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.

	Group			Group		
	6 months ended		Fav/	3 months ended		Fav/
	30/6/2008	30/6/2007	(Unfav)	30/6/2008	30/6/2007	(Unfav)
	$'000	$'000	%	$'000	$'000	%
Revenue	**64,785**	**48,232**	34	**37,845**	**24,554**	54
Cost of sales	(54,636)	(43,441)	(26)	(31,548)	(22,255)	(42)
Gross profit	**10,149**	**4,791**	112	**6,297**	**2,299**	174
Gross margin	*15.7%*	*9.9%*	6	*16.6%*	*9.4%*	7
Other income (including Interest Income)	559	136	311	1,199	106	NM
Administrative expenses	(5,122)	(5,122)	-	(2,444)	(2,721)	10
Distribution costs	(2,336)	(2,151)	(9)	(1,264)	(1,006)	(26)
Other expenses	(13)	(34)	62	(2)	225	NM
Finance costs	(2,268)	(1,651)	(37)	(1,101)	(916)	(20)
Profit (Loss) before income tax	**969**	**(4,031)**	NM	**2,685**	**(2,013)**	NM
Income tax expense	(434)	(262)	(66)	(295)	(116)	(154)
Net profit (loss) for the period	**535**	**(4,293)**	NM	**2,390**	**(2,129)**	NM
Attributable to:						
Equity holders of the parent	643	(4,234)	NM	2,240	(2,070)	NM
Minority interest	(108)	(59)	(83)	150	(59)	NM
	535	**(4,293)**	NM	**2,390**	**(2,129)**	NM
NM: Not meaningful						
Net profit (loss) for the period as a percentage of revenue	0.8%	-8.9%		6.3%	-8.7%	
Profit before income tax is arrived at after charging(crediting) the following:						
Depreciation of property, plant and equipment	9,837	7,775		5,152	3,971	
Amortisation of land use rights	45	-		22	-	
Foreign exchange (gain) loss - (net)	(325)	(14)		(1,055)	(265)	
Fair value gain on derivative financial instrument	(2)	-		(6)	-	
Fixed assets written off	16	-		-	-	
Gain on sale of plant and equipment	(3)	-		(3)	-	
Interest income	(162)	(66)		(79)	(36)	
Interest expense	2,268	1,651		1,101	916	

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.**

Balance sheet

	Group		Company	
	As at 30/6/2008	As at 31/12/2007	As at 30/6/2008	As at 31/12/2007
	$'000	$'000	$'000	$'000
Current assets				
Cash and bank balances	17,834	20,983	949	1,052
Pledged bank deposits	5,769	6,108	-	-
Trade receivables	55,148	53,215	-	-
Other receivables and prepayments	1,885	3,061	26,662	33,480
Land use rights	91	91	-	-
Inventories	12,892	10,446	-	-
Derivative financial instrument	729	727	-	-
Total current assets	94,348	94,631	27,611	34,532
Non-current assets				
Investment in subsidiaries	-	-	78,917	78,679
Land use rights	4,328	4,362	-	-
Property, plant and equipment	130,816	129,373	894	941
Other receivables	1,937	1,372	-	-
Derivative financial instrument	60	60	-	-
Goodwill	3,956	3,956	-	-
Deferred tax asset	1,614	1,600	-	-
Total non-current assets	142,711	140,723	79,811	79,620
Total assets	**237,059**	**235,354**	**107,422**	**114,152**
Current liabilities				
Trade payables	37,773	29,347	-	-
Other payables	15,891	14,212	7,453	7,165
Income tax payable	311	558	-	-
Short-term bank loans	40,333	39,527	3,850	6,259
Current portion of long-term bank loans	4,753	6,040	59	59
Current portion of finance leases	5,777	5,798	1,222	1,263
Current portion of notes payable	6,881	7,201	4,251	4,333
Due to a shareholder	6,159	6,034	6,159	6,034
Total current liabilities	117,878	108,717	22,994	25,113
Non-current liabilities				
Long-term bank loans	7,645	10,594	3,884	4,757
Finance leases	3,790	6,705	1,274	2,001
Notes payable	6,530	9,027	5,731	7,826
Financial derivative	1,060	1,002	1,060	1,002
Total non-current liabilities	19,025	27,328	11,949	15,586
Capital, reserves and minority interests				
Share capital	56,127	56,127	56,127	56,127
Reserves	37,669	36,744	16,352	17,326
Equity attributable to equity holders of the company	93,796	92,871	72,479	73,453
Minority interest	6,360	6,438	-	-
Total equity	100,156	99,309	72,479	73,453
Total liabilities and equity	**237,059**	**235,354**	**107,422**	**114,152**

