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		
	3 months ended		Fav/
	31/3/2009	31/3/2008	(Unfav)
	$'000	$'000	%
Revenue	**11,211**	**26,940**	(58)
Cost of sales	(14,215)	(23,088)	38
Gross profit	**(3,004)**	**3,852**	(178)
Gross margin	*-26.8%*	*14.3%*	
Other income (including Interest Income)	1,271	90	NM
Administrative expenses	(1,848)	(2,678)	31
Distribution costs	(381)	(1,072)	64
Other expenses	(11)	(741)	99
Finance costs	(927)	(1,167)	21
Loss before income tax	**(4,900)**	**(1,716)**	(186)
Income tax expense	-	(139)	100
Net loss for the period	**(4,900)**	**(1,855)**	(164)
Attributable to:			
Equity holders of the parent	(4,682)	(1,597)	(193)
Minority interest	(218)	(258)	16
	(4,900)	**(1,855)**	(164)

NM: Not meaningful

Net profit for the period as a percentage of revenue	-43.7%	-6.9%

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

Depreciation of property, plant and equipment	5,308	4,685
Amortisation of land use rights	23	23
Foreign exchange (gain) loss	(1,110)	730
Fair value loss on derivative financial instrument	192	4
Fixed assets written off	-	16
Loss on disposal of property, plant and equipment	19	-
Interest income	(19)	(83)
Interest expense	927	1,167

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 31/3/2009	As at 31/12/2008	As at 31/3/2009	As at 31/12/2008
	$'000	$'000	$'000	$'000
Current assets				
Cash and bank balances	20,116	23,152	193	1,463
Pledged bank deposits	2,827	1,007	-	-
Trade receivables	20,154	35,356	-	-
Other receivables and prepayments	1,417	824	3,354	4,464
Land use rights	102	97	-	-
Inventories	7,367	6,839	-	-
Total current assets	51,983	67,275	3,547	5,927
Non-current assets				
Investment in subsidiaries	-	-	66,796	63,257
Land use rights	4,772	4,543	-	-
Property, plant and equipment	126,532	125,861	871	835
Other receivables	1,234	1,346	-	-
Goodwill	2,226	2,226	-	-
Deferred tax asset	1,139	1,097	-	-
Total non-current assets	135,903	135,073	67,667	64,092
Total assets	**187,886**	**202,348**	**71,214**	**70,019**
Current liabilities				
Trade payables	20,086	26,629	-	-
Other payables	10,470	8,844	8,024	7,949
Income tax payable	38	103	-	-
Short-term bank loans	26,053	32,213	4,388	4,527
Current portion of long-term bank loans	4,203	5,371	59	59
Current portion of finance leases	4,853	5,047	1,163	1,231
Current portion of notes payable	4,645	6,358	3,715	5,184
Due to shareholders	9,548	8,913	9,548	8,913
Financial Derivative	1,231	595	602	-
Total current liabilities	81,127	94,073	27,499	27,863
Non-current liabilities				
Long-term bank loans	9,025	8,605	262	276
Finance leases	2,251	3,104	471	631
Notes payable	5,164	4,992	4,919	4,570
Financial derivative	-	444	-	444
Total non-current liabilities	16,440	17,145	5,652	5,921
Capital, reserves and minority interests				
Share capital	56,127	56,127	56,127	56,127
Reserves	27,597	28,749	(18,064)	(19,892)
Equity attributable to equity holders of the company	83,724	84,876	38,063	36,235
Minority interest	6,595	6,254	-	-
Total equity	90,319	91,130	38,063	36,235
Total liabilities and equity	**187,886**	**202,348**	**71,214**	**70,019**

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 31/3/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
35,109	4,645	42,631	6,358

The amount repayable after one year

As at 31/3/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
11,276	5,164	11,709	4,992

Details of any collaterals

NA

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

	Group	
	3 months ended	
	31/3/2009	31/3/2008
	$'000	$'000
Operating Activities:		
Loss before Income Tax:	(4,900)	(1,716)
Adjustments for:-		
Depreciation of property, plant and equipment	5,308	4,685
Amortisation of land use rights	23	23
Fair value loss on derivative financial instrument	192	4
Fixed assets written off	-	16
Interest income	(19)	(83)
Interest expense	927	1,167
Net foreign exchange (gains) / losses	(2,681)	220
Loss on disposal of property, plant and equipment	19	-
Operating (loss) profit before working capital changes	(1,131)	4,316
Changes in working capital:-		
Trade receivables	15,202	13,978
Other receivables and prepayments	(481)	(167)
Inventories	(528)	(1,566)
Trade payables	(6,543)	(2,307)
Other payables	1,626	(3,690)
Cash generated from operations	8,145	10,564
Net interest paid	(908)	(1,084)
Income tax paid	(107)	(538)
Cash flows from operating activities	**7,130**	**8,942**
Investing Activities:		
Purchase of plant and equipment representing cash flows used in investing activities	(18)	(281)
Financing Activities:		
Decrease (Increase) in cash subjected to restriction	(1,820)	717
Decrease in bank loans	(6,908)	(8,674)
(Decrease) Increase in notes payable	(1,541)	819
Due to shareholders	635	63
Repayment of finance lease obligations	(1,047)	(1,359)
Cash flows used in financing activities	**(10,681)**	**(8,434)**
Net (decrease) increase in cash and bank balances	**(3,569)**	**227**
Cash and bank balances at beginning of period	23,152	20,983
Effect of exchange rate changes on the balances of cash held in foreign currencies	534	(113)
Cash and bank balances at end of period	**20,116**	**21,096**

