connection therewith and incidental thereto, void, illegal and/or unenforceable or otherwise restrict, restrain, prohibit or otherwise frustrate or be adverse to the same; (ii) render the Subscriber unable to subscribe for all or any of the Subscription Shares and Option Shares in the manner set out in the Subscription Agreement; and/or (iii) render the Company unable to receive the Subscription Amount and the Option Shares Subscription Amount in the manner set out in the Subscription Agreement.

10. No Prescribed Occurrences

No Prescribed Occurrence having occurred in relation to the Company other than as required or contemplated by the Subscription Agreement between the date of the Subscription Agreement and the Completion Date (both dates inclusive).

"**Prescribed Occurrence**" shall mean any of the following:

(a) Contracts, Agreements or Commitments

The Company entering into any contract, agreement or commitment, or agreeing to any variation of any existing contract, agreement or commitment to which the Company is a party.

(b) Alteration of Share Capital

The Company entering into a share buy-back agreement or resolving to approve the terms of a share buy-back agreement or reduce its share capital in any way, or making an allotment of, or granting an option to subscribe for, any Shares or securities convertible into Shares or agreeing to make such an allotment or to grant such an option or convertible security.

(c) Issuance of Debt Securities

The Company issuing, or agreeing to issue, convertible notes or other debt securities, or incur or agree to incur any debts, liabilities or third party borrowings, or provide any guarantee, security or indemnity (including creating any encumbrance over any of its assets, properties or undertakings).

(d) Insolvency Event

The occurrence of any event or circumstance described as follows:

(i) any order being made, petition presented or meeting convened for the purpose of considering a resolution for the winding up of the Company or for the appointment of any provisional liquidator in the Company; or

(ii) any petition being presented for the appointment of a judicial manager, assignee, administrator, receiver, liquidator, custodian or similar official, and such official has been so appointed, in respect of the whole or any part of any of the property, assets and/or undertaking of the Company; or

(iii) any composition in satisfaction of the debts of the Company, or scheme of arrangement of its affairs, or compromise or arrangement between it and its creditors and/or members or any class of its creditors or members, having been proposed, sanctioned or approved; or

(iv) any distress, distraint, charging order, garnishee order, execution or other process having been levied or applied for in respect of the whole or any part of any of the property, assets and/or undertaking of the Company.

(e) Delisting or Suspension of Trading

The SGX-ST removing the Company from the Mainboard of the SGX-ST, or suspending the trading of Shares on the Mainboard of the SGX-ST for a period longer than three (3) business days or such other period of extension which the SGX-ST may determine (which for the avoidance of doubt, shall not include any trading halts or suspensions of trading of the Shares on the Mainboard of the SGX-ST made at the request of the Company or pursuant to any trading suspension imposed by the SGX-ST pursuant to Rule 1018 of the Listing Manual).

(f) Change in Accounting Policy

The Company changing any accounting procedure or policy other than as required by law.

(g) Changes to Articles

The Company amending its memorandum or articles of association or constitutional documents.

(h) Breaches of Representations and Warranties

The Company doing or allowing to be done any act or omission that would constitute a breach of any representations or warranties by the Company in the Subscription Agreement.