Eucon Holding Limited
RCB REG NO: 200107762R

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)	1H14	1H13	Fav/ (Unfav) %		2Q14	2Q13	Fav/ (Unfav) %
Revenue	**26.6**	34.3	*(22)*		**13.7**	16.4	*(16)*
Gross Profit (Loss)	**2.7**	(0.3)	*NM*		**1.7**	(0.7)	*NM*
Loss from Operations	**(4.0)**	(4.5)	*(11)*		**(1.9)**	(1.9)	-
Finance Costs	**(0.5)**	(0.7)	*29*		**(0.3)**	(0.3)	-
Pre-tax Loss	**(4.5)**	(5.2)	*13*		**(2.2)**	(2.2)	-
Tax Expense	**-**	-	*-*			-	-
Net Loss	**(4.5)**	(5.2)	*13*		**(2.2)**	(2.2)	-

**NM – Not meaningful*

For the six months ended 30 June 2014 ("1H14"), the Group reported revenue of $26.6 million, a decrease of 22% from $34.3 million from the corresponding period in 2013 ("1H13"). 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 June 2014 ("2Q14"), the Group reported revenue of $13.7 million, a decrease of 16% from $16.4 million from the corresponding period in 2013 ("2Q13"). This is due to decrease in PCB operations, partially offsetted by a slight increase in revenue for mechanical drilling and routing segment.

Gross profit improved from a loss of $0.3 million in 1H13 to a profit of $2.7 million in 1H14 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. In 1H14, other than laser drilling machines classifed under assets held for sales, under-utilised mechanical drilling machines were also disposed off which resulted in the decrease in depreciation expense.

On a quarterly basis, gross profit improved from a gross loss of $0.7 million in 2Q13 to a gross profit of $1.7 million in 2Q14.

The Group reported a net loss of $2.2 million for 2Q14 and 2Q13.

Update on Future Direction

The Group's focus is on PCB manufacturing via embedded PCB technology. To better position the Group, management had carried out a series of internal restructuring for all subsidiaries, such as more effective management of existing infrastructure and manpower.

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

Nevertheless, 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 August 2014