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 30/6/2008		As at 31/12/2007	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
50,863	6,881	51,365	7,201

The amount repayable after one year

As at 30/6/2008		As at 31/12/2007	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
11,435	6,530	17,299	9,027

Details of any collaterals
NA

1 (c) **Cash Flow Statement for period ended 30 June**

	Group		Group	
	6 months ended		3 months ended	
	30/6/2008	30/6/2007	30/6/2008	30/6/2007
	$'000	$'000	$'000	$'000
Operating Activities:				
Profit (Loss) before Income Tax:	969	(4,031)	2,685	(2,013)
Adjustments for:-				
Depreciation of property, plant and equipment	9,837	7,775	5,152	3,971
Amortisation of land use rights	45	-	22	-
Fair value gain on derivative financial instrument	(2)	-	(6)	-
Fixed assets written off	16	-	-	-
Gain on disposal of plant and equipment	(3)	-	(3)	-
Interest income	(162)	(66)	(79)	(36)
Interest expense	2,268	1,651	1,101	916
Operating profit before working capital changes	12,968	5,329	8,872	2,838
Changes in working capital:-				
Trade receivables	(1,933)	3,342	(15,911)	(527)
Other receivables and prepayments	1,176	(15,153)	1,339	(9,070)
Inventories	(2,446)	1,405	(880)	412
Other assets	(565)	-	(561)	-
Trade payables	8,426	(1,448)	10,733	1,638
Other payables	1,679	11,789	5,369	12,467
Net cash flows from operating activities	19,305	5,264	8,961	7,758
Net interest paid	(2,106)	(1,585)	(1,022)	(880)
Income tax paid	(695)	(864)	(157)	(671)
Cash flows from operating activities	**16,504**	**2,815**	**7,782**	**6,207**
Investing Activities:				
Proceeds on disposal of plant and equipment	5	-	5	-
Purchase of property, plant and equipment	(10,664)	(4,656)	(10,383)	(2,659)
Cash flows used in investing activities	**(10,659)**	**(4,656)**	**(10,378)**	**(2,659)**
Financing Activities:				
Increase (Decrease) in cash subjected to restriction	339	(827)	(378)	(859)
(Decrease) Increase in bank loans	(3,430)	3,139	5,244	(2,049)
Decrease in notes payable	(2,817)	(2,028)	(3,636)	(325)
Due to former holding company (non-trade)	125	125	62	62
(Decrease) Increase of finance lease obligations	(2,936)	(982)	(1,577)	221
Cash flows used in financing activities	**(8,719)**	**(573)**	**(285)**	**(2,950)**
Net increase (decrease) in cash and bank balances	**(2,874)**	**(2,414)**	**(2,881)**	**598**
Cash and bank balances at beginning of period	20,983	18,780	21,096	16,200
Effect of exchange rate changes on the balances of cash held in foreign currencies	(275)	179	(381)	(253)
Cash and bank balances at end of period	**17,834**	**16,545**	**17,834**	**16,545**

Bank deposits pledged as security amounting to S$5,769,000 (30 June 2007: S$2,006,000) has been netted off against cash.

