

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          |               |                 |
|------------------------------------------|----------------|---------------|-----------------|----------------|---------------|-----------------|
|                                          | 9 months ended |               | Fav/<br>(Unfav) | 3 months ended |               | Fav/<br>(Unfav) |
|                                          | 30/9/2007      | 30/9/2006     |                 | 30/9/2007      | 30/9/2006     |                 |
|                                          | \$'000         | \$'000        | %               | \$'000         | \$'000        | %               |
| <b>Revenue</b>                           | <b>80,808</b>  | <b>83,290</b> | (3)             | <b>32,576</b>  | <b>31,088</b> | 5               |
| Cost of sales                            | (67,966)       | (54,063)      | (26)            | (24,525)       | (22,436)      | (9)             |
| <b>Gross profit</b>                      | <b>12,842</b>  | <b>29,227</b> | (56)            | <b>8,051</b>   | <b>8,652</b>  | (7)             |
| <i>Gross margin</i>                      | <i>15.9%</i>   | <i>35.1%</i>  | (19)            | <i>24.7%</i>   | <i>27.8%</i>  | (3)             |
| Other income (including Interest Income) | 4,254          | 96            | NM              | 4,118          | 14            | NM              |
| Administrative expenses                  | (7,349)        | (8,148)       | 10              | (2,227)        | (2,654)       | 16              |
| Distribution costs                       | (3,120)        | (3,565)       | 12              | (969)          | (1,215)       | 20              |
| Other expenses                           | (37)           | (343)         | 89              | (3)            | (8)           | 63              |
| Finance costs                            | (2,549)        | (1,642)       | (55)            | (898)          | (531)         | (69)            |
| <b>Profit before income tax</b>          | <b>4,041</b>   | <b>15,625</b> | (74)            | <b>8,072</b>   | <b>4,258</b>  | 90              |
| Income tax expense                       | (368)          | (1,574)       | 77              | (106)          | (252)         | 58              |
| <b>Net profit for the period</b>         | <b>3,673</b>   | <b>14,051</b> | (74)            | <b>7,966</b>   | <b>4,006</b>  | 99              |
| Attributable to:                         |                |               |                 |                |               |                 |
| Equity holders of the parent             | 3,578          | 14,051        | (75)            | 7,812          | 4,006         | 95              |
| Minority interest                        | 95             | -             | NM              | 154            | -             | NM              |
|                                          | <b>3,673</b>   | <b>14,051</b> | (74)            | <b>7,966</b>   | <b>4,006</b>  | 99              |

NM: Not meaningful

Net profit for the period as a percentage of revenue                      4.5%                      16.9%                      24.5%                      12.9%

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

|                                               |         |       |         |       |
|-----------------------------------------------|---------|-------|---------|-------|
| Depreciation of property, plant and equipment | 11,874  | 9,668 | 4,099   | 3,411 |
| Amortisation of land use rights               | 61      | -     | 61      | -     |
| Foreign exchange loss (gain) - (net)          | (11)    | 338   | 3       | 6     |
| Gain on dilution of interest                  | (4,074) | -     | (4,074) | -     |
| Gain on sale of plant and equipment           | -       | (16)  | -       | -     |
| Interest income                               | (109)   | (53)  | (43)    | (13)  |
| Interest expense                              | 2,549   | 1,642 | 898     | 531   |