Bank deposits pledged as security amounting to S$2,827,000 (31 March 2008: S$5,391,000) 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 March

	Share capital $'000	Currency translation reserves $'000	Hedging reserves $'000	Statutory reserves $'000	Accumulated profits (losses) $'000	Total attributable to equity holders of the company $'000	Minority interests $'000	Total $'000
Group								
At 1 January 2008	56,127	(6,338)	(1,002)	4,855	39,229	**92,871**	6,438	**99,309**
Currency translation difference representing net loss recognised directly in equity	-	33	-	-	-	**33**	(61)	**(28)**
Loss on cash flow hedge	-	-	(460)	-	-	**(460)**	-	**(460)**
Net loss recognised directly in equity	-	33	(460)	-	-	**(427)**	(61)	**(488)**
Net loss for the period	-	-	-	-	(1,597)	**(1,597)**	(258)	**(1,855)**
Total recognised income and expense for the year	-	33	(460)	-	(1,597)	**(2,024)**	(319)	**(2,343)**
Transfer to statutory reserves	-	-	-	387	(387)	-	-	-
At 31 March 2008	**56,127**	**(6,305)**	**(1,462)**	**5,242**	**37,245**	**90,847**	**6,119**	**96,966**
At 1 January 2009	56,127	(4,045)	(444)	5,666	27,572	**84,876**	6,254	**91,130**
Currency translation difference representing net income recognised directly in equity	-	3,610	-	15	63	**3,688**	559	**4,247**
Loss on cash flow hedge	-	-	(158)	-	-	**(158)**	-	**(158)**
Net loss recognised directly in equity	-	3,610	(158)	15	63	**3,530**	559	**4,089**
Net loss for the period	-	-	-	-	(4,682)	**(4,682)**	(218)	**(4,900)**
Total recognised income and expense for the year	-	3,610	(158)	15	(4,619)	**(1,152)**	341	**(811)**
At 31 March 2009	**56,127**	**(435)**	**(602)**	**5,681**	**22,953**	**83,724**	**6,595**	**90,319**
Company								
At 1 January 2008	56,127	-	(1,002)	-	18,328	**73,453**	-	**73,453**
Currency translation difference representing net income recognised directly in equity	-	(445)	-	-	-	**(445)**	-	**(445)**
Loss on cash flow hedge	-	-	(460)	-	-	**(460)**	-	**(460)**
Net loss for the period	-	-	-	-	(91)	**(91)**	-	**(91)**
At 31 March 2008	**56,127**	**(445)**	**(1,462)**	**-**	**18,237**	**72,457**	**-**	**72,457**
At 1 January 2009	56,127	3,326	(444)	-	(22,774)	**36,235**	-	**36,235**
Currency translation difference representing net income recognised directly in equity	-	2,053	-	-	-	**2,053**	-	**2,053**
Loss on cash flow hedge	-	-	(158)	-	-	**(158)**	-	**(158)**
Net loss for the period	-	-	-	-	(66)	**(66)**	-	**(66)**
At 31 March 2009	**56,127**	**5,379**	**(602)**	**-**	**(22,840)**	**38,063**	**-**	**38,063**

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 2009 to 31 March 2009, 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 31/3/2009	As at 31/12/2008
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 2008.

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	
	3 months ended	
	31/3/2009	31/3/2008
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	(0.82)	(0.28)
Weighted average number of shares	570,000,000	570,000,000
(ii) On a fully diluted basis (cts)	(0.82)	(0.28)
Weighted average number of shares	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 31/3/2009	As at 31/12/2008	As at 31/3/2009	As at 31/12/2008
Net asset value per ordinary share (cts)	14.30	14.50	6.68	6.36
Number of shares	570,000,000	570,000,000	570,000,000	570,000,000

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

Revenue

Group Revenue declined by 58% to $11.2 million from $26.9 million in 1Q08. The decrease was due to weak demand for electronics products as a result of severe global slowdown and reduced consumer spending.

PCB Operations

Revenue from PCB operations decreased by 48% to $8.5 million from $16.4 million in 1Q08. Revenue from PCB operations accounted for 75% of Group revenue.

Drilling and Routing

Revenue from mechanical drilling and routing services decreased by 67% to $1.5 million from $4.6 million in 1Q08. Revenue from laser drilling services decreased by 80% to $1.2 million from $5.9 million in 1Q08.