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 30 June

	Share capital $'000	Currency translation reserves $'000	Hedging reserves $'000	Statutory reserves $'000	Accumulated profits $'000	Total attributable to equity holders of the company $'000	Minority interests $'000	Total $'000
Group								
At 1 April 2007	56,127	(6,275)	-	3,068	35,257	88,177	-	88,177
Currency translation difference representing net loss recognised directly in equity	-	2,871	-	(202)	18	2,687	-	2,687
Net loss for the period	-	-	-	-	(2,070)	(2,070)	59	(2,011)
Total recognised income and expense for the year	-	2,871	-	(202)	(2,052)	617	59	676
Acquisition of shareholdings in subsidiary by minority interest	-	-	-	-	-	-	9,331	9,331
Transfer to statutory reserves	-	-	-	1,309	(1,309)	-	-	-
At 30 June 2007	56,127	(3,404)	-	4,175	31,896	88,794	9,390	98,184
At 1 April 2008	56,127	(6,305)	(1,462)	5,242	37,245	90,847	6,119	96,966
Currency translation difference representing net income recognised directly in equity	-	304	-	-	-	304	91	395
Gain on cash flow hedge	-	-	405	-	-	405	-	405
Net profit recognised directly in equity	-	304	405	-	-	709	91	800
Net profit for the period	-	-	-	-	2,240	2,240	150	2,390
Total recognised income and expense for the year	-	304	405	-	2,240	2,949	241	3,190
Transfer to statutory reserves	-	-	-	(1)	1	-		-
At 30 June 2008	56,127	(6,001)	(1,057)	5,241	39,486	93,796	6,360	100,156
Company								
At 1 April 2007	56,127	-	-	-	9,017	65,144	-	65,144
Net profit for the period	-	-	-	-	8,459	8,459	-	8,459
At 30 June 2007	56,127	-	-	-	17,476	73,603	-	73,603
At 1 April 2008	56,127	(445)	(1,462)	-	18,237	72,457	-	72,457
Currency translation difference representing net income recognised directly in equity	-	646	-	-	-	646	-	646
Gain on cash flow hedge	-	-	405	-	-	405	-	405
Net loss for the period	-	-	-	-	(1,029)	(1,029)	-	(1,029)
At 30 June 2008	56,127	201	(1,057)	-	17,208	72,479	-	72,479

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.**

During 1 April 2008 to 30 June 2008, the Company did not issue any shares.

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 30/6/2008	As at 31/12/2007
The total number of issued shares excluding treasury shares	570,000	570,000

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 Company has adopted the same accounting policies and methods of computation as compared to the most recent audited financial statements as at 31 December 2007.

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	
	6 months ended		3 months ended	
	30/6/2008	30/6/2007	30/6/2008	30/6/2007
Earnings per ordinary share for the year based on net profit/(loss) for the period:				
(i) Based on the weighted average number of ordinary shares in issue (cts); and	0.11	(0.74)	0.39	(0.36)
Weighted average number of shares	570,000,000	570,000,000	570,000,000	570,000,000
(ii) On a fully diluted basis (cts)	0.11	(0.74)	0.39	(0.36)
Weighted average number of shares	570,000,000	570,000,000	570,000,000	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 30/6/2008	As at 31/12/2007	As at 30/6/2008	As at 31/12/2007
Net asset value per ordinary share (cts)	15.76	15.60	12.72	12.69
Number of shares	570,000,000	570,000,000	570,000,000	570,000,000

8. **Review of the Group's performance**

Revenue

For 2Q08, the Group posted a 54% increase in revenue to $37.8 million from $24.6 million in 2Q07. The improvement was driven mainly by the increase in market demand for laser drilling services and PCB manufacturing. In particular, laser drilling segment saw an increase in sales from existing customers.

The overall increase in market demand is attributable to the emergence of new line of electronics products and new models of existing products which have boosted the demand for PCB-related services such as laser drilling and PCB manufacturing.

Overall in 1H08, Group revenue increased by 34% from $48.2 million in 1H07 to $64.8 million.

China

In China, PCB manufacturing remained the key contributor, accounting for 68% of Group revenue for 2Q08. Sales for PCB manufacturing increased by 47.6% to $25.7 million from $17.4 million in 2Q07.

Revenue for Mechanical Drilling dropped slightly from $4.5 million in 2Q07 to $4.4 million in 2Q08, whereas revenue for Routing increased slightly from $0.7 million in 2Q07 to $0.8 million in 2Q08.