- 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**

|                                                            | <b>Group</b>                          |                                        | <b>Company</b>                        |                                        |
|------------------------------------------------------------|---------------------------------------|----------------------------------------|---------------------------------------|----------------------------------------|
|                                                            | <b>As at<br/>30/9/2007<br/>\$'000</b> | <b>As at<br/>31/12/2006<br/>\$'000</b> | <b>As at<br/>30/9/2007<br/>\$'000</b> | <b>As at<br/>31/12/2006<br/>\$'000</b> |
| <b>Current assets</b>                                      |                                       |                                        |                                       |                                        |
| Cash and bank balances                                     | 18,311                                | 18,780                                 | 883                                   | 2,114                                  |
| Pledged bank deposits                                      | 2,085                                 | 1,179                                  | -                                     | -                                      |
| Trade receivables                                          | 45,997                                | 37,527                                 | -                                     | -                                      |
| Other receivables and prepayments                          | 5,005                                 | 2,712                                  | 41,093                                | 18,596                                 |
| Land use rights                                            | 82                                    | -                                      | -                                     | -                                      |
| Inventories                                                | 13,335                                | 10,200                                 | -                                     | -                                      |
|                                                            | <b>84,815</b>                         | <b>70,398</b>                          | <b>41,976</b>                         | <b>20,710</b>                          |
| <b>Non-current assets</b>                                  |                                       |                                        |                                       |                                        |
| Investment in subsidiaries                                 | -                                     | -                                      | 77,172                                | 73,126                                 |
| Land use rights                                            | 3,962                                 | -                                      | -                                     | -                                      |
| Property, plant and equipment                              | 134,158                               | 117,302                                | 968                                   | 1,039                                  |
| Goodwill                                                   | 3,956                                 | 3,956                                  | -                                     | -                                      |
| Deferred tax asset                                         | 1,097                                 | 1,136                                  | -                                     | -                                      |
|                                                            | <b>143,173</b>                        | <b>122,394</b>                         | <b>78,140</b>                         | <b>74,165</b>                          |
| <b>Total assets</b>                                        | <b>227,988</b>                        | <b>192,792</b>                         | <b>120,116</b>                        | <b>94,875</b>                          |
| <b>Current liabilities</b>                                 |                                       |                                        |                                       |                                        |
| Trade payables                                             | 26,094                                | 23,861                                 | -                                     | -                                      |
| Other payables                                             | 18,877                                | 16,096                                 | 14,239                                | 10,791                                 |
| Income tax payable                                         | 56                                    | 689                                    | -                                     | -                                      |
| Short-term bank loans                                      | 36,193                                | 32,525                                 | 8,957                                 | 9,221                                  |
| Current portion of long-term bank loans                    | 3,153                                 | 4,292                                  | 59                                    | 59                                     |
| Current portion of finance leases                          | 4,711                                 | 3,468                                  | 646                                   | 1,115                                  |
| Current portion of notes payable                           | 6,377                                 | 2,769                                  | 2,900                                 | -                                      |
| Due to former holding company                              | 5,972                                 | 5,785                                  | 5,972                                 | 5,785                                  |
|                                                            | <b>101,433</b>                        | <b>89,485</b>                          | <b>32,773</b>                         | <b>26,971</b>                          |
| <b>Non-current liabilities</b>                             |                                       |                                        |                                       |                                        |
| Long-term bank loans                                       | 11,159                                | 5,782                                  | 350                                   | 394                                    |
| Finance leases                                             | 6,402                                 | 4,985                                  | 849                                   | 1,368                                  |
| Notes payable                                              | 10,953                                | 1,510                                  | 9,219                                 | -                                      |
|                                                            | <b>28,514</b>                         | <b>12,277</b>                          | <b>10,418</b>                         | <b>1,762</b>                           |
| <b>Equity attributable to equity holders of the parent</b> |                                       |                                        |                                       |                                        |
| Share capital                                              | 56,127                                | 56,127                                 | 56,127                                | 56,127                                 |
| Reserves                                                   | 35,839                                | 34,903                                 | 20,798                                | 10,015                                 |
|                                                            | <b>91,966</b>                         | <b>91,030</b>                          | <b>76,925</b>                         | <b>66,142</b>                          |
| Minority Interest                                          | 6,075                                 | -                                      | -                                     | -                                      |
| Total Equity                                               | <b>98,041</b>                         | <b>91,030</b>                          | <b>76,925</b>                         | <b>66,142</b>                          |
| <b>Total liabilities and equity</b>                        | <b>227,988</b>                        | <b>192,792</b>                         | <b>120,116</b>                        | <b>94,875</b>                          |

