EUCON HOLDNG LIMITED
Half Year Financial Statement And Dividend Announcement

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for thecorresponding period of the immediately preceding financial year

Note: This results announcement has been made by the Company voluntarily. The Company was listed on 8 September 2004 and has passed the deadline to announce its Q2 results. The Company has an obligation to report its Q3 results for the 3 months ended 30 September 2004 within 45 days.

	6 months ended 30/06/2004	Group 6 months ended 30/06/2003	% Increase/ (Decrease)
(S$'000)			
Revenue	19,444	12,108	60.59
Cost of Sales	(10,176)	(6,116)	66.38
Gross Profit	9,268	5,992	54.67
Other operating income	381	18	NM
Administrative expenses	(3,007)	(1,611)	86.65
Profit from operations	6,642	4,399	50.99
Finance cost	(613)	(370)	65.68
Profit before income tax	6,029	4,029	49.64
Income tax expense	(723)	(255)	NM
Net profit attributable to the shareholders	5,306	3,774	40.59

Notes: Profit before income tax is arrived at after charging/(crediting) the followings:

	6 months ended 30/06/2004	Group 6 months ended 30/06/2003	% Increase/ (Decrease)
(S$'000)			
Interest Income	(7)	(6)	16.67
Interest Expenses	613	370	65.68
Depreciation	2,991	2,203	35.77
Amortisation of goodwill	110	110	-
Foreign exchange (gain) /loss - (net)	72	(1)	NM
Gain on disposal of plant and equipment	(322)	-	NM

NM: Not meaningful

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 SHEETS

	Group		Company	
(S$'000)	**30/06/2004**	**31/12/2003**	**30/06/2004**	**31/12/2003**
ASSETS				
Current assets:				
Cash and fixed deposits	5,973	7,659	1,871	2,417
Trade receivables	13,761	16,557	-	-
Other receivables and prepayments	3,843	1,424	1,274	3,552
Inventories	782	833	-	-
Total current assets	24,359	26,473	3,145	5,969
Non-current assets:				
Investment in subsidiaries	-	-	52,784	43,069
Property, plant and equipment	73,185	64,549	-	-
Goodwill on consolidation	3,987	4,096	-	-
Deferred tax asset	1,874	1,846	-	-
Total non-current assets	79,046	70,491	52,784	43,069
Total assets	103,405	96,964	55,929	49,038
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Trade payables	4,793	3,840	-	-
Other payables	8,195	7,442	15,784	13,355
Income tax payable	828	503	-	-
Short-term bank loans	10,688	14,034	-	-
Current portion of long term bank loans	2,337	1,597	-	-
Current portion of finance leases	3,552	3,355	-	-
Current portion of notes payable	3,130	3,166	-	-
Total current liabilities	33,523	33,937	15,784	13,355
Non-current liabilities:				
Long-term bank loans	6,395	4,944	-	-
Finance leases	3,058	3,696	-	-
Notes payable	1,804	1,776	-	-
Other long-term payable	2,906	2,861	-	-
Due to holding company	5,545	5,592	4,255	-
Total non-current liabilities	19,708	18,869	4,255	-
Shareholders' equity	50,174	44,158	35,890	35,683
Total liabilities and shareholders' equity	103,405	96,964	55,929	49,038
Net current liabilities	(9,164)	(7,464)	(12,639)	(7,386)

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

Amount repayable in one year or less, or on demand

As at 30/6/2004		As at 31/12/2003	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
16,577	3,130	18,986	3,166

Amount repayable after one year

As at 30/6/2004		As at 31/12/2003	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
9,453	1,804	8,640	1,776

