



3RD SUPPLEMENTAL AGREEMENT TO THE AGREEMENT RELATING TO CORPORATE RESTRUCTURING EXERCISE OF PRC SUBSIDIARIES

BACKGROUND

The Board of Directors (the "Board") of Eucon Holding Limited (the "Company") wishes to refer to the Company's announcement made on 14 June 2007 whereby it was announced that the Company had entered into an agreement dated 12 June 2007 (the "Agreement") with HongTa Innovation Partners Co., Ltd ("HongTa") to effect a corporate restructuring exercise (the "Restructuring Exercise") involving a number of the Company's PRC Subsidiaries. The Restructuring Exercise was implemented to facilitate an investment by HongTa and to streamline the structure of the PRC Subsidiaries, with a view to future fund raising exercises and a potential listing ("IPO") of Shanghai Zhuo Kai Electronic Technology Co., Ltd ("Zhuo Kai").

In accordance with the Agreement, the Company and HongTa had injected USD714,225 and RMB50 million (approximately USD6.7 million) respectively into Zhuo Kai. The Company owns 87.5% shareholding in Zhuo Kai and HongTa owns 12.5% shareholding in Zhuo Kai. As a result of the Restructuring Exercise, the Company's effective interest in the registered capital of the Other Subsidiaries in PRC is 93.125% (45% direct interest and 48.125% indirect interest through Zhuo Kai).

On 28 September 2010, HongTa and the Company had agreed to re-negotiate the investment arrangement and had entered into a Supplemental Agreement (the "1st Supplemental Agreement") where the Company transferred 7% of its existing shareholding in Zhuo Kai to HongTa and Zhuo Kai is to fulfill the IPO commitment within 60 months with effect from the date of the completion of the above-mentioned share transfer. Failing which, HongTa is able to exercise its buy-back option to request the Company to buy-back its 19.5% shareholding in Zhuo Kai.

On 22 July 2015, HongTa and the Company entered into a 2nd Supplemental Agreement (the "2nd Supplemental Agreement") where Hongta postponed its exercising of buy-back option for 12 months from 3 August 2015 to 2 August 2016.

3RD SUPPLEMENTAL AGREEMENT

On 7th April 2016, HongTa, the Company and Eucon Investment Holding Pte. Ltd (“Eucon Investment”) entered into a 3rd Supplemental Agreement. Eucon Investment is a wholly-owned subsidiary of the Company. The purposes for this 3rd Supplemental Agreement are:

1. Transfer of ownership and liability from Eucon Holding Limited to Eucon Investment Holding Pte. Ltd

With reference to the Internal Restructuring Announcement made on 1 April 2016, the 3rd Supplemental Agreement is signed to acknowledge the change in ownership and liability from Eucon Holding Limited to Eucon Investment Holding Pte. Ltd

2. Acknowledgement on the early exercising of buy-back option

With the agreement of all parties involved, HongTa has exercised their buy-back option and its buy-back price will be computed as at 2 April 2016. Repayment will be made in instalments and fully repaid by 31 December 2016. The necessary provision on the buy-back option had been fully provided and disclosed in our FY2015 Annual Report.

None of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the subject matter of this announcement, other than through their respective shareholdings in the Company.

BY ORDER OF THE BOARD

Wen Yao-Long
Executive Chairman & CEO

14 April 2016

* The Other Subsidiaries in PRC are: -

- Shanghai Zeng Kang Electronic Co., Ltd;
- Shanghai Yaolong Electronic Technology Co., Ltd;
- Shanghai Eu Ya Electronic Technology Co., Ltd; and
- Shanghai Lian Han Xin Electronic Technology Co., Ltd.