Taiwan

Due to increase in demand for Laser Drilling services in the global market, utilization rates for the Group's laser drilling machines have increased significantly. Revenue for laser drilling segment therefore increased 195.5%, from $1.9 million in 2Q07 to $5.7 million in 2Q08. The improvement in market demand which was also observed and continued from 1Q08, is driven by the growing electronics industry, which favours sophisticated consumer products such as mobile phones and game consoles that require greater requirements for laser drilling.

Profitability

Gross Profit

The increase in revenue combined with lower production cost has contributed to a significant 174% increase in Gross Profit to $6.3 million in 2Q08 from $2.3 million in 2Q07. Net profit before tax for 1H08 is $1.0 million compared to 1H07 net loss of $4.0 million.

Gross Profit Margin increased from 9.4% in 2Q07 to 16.6% in 2Q08 as a result of the following factors:
(i) Increase in sales for laser drilling which has higher margins
(ii) Overall improvement in market demand for PCBs and PCB-related services
(iii) Stabilisation of the cost of copper which is one of the raw materials required for manufacturing of PCBs.

Other income increased from $0.1 million in 2Q07 to $1.2 million in 2Q08 due to foreign exchange gains.

Administrative expenses decreased relatively by 10%, because in 2Q08 the Group purchased the existing property at Shanghai Zhuo Kai and Shanghai Eu Ya, which was previously on rental lease. Despite savings on rental, there are depreciation expenses of these two buildings which were partially recorded under administrative expenses while the remaining expenses were accounted for in cost of sales.

Distribution costs increased by 26% in 2Q08, which is in line with the increase in revenue. Distribution costs comprise mainly the sales commission payable to sales representatives in processing sales for PCB manufacturing and related delivery costs.

Finance costs increased from $0.9 million in 2Q07 to $1.1 million in 2Q08 due to increase in borrowings arising from the purchase of PCB facilities and machineries at Shanghai Zhuo Kai and Shanghai Eu Ya that was previously announced in 3Q07 as well as higher interest rates.

Balance Sheet

The Group is in the net current liabilities position as there has been an increase in trade payables and other payables and short-term bank loans. Despite the above, the Group's cash position stood at $17.8 million. There had been a slight decrease in cash and bank balances from $21.0 million in 1Q08 as a result at of partial cash payment to fund the purchase of the existing property at Shanghai Zhuo Kai and Shanghai Eu Ya.

Total bank borrowings of the Group increased from $47.5 million in 1Q08 to $52.7 million in 2Q08 due to the purchase of property, land use rights and trade receivables factoring for Shanghai Eu Ya and. Hence, net debt gearing for 2Q08 increased to 0.57 times, compared with 0.56 times in 1Q08.

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.

In view of the global economic slowdown, the spillover effect of the sub-prime crisis as well as the global inflationary pressures, the Group feels that uncertainties in economic and industry trends may continue into 3Q08, and consumer spending may be adversely affected. As such, the Group will continue to monitor the market demands and exercise prudence to remain competitive in the challenging business climate.

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

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 second quarter ended 30 June 2008.

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.

Not applicable

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:

Not applicable

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**

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)
Loan guarantees provided by Mr Wen Yao-Long, Mr Wen Yao-Chou, Ms Chan Hui-Chung to various financial institutions to secure credit facilities for the Group	Total facilities granted as at 30.6.2008: S$64.3 million Amount outstanding as at 30.6.2008: S$23.6 million
Loan from Sunny Worldwide Int'l (Amount outstanding as at 30.06.2008 is S$6.2 million)	Interest for the 6 months ended 30.06.2008: S$0.1 million

BY ORDER OF THE BOARD

Wen Yao-Long
Executive Chairman & CEO
7 August 2008

RULE 705(4) – NEGATIVE ASSURANCE

Confirmation by the Board of Directors

Pursuant to Rule 705(4) of the SGX-ST Listing Manual, we, Wen Yao-Long and Ong Sim Ho, being two Directors of Eucon Holding Limited (the "Company"), do hereby confirm on behalf of the Board of Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the Group's unaudited interim financial results for the 2nd Quarter ended 30 June 2008 to be false or misleading.

On behalf of the Board of Directors:

WEN YAO-LONG
Director

ONG SIM HO
Director

Singapore, 7 August 2008