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		
	12 months ended		Fav/	3 months ended		Fav/
	31/12/2007	31/12/2006	(Unfav)	31/12/2007	31/12/2006	(Unfav)
	$'000	$'000	%	$'000	$'000	%
Revenue	**116,138**	**111,752**	4	**35,330**	**28,462**	24
Cost of sales	(97,396)	(76,792)	(27)	(29,430)	(22,729)	(29)
Gross profit	**18,742**	**34,960**	(46)	**5,900**	**5,733**	3
Gross margin	*16.1%*	*31.3%*	(15)	*16.7%*	*20.1%*	*(3)*
Other income (including Interest Income)	6,327	106	NM	2,073	10	NM
Administrative expenses	(9,875)	(10,116)	2	(2,526)	(1,968)	(28)
Distribution costs	(4,152)	(5,411)	23	(1,032)	(1,846)	44
Other expenses	(46)	(774)	94	(9)	(431)	98
Finance costs	(3,673)	(2,352)	(56)	(1,124)	(710)	(58)
Profit before income tax	**7,323**	**16,413**	(55)	**3,282**	**788**	316
Income tax expense	(66)	(1,080)	94	302	494	(39)
Net profit for the period	**7,257**	**15,333**	(53)	**3,584**	**1,282**	180
Attributable to:						
Equity holders of the parent	6,624	15,333	(57)	3,046	1,282	138
Minority interest	633	-	NM	538	-	NM
	7,257	**15,333**	(53)	**3,584**	**1,282**	180
NM: Not meaningful						
Net profit for the period as a percentage of revenue	6.2%	13.7%		10.1%	4.5%	

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

Allowance for bad debts	18	76	18	76
Bad debts recovered	(665)	-	(665)	-
Depreciation of property, plant and equipment	17,001	13,271	5,127	3,603
Amortisation of land use rights	91	-	29	-
Foreign exchange loss (gain) - (net)	(813)	327	(803)	(11)
Gain on dilution of interest	(4,074)	-	0	-
Fair value gain on derivative financial instrument	(787)	-	(787)	-
Fixed assets written off	-	104	-	104
Loss (Gain) on sale of plant and equipment	2	(16)	2	-
Interest income	(208)	(75)	(99)	(22)
Interest expense	3,673	2,352	1,124	710
Provision for stock obsolescence	730	227	730	227

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 31/12/2007	As at 31/12/2006	As at 31/12/2007	As at 31/12/2006
	$'000	$'000	$'000	$'000
Current assets				
Cash and bank balances	20,983	18,780	1,052	2,114
Pledged bank deposits	6,108	1,179	-	-
Trade receivables	53,215	37,527	-	-
Other receivables and prepayments	3,061	2,712	33,480	18,596
Land use rights	91	-	-	-
Inventories	10,446	10,200	-	-
	93,904	70,398	34,532	20,710
Non-current assets				
Investment in subsidiaries	-	-	78,679	73,126
Land use rights	4,362	-	-	-
Property, plant and equipment	129,373	117,302	941	1,039
Other assets	1,372	-	-	-
Derivative financial instrument	787	-	-	-
Goodwill	3,956	3,956	-	-
Deferred tax asset	1,600	1,136	-	-
	141,450	122,394	79,620	74,165
Total assets	**235,354**	**192,792**	**114,152**	**94,875**
Current liabilities				
Trade payables	29,347	23,861	-	-
Other payables	13,921	16,096	6,874	10,791
Income tax payable	558	689	-	-
Short-term bank loans	39,527	32,525	6,259	9,221
Current portion of long-term bank loans	6,040	4,292	59	59
Current portion of finance leases	5,798	3,468	1,263	1,115
Current portion of notes payable	7,201	2,769	4,333	-
Due to former holding company	6,034	5,785	6,034	5,785
Deferred income	291	-	291	-
	108,717	89,485	25,113	26,971
Non-current liabilities				
Long-term bank loans	10,594	5,782	4,757	394
Finance leases	6,705	4,985	2,001	1,368
Notes payable	9,027	1,510	7,826	-
Financial derivative	1,002	-	1,002	-
	27,328	12,277	15,586	1,762
Equity attributable to equity holders of the parent				
Share capital	56,127	56,127	56,127	56,127
Reserves	36,744	34,903	17,326	10,015
	92,871	91,030	73,453	66,142
Minority Interest	6,438	-	-	-
Total Equity	99,309	91,030	73,453	66,142
Total liabilities and equity	**235,354**	**192,792**	**114,152**	**94,875**