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group 6 months ended 30/06/2004	Group 6 months ended 30/06/2003
(S$'000)		
Cash flows from operating activities:		
Profit before income tax	6,029	4,029
Adjustments for:		
Depreciation expense	2,991	2,203
Amortisation of goodwill	110	110
Interest income	(7)	(6)
Interest expense	613	370
Gain on disposal of plant and equipment	(322)	-
Operating profit before working capital changes	9,414	6,706
Trade receivables	2,796	(4,493)
Other receivables and prepayments	(2,419)	(4,293)
Inventories	51	(208)
Trade payables	953	1012
Other payables	751	(1,345)
Cash generated from (used in) operations	11,546	(2,621)
Interest received	7	6
Interest paid	(613)	(370)
Income tax paid	(138)	(34)
Net cash from (used in) operating activities	10,802	(3,019)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(18,020)	(1,853)
Proceeds on disposal of property, plant and equipment	8,454	959
Net cash used in investing activities	(9,566)	(894)
Cash flows from financing activities:		
Decrease (Increase) in cash subjected to restriction	20	-
Increase (Decrease) in notes payable	(8)	1,388
Increase (Decrease) in loans	(1,155)	3,807
Increase (Decrease) in obligations under finance lease	(1,739)	(1,117)
Net cash from (used in) financing activities	(2,882)	4,078
Net effect of exchange rate changes in consolidating subsidiaries	(20)	303
Net (decrease) increase in cash	(1,666)	468
Cash at beginning of period	7,333	645
Cash at end of period	**5,667**	**1,113**

Note: Bank deposits pledged as security amounting to S$306,000 (31/12/2003: S$326,000) has been netted off against cash.

1(d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Issued capital	Share premium	Translation reserve	Proposed dividend	Accumulated profits (losses)	Statutory reserve	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group							
Balance at 1 January 2003	16,937	9,125	(446)	-	3,366	-	28,982
Profit for the period	-	-	-	-	3,774	-	3,774
Transfer							
Translation adjustment	-	-	(432)	-	-	-	(432)
Balance at 30 June 2003	**16,937**	**9,125**	**(878)**	**-**	**7,140**	**-**	**32,324**
Balance at 1 January 2004	22,000	10,284	(1,527)	3,380	10,017	4	44,158
Profit for the period	-	-	-	-	5,306	-	5,306
Transfer	-	-	-	-	-	57	57
Translation adjustment	-	-	869	-	-	-	869
Transfer to provision for staff welfare	-	-	-	-	(216)	-	(216)
Balance at 30 June 2004	**22,000**	**10,284**	**(658)**	**3,380**	**15,107**	**61**	**50,174**
Company							
Balance at 1 January 2003	16,937	9,125	-	-	(65)	-	25,997
Loss for the period	-	-	-	-	(55)	-	(55)
Balance at 30 June 2003	**16,937**	**9,125**	**-**	**-**	**(120)**	**-**	**25,942**
Balance at 1 January 2004	22,000	10,284	-	3,380	19	-	35,683
Profit for the period	-	-	-	-	207	-	207
Balance at 30 June 2004	**22,000**	**10,284**	**-**	**3,380**	**226**	**-**	**35,890**

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

Changes in the company's issued share capital

	30/6/2004	30/6/2003
At beginning of period	22,000,000	16,936,783
New issue of shares	-	-
At end of period	22,000,000	16,936,783

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been unaudited nor 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

Same accounting policies and methods of computation are followed in the financial statements as compared with the most recent audited financial statements as at 31 December 2003.

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 the 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	
	6 months ended 30/6/04	6 months ended 30/6/03
Earnings per ordinary share for the financial year based on net profit attributable to the shareholders (i) Based on weighted average number of ordinary shares in issue; and	24.12 cents	22.28 cents
(ii) On a fully diluted basis	24.12 cents	22.28 cents

(i) For six months ended 30 June 2004 earnings per ordinary share on existing issued share capital is computed based on the weighted average number of shares in issue during the period of 22,000,000 (30/06/2003 :16,936,783) ordinary shares of S$1.00 each.

(ii) There is no dilution in respect of the warrants/shares option outstanding at the end of both financial period.