- 1(b)(ii) Aggregate amount of the group's borrowings and debt securities

Amount repayable in one year or less, or on demand

| <b>As at 30/9/2007</b> |                  | <b>As at 31/12/2006</b> |                  |
|------------------------|------------------|-------------------------|------------------|
| <b>Secured</b>         | <b>Unsecured</b> | <b>Secured</b>          | <b>Unsecured</b> |
| <b>\$'000</b>          | <b>\$'000</b>    | <b>\$'000</b>           | <b>\$'000</b>    |
| 44,057                 | 6,377            | 40,285                  | 2,769            |

The amount repayable after one year

| <b>As at 30/9/2007</b> |                  | <b>As at 31/12/2006</b> |                  |
|------------------------|------------------|-------------------------|------------------|
| <b>Secured</b>         | <b>Unsecured</b> | <b>Secured</b>          | <b>Unsecured</b> |
| <b>\$'000</b>          | <b>\$'000</b>    | <b>\$'000</b>           | <b>\$'000</b>    |
| 17,561                 | 10,953           | 10,767                  | 1,510            |

Details of any collaterals

NA

(c) Cash Flow Statement for period ended 30 September

**Operating Activities:**

|                                                 |  |
|-------------------------------------------------|--|
| Profit before Income Tax:                       |  |
| Adjustments for:-                               |  |
| Depreciation of property, plant and equipment   |  |
| Amortisation of land use rights                 |  |
| Gain on dilution of interest                    |  |
| Gain on disposal of plant and equipment         |  |
| Interest income                                 |  |
| Interest expense                                |  |
| Operating profit before working capital changes |  |

Changes in working capital:-

|                                                    |  |
|----------------------------------------------------|--|
| Trade receivables                                  |  |
| Other receivables and prepayments                  |  |
| Inventories                                        |  |
| Trade payables                                     |  |
| Other payables                                     |  |
| Net cash flows (used in) from operating activities |  |
| Net interest paid                                  |  |
| Income tax paid                                    |  |
| <b>Cash flows from operating activities</b>        |  |

**Investing Activities:**

|                                                |  |
|------------------------------------------------|--|
| Proceeds on disposal of plant and equipment    |  |
| Purchase of plant and equipment                |  |
| Purchase of land use rights                    |  |
| <b>Cash flows used in investing activities</b> |  |

**Financing Activities:**

|                                                       |  |
|-------------------------------------------------------|--|
| Decrease in cash subjected to restriction             |  |
| Increase (Decrease) in notes payable                  |  |
| Dividend paid                                         |  |
| Due to former holding company (non-trade)             |  |
| Increase (Decrease) in bank loans                     |  |
| Increase (Decrease) of finance lease obligations      |  |
| <b>Cash flows from (used in) financing activities</b> |  |

**Net (decrease) increase in cash and bank balances**

|                                                                   |  |
|-------------------------------------------------------------------|--|
| Cash and bank balances at beginning of period                     |  |
| Net effect of exchange rate changes in consolidating subsidiaries |  |
| <b>Cash and bank balances at end of period</b>                    |  |