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 31/12/2007		As at 31/12/2006	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
51,365	7,201	40,285	2,769

The amount repayable after one year

As at 31/12/2007		As at 31/12/2006	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
17,299	9,027	10,767	1,510

Details of any collaterals
NA

(c) Cash Flow Statement for period ended 31 December

	Group			
	12 months ended		3 months ended	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
	$'000	$'000	$'000	$'000
Operating Activities:				
Profit before Income Tax:	7,323	16,413	3,282	788
Adjustments for:-				
Depreciation of property, plant and equipment	17,001	13,271	5,127	3,603
Amortisation of land use rights	91	-	29	-
Allowance for bad debts	18	76	18	76
Bad debts recovered	(665)	-	(665)	-
Provision for stock obsolescence	730	227	730	227
Gain on dilution of interest	(4,074)	-	-	-
Fair value gain on derivative financial instrument	(787)	-	(787)	-
Plant and equipment written off	-	104	-	104
Loss (Gain) on disposal of plant and equipment	2	(16)	2	-
Interest income	(208)	(75)	(99)	(22)
Interest expense	3,673	2,352	1,124	710
Operating profit before working capital changes	23,104	32,352	8,761	5,486
Changes in working capital:-				
Trade receivables	(15,041)	(863)	(6,571)	1,906
Other receivables and prepayments	(349)	(705)	1,944	3,998
Inventories	(976)	(6,183)	2,159	692
Other assets	(1,372)	-	(1,372)	-
Trade payables	5,486	9,252	3,253	(1,887)
Other payables	(1,884)	200	(14,719)	1,208
Net cash flows from (used in) operating activities	8,968	34,053	(6,544)	11,403
Net interest paid	(3,465)	(2,277)	(1,025)	(688)
Income tax paid	(661)	(1,777)	301	1
Cash flows from (used in) operating activities	**4,842**	**29,999**	**(7,268)**	**10,716**
Investing Activities:				
Proceeds on disposal of plant and equipment	8	42	8	(8)
Purchase (Disposal) of plant and equipment	(25,583)	(27,257)	3,655	(12,543)
Purchase of land use rights	(4,542)	-	(437)	-
Cash flows from (used in) investing activities	**(30,117)**	**(27,215)**	**3,226**	**(12,551)**
Financing Activities:				
Increase in cash subjected to restriction	(4,929)	(1,037)	(4,023)	(710)
Proceeds from dilution of interest in a subsidiary	10,095	-	10,095	-
Increase in bank loans	13,562	9,678	5,656	14,216
Increase (Decrease) in notes payable	11,949	(2,095)	(1,102)	(36)
Dividend paid	(2,850)	(2,850)	-	-
Due to former holding company (non-trade)	249	249	62	62
Decrease of finance lease obligations	(876)	(4,178)	(3,536)	(3,122)
Cash flows from (used in) financing activities	**27,200**	**(233)**	**7,152**	**10,410**
Net increase in cash and bank balances	**1,925**	**2,551**	**3,110**	**8,575**
Cash and bank balances at beginning of period	18,780	15,193	18,311	9,818
Net effect of exchange rate changes in consolidating subsidiaries	278	1,036	(438)	387
Cash and bank balances at end of period	**20,983**	**18,780**	**20,983**	**18,780**

Bank deposits pledged as security amounting to S$6,108,000 (31 December 2006: S$1,179,000) 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 31 December