Geographical Markets

China operations remained key contributor to Group's revenue at 93% compared to 82% in 1Q08. Revenue from China operations decreased by 53% to $10.4 million in 1Q09, from $22.3 million in 1Q08. Revenue for Laser Drilling in Taiwan for 1Q09 is $0.7 million compared to $4.6 million 1Q08.

Profitability

Gross Profit

Gross Profit is affected by Cost of sales, which decreased by 39% to $14.2 million from $23.1 million in 1Q08. The lower cost of sales was due mainly to less direct materials costs used for production offset by high fixed costs including depreciation for machineries and equipment.

Given the high fixed production costs and the weak revenue, the gross margin is badly squeezed. As a result, the Group's Gross Margin is negative 26.8% in 1Q09 compared to 14.3% in 1Q08.

Other income comrpise mainly foreign exchange gain for 1Q09 due to translation of foreign currencies to SGD as a result of devaluation of USD and JPY against RMB.

Administrative expenses was lower than 1Q08 by 31% from $2.7 million to $1.8 million. The decrease was mainly due to :

(i) The CEO, executive director and CFO have voluntarily taken a pay cut of 84%, 54% and 50% respectively with effect from 1 October 2008 until 28 February 2009. Effective 1 March 2009, a portion of salary is reinstated and the pay cut has reduced to 52%, 37% and 35% respectively.

(ii) Senior personnel have also taken a pay cut of 20% since 1 November 2008.

(iii) The retirement of one Vice General Manager since 31 December 2008. There is no replacement and the existing operations managers of the respective china plants shall oversee the operations.

(iv) labour cost savings by offering unpaid leave to employees

Distribution costs decreased by 64% to $0.4 million from $1.1 million in 1Q08 as a result of lower sales.

Other expenses decrease mainly due to foreign exchange losses of $0.7 million in 1Q08.

Finance costs decreased by 21% to $0.9 million in 1Q09 from $1.2 million in 1Q08. This was due mainly to the repayment of bank borrowings and lower interest rates.

Balance Sheet

The Group's cash and bank balances decreased slightly to $20.1 million from $23.2 million in FY08. Pledged bank deposits increased from $1.0 million in FY08 to $2.8 million due to renewal of one bank loan in 1Q09.

Trade receivables decreased by $15.2 million due to collections from past sales and lower sales in 1Q09.

Trade payables decreased by $6.5 million due to corresponding decline in sales. On the other hand, other payables increased by $1.6 million due to refundable deposit from customer when future order is received.

As a result of lower sales and working capital in 1Q09, the Group net current liabilities position increased from $26.8 million to $29.1 million and current ratio stood at 0.64.

Total borrowings have also reduced to $67.0 million in 1Q09 compared with $75.7 million in FY08. This is mainly because the Group has made some repayments of bank loans, finance leases and notes payable. Hence net gearing ratio decreased to 0.51x compared with 0.59x in FY08.

Cash Flow

Cash Flow from operating activities was $7.1 million in 1Q09 compared to $8.9 million in 1Q08, mainly due to higher collections from trade receivables.

Cash Flow used in financing activities was $10.7 million in 1Q09, mainly due to repayment of borrowings offset by increase in pledged bank deposits of $1.8 million.

Cash and cash equivalents stood at $20.1 million as at 31 March 2009 and is comparable to 31 March 2008 of $21.1 million.

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.

Although the ongoing economic condition remains uncertain and challenging, the management has put in dedicated efforts to streamline its operations and cost control measures during this current economic slowdown and shall continue its best to monitor its financial position closely.

Financial and Credit risk assessment

The continuing credit tightness remained a risk to our Group. The Board therefore thinks it is appropriate to continue to caution shareholders and investors that the business operations of the Group depend heavily on its continued ability to rely on banking loans and facilities in the foreseeable future.

The Group's current ratio (current assets/current liabilities) and debt/equity ratio are 0.64 and 1.17 respectively. The Group's equity (net assets) stands at $83.7 million, decreasing from $84.9 million as at beginning of the year. In the event where bank loans/facilities are not available or withdrawn the Group will face serious cashflow difficulties. The management of the Group has therefore continue to place the financial and cash management of the group as a top priority.

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 2009.

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)	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 31.3.2009: S$62.5 million Amount outstanding as at 31.3.2009: S$25.6 million	-
Loan from Sunny Worldwide Int'l (Amount outstanding as at 31.03.2009 is S$6.3 million)	Interest for the 3 months ended 31.03.2009: S$0.1 million	-

BY ORDER OF THE BOARD

Wen Yao-Long
Executive Chairman & CEO
29 April 2009

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 statements for the 1st Quarter ended 31 March 2009 to be false or misleading in any material aspect.

On behalf of the Board of Directors:

WEN YAO-LONG
Director

ONG SIM HO
Director

Singapore, 29 April 2009