| Group           |                 |                 |                |
|-----------------|-----------------|-----------------|----------------|
| 9 months ended  |                 | 3 months ended  |                |
| 30/9/2007       | 30/9/2006       | 30/9/2007       | 30/9/2006      |
| \$'000          | \$'000          | \$'000          | \$'000         |
| 4,041           | 15,625          | 8,072           | 4,258          |
| 11,874          | 9,668           | 4,099           | 3,411          |
| 61              | -               | 61              | -              |
| (4,074)         | -               | (4,074)         | -              |
| -               | (16)            | -               | -              |
| (109)           | (53)            | (43)            | (13)           |
| 2,549           | 1,642           | 898             | 531            |
| 14,342          | 26,866          | 9,013           | 8,187          |
| (8,470)         | (2,769)         | (11,812)        | (5,516)        |
| (2,293)         | (4,703)         | 12,860          | (3,359)        |
| (3,135)         | (6,875)         | (4,540)         | (3,915)        |
| 2,233           | 11,139          | 3,681           | 8,479          |
| 12,835          | (1,008)         | 1,046           | 126            |
| 15,512          | 22,650          | 10,248          | 4,002          |
| (2,440)         | (1,589)         | (855)           | (518)          |
| (962)           | (1,778)         | (98)            | (245)          |
| <b>12,110</b>   | <b>19,283</b>   | <b>9,295</b>    | <b>3,239</b>   |
| -               | 50              | -               | -              |
| (29,238)        | (14,714)        | (24,582)        | (2,611)        |
| (4,105)         | -               | (4,105)         | -              |
| <b>(33,343)</b> | <b>(14,664)</b> | <b>(28,687)</b> | <b>(2,611)</b> |
| (906)           | (327)           | (79)            | (429)          |
| 13,051          | (2,059)         | 15,079          | (16)           |
| (2,850)         | (2,850)         | (2,850)         | (2,850)        |
| 187             | 187             | 62              | 62             |
| 7,906           | (4,538)         | 4,767           | 828            |
| 2,660           | (1,056)         | 3,642           | (1,382)        |
| <b>20,048</b>   | <b>(10,643)</b> | <b>20,621</b>   | <b>(3,787)</b> |
| <b>(1,185)</b>  | <b>(6,024)</b>  | <b>1,229</b>    | <b>(3,159)</b> |
| 18,780          | 15,193          | 16,545          | 12,811         |
| 716             | 649             | 537             | 166            |
| <b>18,311</b>   | <b>9,818</b>    | <b>18,311</b>   | <b>9,818</b>   |

Bank deposits pledged as security amounting to S\$2,085,000 (30 September 2006: S\$469,000) 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 third quarter ended 30 September

| <u>Group</u>                                  | Share<br>Capital<br>\$'000 | Currency<br>Translation<br>Reserves<br>\$'000 | Accumulated<br>Profits<br>\$'000 | Statutory<br>reserve<br>\$'000 | Total<br>\$'000 | Minority<br>Interest<br>\$'000 | Total Equity<br>\$'000 |
|-----------------------------------------------|----------------------------|-----------------------------------------------|----------------------------------|--------------------------------|-----------------|--------------------------------|------------------------|
| <b>At 1 July 2006</b>                         | 56,127                     | (3,761)                                       | 35,930                           | 2,121                          | 90,417          | -                              | 90,417                 |
| Transfer                                      | -                          | -                                             | (946)                            | 946                            | -               | -                              | -                      |
| Exchange differences arising on consolidation | -                          | 41                                            | -                                | -                              | 41              | -                              | 41                     |
| Dividend paid                                 | -                          | -                                             | (2,850)                          | -                              | (2,850)         | -                              | (2,850)                |
| Net profit for the period                     | -                          | -                                             | 4,006                            | -                              | 4,006           | -                              | 4,006                  |
| <b>At 30 September 2006</b>                   | <b>56,127</b>              | <b>(3,720)</b>                                | <b>36,140</b>                    | <b>3,067</b>                   | <b>91,614</b>   | <b>-</b>                       | <b>91,614</b>          |
| <b>At 1 July 2007</b>                         | 56,127                     | (3,404)                                       | 31,896                           | 4,175                          | 88,794          | 9,390                          | 98,184                 |
| Transfer                                      | -                          | -                                             | (697)                            | 697                            | -               | -                              | -                      |
| Exchange differences arising on consolidation | -                          | (1,712)                                       | 9                                | (87)                           | (1,790)         | -                              | (1,790)                |
| Dividend paid                                 | -                          | -                                             | (2,850)                          | -                              | (2,850)         | -                              | (2,850)                |
| Minority Interest on consolidation            | -                          | -                                             | -                                | -                              | -               | (3,469)                        | (3,469)                |
| Net profit for the period                     | -                          | -                                             | 7,812                            | -                              | 7,812           | 154                            | 7,966                  |
| <b>At 30 September 2007</b>                   | <b>56,127</b>              | <b>(5,116)</b>                                | <b>36,170</b>                    | <b>4,785</b>                   | <b>91,966</b>   | <b>6,075</b>                   | <b>98,041</b>          |
| <u>Company</u>                                |                            |                                               |                                  |                                |                 |                                |                        |
| <b>At 1 July 2006</b>                         | 56,127                     | -                                             | 7,775                            | -                              | 63,902          | -                              | 63,902                 |
| Dividend paid                                 | -                          | -                                             | (2,850)                          | -                              | (2,850)         | -                              | (2,850)                |
| Net profit for the period                     | -                          | -                                             | 4,696                            | -                              | 4,696           | -                              | 4,696                  |
| <b>At 30 September 2006</b>                   | <b>56,127</b>              | <b>-</b>                                      | <b>9,621</b>                     | <b>-</b>                       | <b>65,748</b>   | <b>-</b>                       | <b>65,748</b>          |
| <b>At 1 July 2007</b>                         | 56,127                     | -                                             | 17,476                           | -                              | 73,603          | -                              | 73,603                 |
| Dividend paid                                 | -                          | -                                             | (2,850)                          | -                              | (2,850)         | -                              | (2,850)                |
| Net profit for the period                     | -                          | -                                             | 6,172                            | -                              | 6,172           | -                              | 6,172                  |
| <b>At 30 September 2007</b>                   | <b>56,127</b>              | <b>-</b>                                      | <b>20,798</b>                    | <b>-</b>                       | <b>76,925</b>   | <b>-</b>                       | <b>76,925</b>          |