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		
	30/6/04	31/12/03	Change	30/6/04	31/12/03	Change
Net tangible asset backing per ordinary share based on existing issued share capital as at the end of the period reported on	209.94 cents	182.10 cents	15.29%	163.14 cents	162.20 cents	0.58%

Note: The NTA per ordinary shares is based on 22,000,000 (31/12/2003 : 22,000,000) ordinary shares of S$1.00 each at the end of period.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on turnover

Group's turnover increased by 60.6% to $19.4 million in the first half of 2004 ("1H04") from $12.1 million in 1H03.

The growth in revenue was derived mainly from the provision of laser drilling services which command a higher margin as compared to the other categories of business activities. Revenue from laser drilling rose 106.3% to $9.1 million in 1H04 from $4.4 million in 1H03. Mechanical drilling registered revenue increase of 5.6% to $6.6 million from $6.2 million in the previous corresponding period. Sales of routing service increased significantly by 41.9% to $2.0 million in 1H04 from $1.4 million in 1H03. PCB manufacturing in our Shanghai Zhuo Kai operation contributed a healthy revenue of $1.7 million having began production in January 2004.

Group's gross margin reduced marginally by 1.8% as compared to 1H03. This is due to the lower gross profit margin from PCB manufacturing in our Shanghai Zhuo Kai. Gross profit margin from PCB manufacturing is inherently lower in the industries than gross margins from the other business activities especially laser drilling. Thus, although we will continue to provide PCB manufacturing in our Shanghai plants we will develop Shanghai Zhuo Kai into a one-stop center to offer a complete turnkey solution to PCB manufacturers by offering higher-margin services such as laser drilling.

Geographically, the Group registered revenue growth in both the PRC and Taiwan. Revenue from the PRC grew 154.5% to $10.8 million as compared to $4.2 million in 1H03 due to the rising outsourcing trend in PCB services. Revenue from Taiwan increased by 10.0% to $8.7 million in 1H04 from $7.9 million in 1H03. Notably, revenue from Taiwan for 1H04 was derived primarily from the provision of laser drilling services while revenue for 1H03 was derived from provision of both laser drilling and mechanical drilling services.

The Group's administrative expenses increased by 86.7% to $3.0 million in 1H04 from $1.6 million in 1H03 due to operating expenses for Shanghai Zhuo Kai and expansion of laser drilling business.

Net profit for 1H04 increased 40.6% to $5.3 million from $3.8 million in 1H03.

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 as this is the half year announcement made by the Company.

10. A commentary at the date of the 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

Demand for PCBs in the PRC and Taiwan has increased significantly. This has led to a corresponding increase in demand for the drilling (laser and mechanical), routing and PCB manufacturing services.

The new generation of multi-layer boards (also known as HDI PCBs) commonly found in more sophisticated electronic devices such as mobile phones, laptops, digital cameras, require tighter pitches and higher hole-density counts which can only be achieved through laser drilling. Demand for laser drilling service has been driven by growth of HDI PCBs. The Group will be adding 11 laser drilling machines in Taiwan in the second half of 2004 to meet the growing demand for laser drilling service (as discussed in the Company's Prospectus dated August 30, 2004).

As more electronic companies set up their operations in the PRC, the Group expect the demand for mechanical drilling, routing and PCB manufacturing services from the PRC to increase. In addition, the Group expect demand for laser drilling service to increase with the rise in HDI PCB consumption in the PRC.

As a service provider to PCB manufacturers, the Group generally higher revenues in the second half of the financial year. If there is no material or adverse changes to the economic condition or environment the Group operates in, the Directors expect this trend to continue and the Company to remain profitable.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

Not applicable.

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 the business or geographical segments

Not applicable.

15. A breakdown of sales

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

Not applicable.

BY ORDER OF THE BOARD

Chen Ming-Hsing
Executive Chairman
10/09/2004