

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		Fav/ (Unfav) %
	3 months ended		
	31/3/2015	31/3/2014	
	\$'000	\$'000	%
Revenue	17,030	12,888	32
Cost of services	(14,775)	(11,879)	(24)
Gross profit	2,255	1,009	123
Gross margin	13.2%	7.8%	
Other income (including interest income)	1,217	724	68
Administrative expenses	(2,501)	(2,942)	15
Distribution costs	(437)	(398)	(10)
Other expenses	(24)	(394)	94
Finance costs	(344)	(291)	(18)
Profit (Loss) before income tax	166	(2,292)	NM
Income tax expense	-	-	-
Net profit (loss) for the period	166	(2,292)	NM
Attributable to:			
Equity holders of the parent	184	(2,173)	NM
Non-controlling interest	(18)	(119)	85
	166	(2,292)	
Statement of comprehensive income			
Net profit (loss) for the period	166	(2,292)	NM
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation	1,188	(1,023)	NM
Other comprehensive profit (loss) for the period	1,188	(1,023)	
Total comprehensive profit (loss) for the period	1,354	(3,315)	NM
Total comprehensive profit (loss) attributable to:			
Equity holders of the parent	873	(2,826)	NM
Non-controlling interest	481	(489)	NM
	1,354	(3,315)	NM

NM: Not meaningful

Net profit (loss) for the period as a percentage of revenue

1.0%

-17.8%

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

Depreciation of property, plant and equipment	1,620	2,353
Amortisation of land use rights	22	22
Foreign exchange gain	(609)	(713)
Fixed assets written off	-	-
(Gain) Loss on disposal of property, plant and equipment	(464)	(464)
Interest income	(43)	(43)
Interest expense	344	291

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 31/3/2015 \$'000	As at 31/12/2014 \$'000	As at 31/3/2015 \$'000	As at 31/12/2014 \$'000
Current assets				
Cash and cash equivalents	7,295	6,916	1,051	404
Pledged bank deposits	377	363	-	-
Structured deposits	21,017	20,220	-	-
Trade receivables	21,776	20,925	-	-
Other receivables and prepayments	1,223	2,652	2,378	4,816
Land use rights	102	98	-	-
Inventories	4,238	4,668	-	-
Total current assets	56,028	55,842	3,429	5,220
Non-current assets				
Investment in subsidiaries	-	-	47,125	45,339
Investment in associate	-	-	-	-
Land use rights	4,144	4,012	-	-
Property, plant and equipment	33,529	33,719	776	751
Other receivables	689	794	-	-
Goodwill	82	82	-	-
Deferred tax asset	34	33	-	-
Total non-current assets	38,478	38,640	47,901	46,090
Total assets	94,506	94,482	51,330	51,310
Current liabilities				
Trade payables	13,089	14,108	-	-
Other payables	5,842	5,135	7,807	8,178
Provisions	11,193	11,193	11,193	11,193
Derivative financial instruments	91	88	-	-
Short-term bank loans	7,972	7,632	-	-
Current portion of long-term bank loans	4,196	3,667	-	-
Current portion of finance leases	14	21	-	-
Due to shareholders	4,605	5,311	4,605	5,311
Total current liabilities	47,002	47,155	23,605	24,682
Non-current liabilities				
Retirement benefit obligations	620	589	-	-
Due to shareholders	10,778	10,684	10,778	10,684
Long-term bank loans	7,145	8,447	-	-
Total non-current liabilities	18,543	19,720	10,778	10,684
Capital, reserves and non-controlling interests				
Share capital	56,127	56,127	56,127	56,127
Reserves	(34,631)	(35,504)	(39,180)	(40,183)
Equity attributable to equity holders of the company	21,496	20,623	16,947	15,944
Non-controlling interest	7,465	6,984	-	-
Total equity	28,961	27,607	16,947	15,944
Total liabilities and equity	94,506	94,482	51,330	51,310

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 31/3/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
12,182	4,605	11,320	5,311

The amount repayable after one year

As at 31/3/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
7,145	10,778	8,447	10,684

Details of any collaterals

The group's borrowings are primarily secured by personal guarantees from directors, pledged bank deposits, property, plant and equipment, land use rights and trade receivables.