- 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 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 July 2007 to 30 September 2007, the Company did not issue any shares.

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          |             |
|-------------------------------------------------------------------------------------|----------------|-------------|----------------|-------------|
|                                                                                     | 9 months ended |             | 3 months ended |             |
|                                                                                     | 30/9/2007      | 30/9/2006   | 30/9/2007      | 30/9/2006   |
| 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     | 0.64           | 2.47        | 1.40           | 0.70        |
| Weighted average number of shares                                                   | 570,000,000    | 570,000,000 | 570,000,000    | 570,000,000 |
| (ii) On a fully diluted basis (cts)                                                 | 0.64           | 2.47        | 1.40           | 0.70        |
| 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 30/9/2007 | As at 31/12/2006 | As at 30/9/2007 | As at 31/12/2006 |
| Net asset value per ordinary share (cts) | 15.44           | 15.28            | 13.50           | 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**

The Group recorded revenue of \$32.6 million in 3Q07, representing an increase of 5% from \$31.1 million in 3Q06. This modest increase is attributable to the increased demand in mechanical drilling business and a recovery in laser drilling demand. In the laser drilling segment, our machines utilisation rate improved significantly from the last quarter.

**China**

Revenue from China operations increased marginally by \$0.2 million or 0.8% from \$26.4 million in 3Q06 to \$26.6 million in 3Q07.

Revenue from PCB Operations decreased by \$3.0 million or 14% due to lower orders compared to 3Q06. However, revenue from mechanical drilling segment increased 55% from \$3.9 million to \$6.1 million.

Our China production capacity increased due to the addition of 50 mechanical drilling machines this year to our new plant, Shanghai Lian Han Xin which was set up last year to meet the growing demand. We also added 7 laser drilling machines in 3Q07 to our China operations.

**Taiwan**

Demand for Laser Drilling increased by 29% from \$4.6 million in 3Q06 to \$6.0 million in 3Q07. The improvement in the Laser Drilling segment is due to increased demand for IC substrates as well as higher demand for mobile phones and other sophisticated electronic products that need HDI (High-Density Interconnect) PCBs.

**Profitability**

**Gross Profit**

Gross Profit decreased by 7% from \$8.7 million in 3Q06 to \$8.1 million in 3Q07. As a result, Group gross profit margin eased by 3% from 27.8% to 24.7% due to the following factors:

- (i) Increase in cost of sales by 9% from \$22.4 million in 3Q06 to \$24.5 million in 3Q07, due mainly to increased prices of raw materials such as copper.
- (ii) Higher depreciation expenses due to additional mechanical drilling machines, laser drilling machines and PCB facilities.

