



## PRESS RELEASE

First Quarter FY2015 Results (for the three months ended 31 March 2015)

### **EUCON REPORTS NET PROFIT OF \$0.2 MILLION FOR 1Q15**

(S\$' million)	1Q15	1Q14	Fav/ (Unfav) %
Revenue	<b>17.0</b>	12.9	32
Gross Profit	<b>2.3</b>	1.0	130
Profit (Loss) from Operations	<b>0.5</b>	(2.0)	NM
Finance Costs	<b>(0.3)</b>	(0.3)	-
Pre-tax Profit (Loss)	<b>0.2</b>	(2.3)	NM
Tax Expense	-	-	NM
Net Profit (Loss)	<b>0.2</b>	<b>(2.3)</b>	NM

*\*NM – Not meaningful*

Singapore, 23 April 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 first quarter ended 31 March 2015 (“1Q15”).

For the three months ended 31 March 2015 (“1Q15”), the Group reported revenue of \$17.0 million, an increase of 32% from \$12.9 million from the corresponding period in 2014 (“1Q14”). It is an increase in revenue for all segments with PCB operations segment showing the largest percentage increase of 36%. This increase is in line with the Groups’ renewed focus in strengthening sales and marketing of products to improve revenue.

PCB operations continue to be the major contributor accounting for 93% of our Group's revenue in 1Q15. Revenue from PCB operations improved by 36% from \$11.7 million in 1Q14 to \$15.9 million 1Q15. This increase is due to Group's focus in improving sales volume.

Revenue from Mechanical drilling and Routing segment improved by 9% from \$1.1 million in 1Q14 to \$1.2 million in 1Q15. Mechanical drilling and routing segments are mainly made up of sub-contracted sales which are volatile to any fluctuations in market demands.

China operations remained as the key contributor to Group's revenue in 1Q15 at 71%. There is a decrease of 27% from 98% in 1Q14 to 71% in 1Q15 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 1Q15, Taiwan operation contributed \$5.0 million to the Group's revenue.

Gross profit doubled from \$1.0 million was generated in 1Q14 to \$2.3 million in 1Q15. PCB operations posted a gross profit of \$2.4 million which was partially offsetted by Mechanical drilling and routing segment's gross loss of \$0.1 million. The gross loss from Mechanical drilling and Routing is mainly a result of revenue generated for month of January and February being lesser than the fixed manufacturing expenses such as labour cost, electricity and depreciation.

The Group reported a net profit of \$0.2 million for 1Q15 and net loss of \$2.3million for 1Q14.

Eucon's Executive Chairman and CEO, Mr Wen Yao-Long comments on the financial results, "Since the shifting of the Group's focus onto strengthening sales, sales volume for 1Q15 improved by 32% as compared to the same quarter in 2014 and we managed to breakeven despite the long holiday break in February. We will continue to work hard in this direction. Management is also on the lookout for 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.

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