1 (c) **Cash Flow Statement for period ended 31 March**

Operating Activities:

Profit (Loss) before Income Tax:	
Adjustments for:-	
Depreciation of property, plant and equipment	
Amortisation of land use rights	
Interest income	
Interest expense	
Net foreign exchange gain	
Gain on disposal of property, plant and equipment	
Operating profit (loss) before working capital changes	

Changes in working capital:-

Trade receivables	
Other receivables and prepayments	
Inventories	
Trade payables	
Other payables	
Cash generated from operations	
Net interest paid	
Income tax paid	

Cash flows generated from (used in) operating activities

Investing Activities:

Investment in structured deposits	
Proceeds on disposal of property, plant and equipment	
Purchase of property, plant and equipment	

Cash flows (used in) generated from investing activities

Financing Activities:

Decrease (Increase) in pledged bank deposits	
Repayment of bank loans	
New bank loans raised	
Repayment to shareholders	
New loans from shareholders	
Repayment of finance lease obligations	

Cash flows used in financing activities

Net increase (decrease) in cash and cash equivalents

Cash and cash equivalents at beginning of period	
Effect of exchange rate changes on the balances of cash held in foreign currencies	

Cash and cash equivalents at end of period

Group	
3 months ended	
31/3/2015	31/3/2014
\$'000	\$'000
166	(2,292)
1,620	2,353
22	22
(43)	(43)
344	291
(609)	(713)
(464)	(464)
1,036	(846)
(851)	4,478
1,534	131
430	199
(1,019)	(2,795)
707	(1,117)
1,837	50
(301)	(248)
-	-
1,536	(198)
(1,042)	-
470	1,419
(33)	(249)
(605)	1,170
(14)	506
(1,681)	(3,926)
1,523	2,221
(1,086)	(278)
689	-
(8)	(8)
(577)	(1,485)
354	(513)
6,916	18,997
25	(7)
7,295	18,477

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 March

	Share capital \$'000	Currency translation reserves \$'000	Statutory reserves \$'000	Other reserves \$'000	Accumulated profits (losses) \$'000	Total attributable to equity holders of the company \$'000	Minority interests \$'000	Total \$'000
<u>Group</u>								
At 1 January 2014	56,127	(7,585)	7,781	(2,993)	(21,717)	31,613	7,307	38,920
Loss for the period	-	-	-	-	(2,173)	(2,173)	(119)	(2,292)
Other comprehensive income for the period	-	(653)	-	-	-	(653)	(370)	(1,023)
Total	-	(653)	-	-	(2,173)	(2,826)	(489)	(3,315)
At 31 March 2014	56,127	(8,238)	7,781	(2,993)	(23,890)	28,787	6,818	35,605
At 1 January 2015	56,127	(8,676)	7,912	(2,993)	(31,747)	20,623	6,984	27,607
Profit for the period	-	-	-	-	184	184	(18)	166
Other comprehensive gain for the period	-	689	-	-	-	689	499	1,188
Total	-	689	-	-	184	873	481	1,354
At 31 March 2015	56,127	(7,987)	7,912	(2,993)	(31,563)	21,496	7,465	28,961
<u>Company</u>								
At 1 January 2014	56,127	1,603	-	-	(12,393)	45,337	-	45,337
Loss for the period	-	-	-	-	(1,089)	(1,089)	-	(1,089)
Other comprehensive income for the period	-	(1,281)	-	-	-	(1,281)	-	(1,281)
Total	-	(1,281)	-	-	(1,089)	(2,370)	-	(2,370)
At 31 March 2014	56,127	322	-	-	(13,482)	42,967	-	42,967
At 1 January 2015	56,127	1,384	-	-	(41,567)	15,944	-	15,944
Profit for the period	-	-	-	-	369	369	-	369
Other comprehensive loss for the period	-	634	-	-	-	634	-	634
Total	-	634	-	-	369	1,003	-	1,003
At 31 March 2015	56,127	2,018	-	-	(41,198)	16,947	-	16,947

- 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 2015 to 31 March 2015, 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.