**3Q over 2Q Performance**

The Group doubled its net profit from \$4.0 million in 3Q06 to almost \$8.0 million in 3Q07. Compared to 2Q07, all business segments have achieved increases in gross profit. In particular, Laser Drilling segment has turned profitable in 3Q07.

The Group registered a one-off gain of \$4.07 million from a recent sale of 12.5% stake in our subsidiary Shanghai Zhuo Kai. Excluding the said gain, the Group still registered a net profit of \$3.8 million from its operations representing a return to profitability from 2Q07.

Distribution costs have decreased by 20% mainly due to a drop in commission payable and delivery costs incurred by the processing of sales for PCB operations. This offsets the increase in salary and related costs due to the increase in headcount.

Finance costs have increased by \$0.4 million due to higher bank borrowings to fund the purchases of new machines and PCB facilities.

#### **Balance Sheet**

In 3Q07, the Group purchased 50 years of land use rights each for Shanghai Zhuo Kai and Shanghai Eu Ya. Land use rights are amortized over 50 years for both subsidiaries and are reflected under current and non-current assets.

Owing to the purchase of machines, 'property, plant and equipment' increased from \$117.3 million to \$134.2 million in net book value, with depreciation factored in. Purchases were funded by internal working capital and borrowings.

Bank loans increased by \$7.9 million mainly due to purchase of PCB facilities at Shanghai Zhuo Kai and Shanghai Eu Ya as well as trade receivables factoring.

Finance leases increased by \$2.7 million mainly due to purchase of laser drilling machines for Lgang Optronics.

Other payables increased by \$2.8 million mainly due to purchase of laser drilling machines for Shanghai Zhuo Kai.

Notes payables have increased by \$13.0 million as the Group issued several promissory notes to our supplier for purchase of mechanical drilling machines for Shanghai Lian Han Xin which was set up in December 2006. These notes are due payable between year 2007 to 2010.

Total debt borrowings increased 42% to \$78.9 million from \$55.5 million in 2Q07. Net gearing ratio rose slightly from 0.42 in 2Q07 to 0.64 in 3Q07.

The Group's cash position stood at \$18.3 million, which is sufficient to meet its daily operational needs.

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.

The Group expects its business to fare well in 4Q07, with a stronger demand for all business segments compared to 3Q07. Seasonally, 4Q07 should see higher demand in our order books for electronic consumer products. The Group expects improved utilisation rates on machines and facilities to cater for this increase in our order books.

The management is currently exploring a more strategic and structured arrangement to smoothen the cyclical demand experienced in our laser drilling business principally to manage and drive a more constant utilisation rate in this capital intensive segment of our businesses. We will continue to exercise prudence and foresight in our investments and expenditure, in tandem with market conditions.

With cautious optimism, the Group has made the following investments in machines in 3Q07:

- 30 computer numeric controlled (CNC) mechanical drilling machines for Shanghai Lian Han Xin in China
- 7 laser drilling machines for Shanghai Zhuo Kai in China
- 7 laser drilling machines for Lgang Optronics in Taiwan

Barring any unforeseen circumstances and market conditions, the Group will remain profitable in FY07.

**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 year?**

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 Third quarter ended 30 September 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.**

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 | <p>Total facilities granted as at 30.9.2007:<br/>S\$54.5 million</p> <p>Amount outstanding as at 30.9.2007:<br/>S\$28.2 million</p>                                                                                     |
| Loan from Sunny Worldwide Int'l (Amount outstanding as at 30.9.2007 is S\$6.0 million)                                                                      | Interest for the 9 months ended 30.9.2007:<br>S\$0.1 million                                                                                                                                                            |

BY ORDER OF THE BOARD

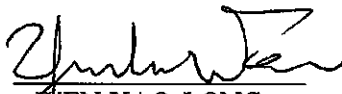
Wen Yao-Long  
Executive Chairman & CEO  
6 November 2007

## 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 3rd Quarter ended 30 September 2007 to be false or misleading.

On behalf of the Board of Directors:

  
\_\_\_\_\_  
WEN YAO-LONG  
Director

  
\_\_\_\_\_  
ONG SIM HO  
Director

Singapore, 6 November 2007