



PRESS RELEASE

Second Quarter FY2015 Results (for the three months ended 30 June 2015)

EUCON REPORTS NET LOSS OF \$2.4 MILLION FOR 2Q15

(S\$' million)	1H15	1H14	Fav/ (Unfav) %		2Q15	2Q14	Fav/ (Unfav) %
Revenue	29.9	26.6	12		12.9	13.7	(6)
Gross Profit	3.1	2.7	15		0.8	1.7	(53)
Loss from Operations	(1.6)	(4.0)	60		(2.1)	(1.9)	(11)
Finance Costs	(0.7)	(0.5)	(40)		(0.3)	(0.3)	-
Pre-tax Loss	(2.2)	(4.5)	51		(2.4)	(2.2)	(9)
Tax Expense	-	-	-		-	-	-
Net Loss	(2.2)	(4.5)	51		(2.4)	(2.2)	(9)

**NM – Not meaningful*

Singapore, 4 August 2015 – Singapore Exchange (“SGX”) Mainboard-listed Eucon Holding Limited (“Eucon” or the “Group”), an integrated PCB solutions provider in China and Taiwan, today announced its results for the second quarter ended 30 June 2015 (“2Q15”).

For the six months ended 30 June 2015 (“1H15”), the Group reported revenue of \$30 million, an increase of 13% from \$26.6 million from the corresponding period in 2014 (“1H14”). It is due to an increase in revenue for PCB operations and Routing segments, with PCB operations segment showing the largest percentage increase of 15%. This increase is in line with the Group's renewed focus in strengthening sales and marketing of products to improve revenue.

However, for the three months ended 30 June 2015 (“2Q15”), the Group reported revenue of \$12.9 million, a decrease of 6% from \$13.7million from the corresponding period in 2014 (“2Q14”). This decrease across the Board is due to weaker business environment as compared to prior period.

PCB operations continue to be the major contributor accounting for 90% of our Group's revenue in 1H15. Revenue from PCB operations improved by 15% from \$23.5 million in 1H14 to \$27.0 million 1H15. This increase is due to Group's focus in improving sales volume.

On a quarterly basis, revenue from PCB operations decreased by 4% from \$11.7 million in 2Q14 to \$11.2 million in 2Q15.

Revenue from Mechanical drilling and Routing segment decrease by 6% from \$3.1 million in 1H14 to \$2.9 million in 1H15. Mechanical drilling and routing segments are mainly made up of sub-contracted sales which are volatile to any fluctuations in market demands.

On a quarterly basis, revenue from mechanical drilling and routing segment decreased by 15% from \$2.0 million in 2Q14 to \$1.7 million in 2Q15.

China operations remained as the key contributor to Group's revenue in 2Q15 at 81%. There is a decrease of 18% from 97% in 2Q14 to 81% in 2Q15 due to improvements in Taiwan operations in 2015.

Since the cessation of laser drilling operation in Taiwan in 2014, Taiwan operation underwent a series of restructurings to convert into PCB operations. Its revenue had been steadily improved since second half of 2014. For 2Q15, Taiwan operation contributed \$2.5 million to the Group's revenue.

Gross profit improved from \$2.7 million in 1H14 to \$3.1 million in 1H15. PCB operations posted a gross profit of \$3.3 million which was partially offsetted by Mechanical drilling and Routing segment's gross loss of \$0.2 million. The gross loss from Mechanical drilling and Routing arises from fixed manufacturing expenses such as labour cost, electricity and depreciation.

On a quarterly basis, gross profit decreased from \$1.7 million in 2Q14 to \$0.8 million in 2Q15.

The Group reported a net loss of \$2.4 million for 2Q15 and net loss of \$2.2 million for 2Q14.

Eucon's Executive Chairman and CEO, Mr Wen Yao-Long comments on the financial results, "In midst of challenging business environment, we saw a decrease in our 2Q15 sales volume. Nevertheless, we will continue to work hard as well as on the lookout for other opportunities to fulfill the requirements to exit watchlist."

Outlook in FY15

Eucon Group had seen improvements in cost control after focusing on cost restructuring. Going forward, Eucon Group will focus on strengthening its sales and marketing aspects. FY2015 will be the last financial year for Eucon Group to exit from watchlist status and Eucon Group is working towards fulfilling the exit requirements. Any updates will be announced via SGX portal.

About Eucon Holding Limited

SGX Mainboard-listed Eucon Holding Limited (“Eucon” or “the Group”) is an integrated PCB service provider. Its suite of PCB solutions being mechanical drilling, routing and PCB manufacturing are provided through its six plants, 1 located in Taiwan and 5 in Shanghai, China.

In China, the Group has dedicated 2 of the plants in Shanghai to handle the entire process of PCB manufacturing. Shanghai Zhuo Kai Electronic Technology Co., Ltd (“Zhuo Kai”) handles outer-layer PCB manufacturing, while Shanghai Eu Ya Electronic Technology Co., Ltd (“Eu Ya”) focuses on mass lamination production. The rest of the Shanghai plants are equipped with mechanical drilling and routing machines to handle both in-house demand from PCB operations and external customers. They are Shanghai Zeng Kang Electronic Technology Co., Ltd, Shanghai Yaolong Electronic Technology Co., Ltd and Shanghai Lian Han Xin Electronic Technology Co., Ltd.

In August 2012, a wholly owned subsidiary, Emerging Technology Pte Ltd which is trading in nature was incorporated.

For further information, please contact:

Eucon Holding Limited

Ms Tay Ai Li

Finance Manager

Tel: 65-63456078 Fax: 65-63456079

Email: tal@euconholding.com