The total number of issued shares excluding treasury shares

As at 31/3/2015	As at 31/12/2014
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 Group has adopted the same accounting policies and methods of computation for the current year consistent with those of the audited financial statements for the year ended 31 December 2014. In the current financial year, the Group has adopted all the new and revised Financial Reporting Standards ("FRSs") that are relevant to its operations and effective for annual periods beginning on 1 January 2015.

The adoption of these new and revised FRSs does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior years.

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.

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

Weighted average number of shares

(ii) On a fully diluted basis (cts)

Weighted average number of shares

Group	
3 months ended	
31/3/2015	31/3/2014
0.03	(0.38)
570,000,000	570,000,000
0.03	(0.38)
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.

Net asset value per ordinary share (cts)
Number of shares

Group		Company	
As at 31/3/2015	As at 31/12/2014	As at 31/3/2015	As at 31/12/2014
3.76	3.60	2.97	2.80
570,000,000	570,000,000	570,000,000	570,000,000

8. Review of the Group's performance

Revenue

For the three months ended 31 March 2015 ("1Q15"), the Group reported revenue of \$17.0 million, an increase of 32% from \$12.9 million from the corresponding period in 2014 ("1Q14"). It is an increase in revenue for all segments with PCB operations segment showing the largest percentage increase of 36%. This increase is in line with the Groups' renewed focus in strengthening sales and marketing of products to improve revenue.

PCB Operations

PCB operations continue to be the major contributor accounting for 93% of our Group's revenue in 1Q15. Revenue from PCB operations improved by 36% from \$11.7 million in 1Q14 to \$15.9 million 1Q15. This increase is due to Group's focus in improving sales volume.

Mechanical Drilling and Routing

Revenue from Mechanical drilling and Routing segment improved by 9% from \$1.1 million in 1Q14 to \$1.2 million in 1Q15. Mechanical drilling and routing segments are mainly made up of sub-contracted sales which are volatile to any fluctuations in market demands.

Geographical Markets

China operations remained as the key contributor to Group's revenue in 1Q15 at 71%. There is a decrease of 27% from 98% in 1Q14 to 71% in 1Q15 due to improvements in Taiwan operations in 2015.

Since the cessation of laser drilling operation in Taiwan in 2014, Taiwan operation underwent a series of restructurings to convert into PCB operations. Its revenue had been steadily improved since second half of 2014. For 1Q15, Taiwan operation contributed \$5.0 million to the Group's revenue.

Profitability

Gross Profit

Gross profit doubled from \$1.0 million was generated in 1Q14 to \$2.3 million in 1Q15. PCB operations posted a gross profit of \$2.4 million which was partially offsetted by Mechanical drilling and Routing segment's gross loss of \$0.1 million. The gross loss from Mechanical drilling and Routing is mainly a result of revenue generated for month of January and February being lesser than the fixed manufacturing expenses such as labour cost, electricity and depreciation.

Expenses

Other Income

Disposal gain or loss from sale of plant and machinery and exchange difference are classified accordingly between other income or other expenses based on the net effect in that financial period.

The increase in other income was mainly due to a gain in exchange difference in 1Q15 as compared to 1Q14. The exchange gain is mainly due to the strengthening of United States dollars against Singapore dollars.

Administrative Expenses

The decrease in administrative expenses was mainly due to decrease in labour costs, depreciation and research and development costs.

Distribution Costs

Distribution costs remained constant at \$0.4 million in 1Q14 and 1Q15. Distribution costs pertains to sales commission payable to sales representatives in processing sales for PCB manufacturing.