	Share Capital $'000	Currency Translation Reserves $'000	Hedging Reserve $'000	Accumulated Profits $'000	Statutory reserve $'000	Total $'000	Minority Interest $'000	Total Equity $'000
Group								
At 1 January 2006	56,127	(1,137)	-	26,469	1,537	**82,996**	-	**82,996**
Transfer	-	-	-	(1,531)	1,531	-	-	-
Exchange differences arising on consolidation	-	(4,449)	-	-	-	**(4,449)**	-	**(4,449)**
Dividend paid	-	-	-	(2,850)	-	**(2,850)**	-	**(2,850)**
Net profit for the period	-	-	-	15,333	-	**15,333**	-	**15,333**
At 31 December 2006	**56,127**	**(5,586)**	-	**37,421**	**3,068**	**91,030**	-	**91,030**
At 1 January 2007	56,127	(5,586)	-	37,421	3,068	**91,030**	-	**91,030**
Transfer	-	-	-	(2,077)	2,077	-	-	-
Exchange differences arising on consolidation	-	(752)	-	(2)	(290)	**(1,044)**	-	**(1,044)**
Dividend paid	-	-	-	(2,850)	-	**(2,850)**	-	**(2,850)**
Minority Interest on consolidation	-	-	-	113	-	**113**	5,805	**5,918**
Net profit for the period	-	-	-	6,624	-	**6,624**	633	**7,257**
Initial recognition on cash flow hedge	-	-	(1,002)	-	-	**(1,002)**	-	**(1,002)**
At 31 December 2007	**56,127**	**(6,338)**	**(1,002)**	**39,229**	**4,855**	**92,871**	**6,438**	**99,309**
Company								
At 1 January 2006	56,127	-	-	3,512	-	**59,639**	-	**59,639**
Dividend paid	-	-	-	(2,850)	-	**(2,850)**	-	**(2,850)**
Net profit for the period	-	-	-	9,353	-	**9,353**	-	**9,353**
At 31 December 2006	**56,127**	-	-	**10,015**	-	**66,142**	-	**66,142**
At 1 January 2007	56,127	-	-	10,015	-	**66,142**	-	**66,142**
Dividend paid	-	-	-	(2,850)	-	**(2,850)**	-	**(2,850)**
Net profit for the period	-	-	-	11,163	-	**11,163**	-	**11,163**
Initial recognition on cash flow hedge	-	-	(1,002)	-	-	**(1,002)**	-	**(1,002)**
At 31 December 2007	**56,127**	-	**(1,002)**	**18,328**	-	**73,453**	-	**73,453**

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 January 2007 to 31 December 2007, 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 31/12/2007	As at 31/12/2006
The total number of issued shares excluding treasury shares	570,000,000	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 Company has adopted the same accounting policies and methods of computation as compared to the most recent audited financial statements as at 31 December 2006.

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	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
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	1.27	2.69	0.63	0.22
Weighted average number of shares	570,000,000	570,000,000	570,000,000	570,000,000
(ii) On a fully diluted basis (cts)	1.27	2.69	0.63	0.22
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 31/12/2007	As at 31/12/2006	As at 31/12/2007	As at 31/12/2006
Net asset value per ordinary share (cts)	15.60	15.28	12.89	11.60
Number of shares	570,000,000	570,000,000	570,000,000	570,000,000

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

Revenue

For the financial year ended 31 December 2007 ("FY2007"), the Group reported revenue of $116.1 million, a slight increase of 4% from $111.8 million in the preceding financial year (FY2006). The increase was driven primarily by improved sales from the mechanical drilling and PCB manufacturing businesses.

On a quarterly basis, sales for the fourth quarter of FY2007 (4Q07) saw an increase of 24% to $35.3 million from $28.5 million in 4Q06. This is due to increased sales from laser drilling, mechanical drilling and PCB manufacturing businesses.

PCB Operations

PCB Manufacturing which accounts for approximately 65% of Group revenue, increased by 6% from $71.7 million in FY2006 to $75.9 million in FY2007. The growth was mainly attributable to an increase in demand from the existing customers.

In 4Q07, PCB manufacturing increased by 15% compared to 4Q06 due to increase in demand in China, and remains as the key contributor to group revenue.

