Eucon Holding Limited
RCB REG NO: 200107762R

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)	1Q17	1Q16	Fav/ (Unfav) %
Revenue	**757**	9,883	*(92)*
Gross Profit	**376**	91	*313*
Profit (Loss) from Operations	**10,679**	(3,494)	*NM*
Finance Costs	**-**	(286)	*NM*
Pre-tax (Loss)Profit	**10,679**	(3,780)	*NM*
Tax Expense	**(91)**	-	*NM*
Net Profit (Loss)	**10,588**	(3,780)	*NM*

**NM – Not meaningful*

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 ("BJ Vast Universe"). 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. ("Eucon Investment") to Mr Wen Yao-Long. Eucon had submitted an application to waive the EGM for this matter to SGX.

On 31 March 2017, SGX had advised that it had no objection to the Proposed Acquisition and no objection waiving Listing Rule 1014(2) in respect of the Proposed Disposal subjected certain conditions. These conditions were:

(i) the Company to announce the waiver granted, the reasons for seeking the waiver and the conditions as required under Listing Rule 1071;
(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.

Under both sale and purchase agreements, the parties irrevocably agree that, in the event the Completion Date falls after 1 January 2017:

(i) the Purchaser shall be deemed to have

a. been the beneficial owner of the Target Shares with effect from 1 January 2017, and

b. assumed all the assets and liabilities of the Target, each with effect from 1 January 2017; and

(ii) the Vendor shall be deemed to have held the Target Shares (including all rights, benefits and entitlements attaching thereto) on trust for the Purchaser between 1 January 2017 and the Completion Date.

As such, management considered the acquisition of BJ Vast Universe and disposal of Eucon Investment to have taken place on 1 January 2017. In view of the total change market industry from 1 January 2017 onwards, the following Group's performance review will not make reference to corresponding period of prior year.

Revenue for the three months ended 31 March 2017 ("1Q17") was made up of revenue earned from management of cultural events and activities from BJ Vast Universe. A gross profit of $376,000 was made from management of cultural events and activities, giving a gross profit margin of 49.7%.

Upon the disposal of Eucon Investment, Eucon Group recognized a gain on disposal of $11.1 million.

After taking into consideration administrative and other expenses, the Group reported a net profit of $10.6 million for 1Q17.

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 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 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
20 April 2017