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)	1H16	1H15	Fav/ (Unfav) %		2Q16	2Q15	Fav/ (Unfav) %
Revenue	**19.4**	29.9	*(36)*		**9.5**	12.9	*(26)*
Gross Profit	**0.3**	3.1	*(90)*		**0.2**	0.8	*(75)*
Loss from Operations	**(6.1)**	(1.6)	*NM*		**(2.6)**	(2.1)	*(24)*
Finance Costs	**(0.6)**	(0.7)	*14*		**(0.3)**	(0.3)	-
Pre-tax Loss	**(6.7)**	(2.2)	*NM*		**(2.9)**	(2.4)	*(21)*
Tax Expense	**-**	-	-		**-**	-	-
Net Loss	**(6.7)**	(2.2)	*NM*		**(2.9)**	(2.4)	*(21)*

**NM – Not meaningful*

For the six months ended 30 June 2016 ("1H16"), the Group reported revenue of $19.4 million, a decrease of 35% from $29.9 million from the corresponding period in 2015 ("1H15"). It is a decrease across the board with PCB operation bearing the brunt. This is mainly due to low PCB market sentiments globally.

Similarly, for the three months ended 30 June 2016 ("2Q16"), the Group reported revenue of $9.5 million, a decrease of 26% from $12.9 million from the corresponding period in 2015 ("2Q15").

Gross profit decreased from $3.1 million in 1H15 to $0.3 million in 1H16. PCB operations posted a gross profit of $1.0 million which was offsetted by Mechanical drilling and Routing segment's gross loss of $0.7 million. Revenue generated from these remaining segments was less than the fixed manufacturing expenses such as labour cost, electricity and depreciation.

On a quarterly basis, gross profit dropped from $0.8 million in 2Q15 to $0.2 million in 2Q16.

The Group reported a net loss of $2.9 million and $2.4 million for 2Q16 and 2Q15 respectively.

Update on Future Direction

In view of the low business market sentiments globally, management continues to remain cautious and conservative in its outlook.

BY ORDER OF THE BOARD

Wen Yao-Long
Executive Chairman and CEO
4 August 2016