Drilling and Routing

The Group saw its revenue from mechanical drilling improve during the year by 30%. However revenue from laser drilling and routing reduced by 18%. As a result, revenue from this segment increased slightly from $40.1 million in FY2006 to $40.3 million in FY2007.

In 4Q07, revenue for mechanical drilling and laser drilling increased by 23.5% and 111% compared to 4Q06 respectively. This is because of an increase in demand for drilling services required for sophisticated electronic products such as new models of mobile phones with greater technology which were launched in the market.

Geographical Markets

China continued to be the key contributor to the Group's top line in FY2007 with $102.6 million as against $93.2 million in FY2006, and accounted for approximately 88% of Group revenue.

Taiwan operations reported a decrease of $5 million from $18.5 million to $13.5 million. This is attributable to lower market demand for laser drilling and increased competition in the market.

Profitability

Gross Profit

In FY2007, Gross Profit decreased by 46%, from $35.0 million to $18.7 million. This is due to lower-than-expected sales for laser drilling and increased cost of sales. The higher cost of sales was because of the higher depreciation costs for an increased number of machineries and plants as well as the rising costs of raw materials. As a result, Gross Profit Margin decreased by 15% from 31% in FY2006 to 16% in FY2007. This reflects an overall decrease in all the business segments.

Profit before Tax

Profit before tax for the Group stood at $7.4 million in FY2007, a decrease of 55% from $16.4 million in FY2006.

Administrative costs decreased by 2%, from $10.1 million in FY2006 to $9.9 million this year.

Distribution costs decreased by 23% from $5.4 million in FY2006 to $4.2 million. This mainly due to decreased commission expenses paid to sales representatives for sale order processing for China's PCB operations as lesser sale orders were processed as well as lower provision for bad debts as we write back provision for bad debts recovered.

Other expenses declined by 94% from $0.8 million in FY2006 to $0.05 million. Previously in FY2006, other expenses incurred were set up and de-registration expenses for a Korea subsidiary and loss of equipment and inventory in a fire accident as well as foreign exchange loss amounting to a total of $0.6 million. In FY2007 however, there was a foreign exchange gain of $0.9 million included in other income.

Finance costs also increased from $2.4 million to $3.7 million. This is mainly due to an increase in the Group's borrowings and the rise in interest rates.

Profit after Tax

Income tax expenses for FY2007 decreased by 94% from $1.1 million in the previous year to $0.1 million. This is mainly due to the fall in effective tax rate of 6.5% to 0.9% due to the one-off gain on dilution of interest and deferred income tax benefit from unutilized tax credit of machinery and equipment investments recognised in FY2007.

Net profit for FY2007 decreased 53% from $15.3 million to $7.3 million. In the quarterly comparison basis, net profit in 4Q07 increased by $2.3 million to $3.6 million from $1.3 million in 4Q06.

Financial position

Cash and cash equivalents stood at $27.1 million in FY2007, an increase of approximately $7.1 million from $20.0 million in FY2006.

Trade receivables also increased from $37.5 million in previous year to $53.2 million due to longer credit terms given to long term customers.

Other receivables increased mainly due to increase in deposits in advance, prepayments and tax refund receivable.

Inventories increased slightly from $10.2 million in FY2006 to $10.4 million in FY2007.

In FY2007, the Group purchased 50 years of land use rights for Shanghai Zeng Kang, Shanghai Zhuo Kai and Shanghai Eu Ya and these were reflected under current and non current assets.

Property, plant and equipment increased from $117.3 million to $129.4 million as the Group purchased 50 mechanical drilling machines and 7 laser drilling machines in China as well as another 7 laser drilling machines in Taiwan over the year.

Trade payables increased from $23.9 million to $29.7 million. This is due to increase in payables to suppliers for raw materials. Other payables on the other hand, decreased due to promissory notes issued to suppliers included in FY06. These promissory notes are due payable from year 2007 to 2010 and have been reclassed to notes payables in FY07.

Total borrowings of the Group increased from $55.3 million in FY2006 to $86.0 million. This is due to the loans required to fund the purchase of machineries.

