

## QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

Eucon Holding Limited (the "Company") was placed on the watch-list pursuant to Rule 1311 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") with effect from 5 March 2014.

Pursuant to Rule 1313(2) of the Listing Manual of the SGX-ST, the Board of Directors (the "Board") of the Company wishes to provide the following updates:

### Update on Financial Position

| (S\$' million)       | YTD3Q<br>14  | YTD3Q<br>13 | Fav/<br>(Unfav<br>) % | 3Q14         | 3Q13  | Fav/<br>(Unfav<br>) % |
|----------------------|--------------|-------------|-----------------------|--------------|-------|-----------------------|
| Revenue              | <b>41.4</b>  | 51.2        | (19)                  | <b>14.9</b>  | 16.9  | (12)                  |
| Gross Profit         | <b>3.8</b>   | 1.0         | NM                    | <b>1.1</b>   | 1.3   | (15)                  |
| Loss from Operations | <b>(4.6)</b> | (6.3)       | 27                    | <b>(0.6)</b> | (1.8) | 67                    |
| Finance Costs        | <b>(0.8)</b> | (1.1)       | 27                    | <b>(0.3)</b> | (0.4) | 25                    |
| Pre-tax Loss         | <b>(5.4)</b> | (7.4)       | 27                    | <b>(0.9)</b> | (2.2) | 59                    |
| Tax Expense          | -            | -           | -                     | -            | -     | -                     |
| Net Loss             | <b>(5.4)</b> | (7.4)       | 27                    | <b>(0.9)</b> | (2.2) | 59                    |

\*NM – Not meaningful

For the nine months ended 30 September 2014 ("YTD3Q14"), the Group reported revenue of \$41.4 million, a decrease of 19% from \$51.2 million from the corresponding period in 2013 ("YTD3Q13"). There is an overall decrease in all business segments with PCB operations taking the lead. PCB operations are undergoing a restructuring exercise to maintain its customer base above a specific profit margin.

Similarly, for the three months ended 30 September 2014 ("3Q14"), the Group reported revenue of \$14.9 million, a decrease of 12% from \$16.9 million from the corresponding period in 2013 ("3Q13"). This is due to decrease in mechanical drilling and routing segment, partially offsetted by a slight increase in revenue for PCB operations.

Gross profit improved from \$1 million in YTD3Q13 to a \$3.8 million in YTD3Q14 despite a drop in revenue. This improvement was brought about by the restructuring exercise to maintain customer base above specific profit margin, coupled with decrease in depreciation expense of machineries.

On a quarterly basis, gross profit decreased by 17% from \$1.3 million in 3Q13 to \$1 million in 3Q14.

The Group reported a net loss of \$0.9 million for 3Q14 and net loss of \$2.2 million for 3Q13.

**Update on Future Direction**

The Group's focus now is to optimize the manufacturing process before taking in large orders. In addition, the Group is working closely with JEDEC to set several of Eucon's embedded PCB models as industry standard

Our manufacturing line for embedded PCB production has begun productions to fulfill orders received.

Management will continue to remain cautious and conservative in its outlook, bearing in mind the renewed uncertainties in the global financial markets and signs of instabilities in many parts of the world.

BY ORDER OF THE BOARD

Wen Yao-Long  
Executive Chairman and CEO  
5 November 2014