Other Expenses

Disposal gain or loss from sale of plant and machinery and exchange difference are classified accordingly between other income or other expenses based on the net effect in that financial period.

The decrease in other expenses by \$0.4 million was mainly due to a net exchange loss of \$0.4 million incurred in 1Q14. There is a net exchange gain for 1Q15.

Finance Costs

Finance costs remained constant at \$0.3 million.

Balance Sheet

There is a slight increase in the Group's cash and bank balances from \$7.0 million at 4Q14 to \$7.3 million at 1Q15. Pledged bank deposits remained constant at \$0.4 million while restructured deposits increased slightly from \$20.2 million to \$21.0 million. Structured deposits attract higher interest returns.

The slight increase in trade receivables of \$0.1 million is mainly due to slight improvement in quarterly sales of 1Q15 against 4Q14. Trade receivable's credit period ranges from 45 days to 150 days. Trade receivables turnover days improved from 132 days to 117 days from 4Q14 to 1Q15.

Other receivables and prepayments decreased by \$1.5 million from \$3.4 million at 4Q14 to \$1.9 million at 1Q15 mainly due to receipts of tax refund from the authority under one of the China subsidiaries, coupled with receipts from sales of machineries.

The slight decrease in inventory level from \$4.7 million at 4Q14 to \$4.2 million at 1Q15 was mainly due to better cost control.

The decrease in property, plant and equipment arises mainly from depreciation.

Trade and other payables remained constant at \$19 million range for 4Q14 and 1Q15.

Derivative financial statements pertain to estimated liability on the fair value of the forward foreign exchange contracts.

Amount due to shareholders decreased by \$0.6 million from \$16.0million as at 4Q14 to \$15.4 million as at 1Q15.

Total gross borrowings remained constant at \$19 million range for 4Q14 and 1Q15.

The Group's net working capital position decreased by \$0.3 million from a \$8.7 million net asset position for 4Q14 to a \$8.4 million net asset position for 1Q15.

As at 1Q15, the Group's current ratio (current assets/current liabilities) and debt/equity ratio are 1.18 and 3.0 respectively. The Group's equity (net assets) stands at \$29.0 million.

Cash Flow

Cash flow generated from operating activities of \$1.5 million was mainly due to improvement in sales, coupled with better cost control.

Cash flow used in investing activities was mainly due to investment in restructured deposits, partially offsetted against disposal of machineries.

Cash flow used in financing activities of \$0.5 million in 1Q15 was mainly due to repayment of loan borrowings.

Cash and bank balances decreased by \$11.2 million from \$18.5 million in 1Q14 to \$7.3 million in 1Q15 due to reclassification of \$21.0 million of restructured deposits.

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.

Eucon Group had seen improvements in cost control after focusing on cost restructuring. Going forward, Eucon Group will focus on strengthening its sales and marketing aspects. FY2015 will be the last financial year for Eucon Group to exit from watchlist status and Eucon Group is working towards fulfilling the exit requirements. Any updates will be announced via SGX portal.

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 first quarter ended 31 March 2015.

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

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

During the financial year, there were related parties transactions based on terms agreed between the parties as follows:-

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)	Aggregate value of all interested person transactions conducted under Shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
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 31.3.2015: \$14.8 million Amount outstanding as at 31.3.2015: \$14.4 million	-
Loan from Sunny Worldwide Int'l Ltd (Amount outstanding as at 31.3.2015 is \$10.8 million)	Interest for the 3 months ended 31.3.2014: \$0.07 million	-
Loan from Mr Wen Yao-Long (Amount outstanding as at 31.3.2015 is \$4.6 million)	Interest -free loan	-

Except for the above, there was no other interested person transaction, as defined in Chapter 9 of the Listing Manual of the SGX-ST, entered into the Group or by the Company during the financial period ended 31 March 2015.

BY ORDER OF THE BOARD

Wen Yao-Long
Executive Chairman & CEO
23 April 2015