Financial derivative arises due to the company entering into a cross currency rate swap with Standard Chartered Bank in 4Q07 to hedged its foreign currency and interest rate risk for its USD loan.

Net Gearing ratio stood at 0.63. The Group has a positive cash flow and a net cash position of $21.0 million.

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

The results announced are in line with the statement made in the company's profit guidance announcement made on 19 December 2007.

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 the beginning of 2008, the Group has observed improving sentiments in market demands for laser drilling services in Taiwan. This is due mainly to increased demand from existing customers who require a high level of sophistication in drilling for their range of products.

Operations in China however have experienced some challenges due to the severe weather conditions in the beginning of 2008. The unprecedented bad weather has posed problems in logistics, transportation and operations for the Group's businesses in China. In addition, some of the existing customers and business associates have also seen a decrease in business activities. As a result, the Group's operations in China have also experienced lesser business activities. The Group expects the likely adverse results from its China operations to affect the overall performance of the Group in the coming first quarter of the year.

11. Dividend

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

No dividend has been declared for the current financial year reported on.

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

Previous period

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per shares	0.5 Cents
Par value of shares	5.0 cents
Tax rate	Tax exempt (one-tier)

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.

The Company did not recommend or declare any dividend for the financial period ended 31 December 2007.

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.**

Business Segments

Revenue and Expenses (by business segments)	Drilling & Routing services		PCB operations		Total	
($'000)	2007	2006	2007	2006	2007	2006
Segment revenue	40,278	40,082	75,860	71,670	**116,138**	**111,752**
Segment results	7,564	10,342	1,022	10,719	**8,586**	**21,061**
Other income					**1,440**	**106**
Gain on dilution of interest					**4,074**	**-**
Unallocated corporate expenses					**(3,104)**	**(2,402)**
Finance costs					**(3,673)**	**(2,352)**
Profit from before income tax					**7,323**	**16,413**
Income tax expenses					**(66)**	**(1,080)**
Net profit attributable to the group					**7,257**	**15,333**
Assets and Liabilities						
Segment assets	110,651	92,938	117,465	92,718	**228,116**	**185,656**
Unallocated corporate assets					**7,238**	**7,136**
Consolidated total assets					**235,354**	**192,792**
Segment liabilities	42,452	42,315	59,331	42,697	**101,783**	**85,012**
Unallocated corporate assets					**40,700**	**16,750**
Consolidated total liabilities					**142,483**	**101,762**
Capital expenditure	22,284	25,971	8,381	19,800	**30,665**	**45,771**
Depreciation	11,679	9,647	5,223	3,526	**16,902**	**13,173**
Unallocated corporate expenditure						
Capital expenditure					**3**	**-**
Depreciation					**99**	**98**

Geographical Segments

Revenue (by geographical segments)	Taiwan		China		Singapore		Total	
($'000)	2007	2006	2007	2006	2007	2006	2007	2006
Segment revenue	13,542	18,545	102,596	93,207	-	-	**116,138**	**111,752**
Segment assets	48,055	48,504	180,060	137,152	7,238	7,136	**235,354**	**192,792**
Capital expenditure	5,135	16,027	25,530	29,745	3	-	**30,668**	**45,772**

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

Refer to papragraph 8.

15. **A breakdown of sales as follows:**

	Group		
	12 months ended		
	31/12/2007	31/12/2006	Inc/(Dec)
	$'000	$'000	%
Sales reported for the first half year	48,233	52,202	(8)
Net profit for first half year	(4,292)	10,045	(143)
Sales reported for second half year	67,905	59,550	14
Net profit for second half year	11,549	5,288	118

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:-**

	Group	
	FY 2007	FY 2006
	$'000	$'000
Ordinary	-	2,850,000
	-	2,850,000

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 31.12.2007: S$74.3 million Amount outstanding as at 31.12.2007: S$30.3 million
Loan from Sunny Worldwide Int'l (Amount outstanding as at 31.12.2007 is S$6.0 million)	Interest for the 12 months ended 31.12.2007: S$0.2 million

BY ORDER OF THE BOARD

Wen Yao-Long
Executive Chairman & CEO
26 February 2008