



PRESS RELEASE

Fourth Quarter FY2014 Results (for the three months ended 31 December 2014)

EUCON REPORTS NET LOSS OF \$5.3 MILLION FOR 4Q14

(S\$' million)	FY14	FY13	Fav/ (Unfav) %		4Q14	4Q13	Fav/ (Unfav) %
Continuing Operations							
Revenue	57.8	65.8	(12)		16.4	17.8	(8)
Gross Profit	5.7	3.8	50		1.9	3.2	(41)
(Loss) Profit from Operations	(8.9)	(7.0)	(27)		(4.4)	1.3	NM
Finance Costs	(1.2)	(1.2)	-		(0.3)	(0.3)	-
Pre-tax (Loss) Profit	(10.1)	(8.2)	(23)		(4.7)	(1.2)	NM
Tax Expense	(0.6)	(0.8)	25		(0.6)	(0.8)	25
Net Loss	(10.7)	(9.0)	(19)		(5.3)	(2.0)	NM
Discontinued Operations	-	0.4	NM		-	0.8	NM
Net Loss	(10.7)	(8.6)	(24)		(5.3)	(1.2)	NM

*NM – Not meaningful

Singapore, 27 February 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 fourth quarter ended 31 December 2014 (“4Q14”).

For the twelve months ended 31 December 2014 (“FY14”), the Group reported revenue of \$57.8 million, a decrease of 12% from \$65.8 million from the corresponding year of 2013 (“FY13”). 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 31 December 2014 (“4Q14”), the Group reported revenue of \$16.4 million, a decrease of 8% from \$17.8 million from the corresponding period

in 2013 ("4Q13"). There is an overall decrease in all business segments with PCB operations taking the lead.

PCB operations continue to be the major contributor accounting for 89% of our Group's revenue in FY14. Revenue from PCB operations decreased by 13% from \$59.0 million in FY13 to \$51.4 million in FY14. The reduction was mainly due to restructuring to maintain customer base above specific profit margin. This restructuring exercise resulted in the increase in gross profit despite a decrease in revenue.

On a quarterly basis, revenue from PCB operations decreased by 3% from \$15.3 million in 4Q13 to \$14.9 million in 4Q14.

Revenue from mechanical drilling and routing segment had a slight decrease of 6% from \$6.8 million in FY13 to \$6.4 million in FY14. 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 26% from \$1.9 million in 4Q13 to \$1.4 million in 4Q14.

China operations remained as the key contributor to Group's revenue for 2014. Proportion of revenue from China operations slightly decreased by 1% from 95% in FY13 to 94% in FY14.

Gross profit improved from \$3.8 million in FY13 to a \$5.7 million in FY14 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.

On a quarterly basis, gross profit decreased by 41% from \$3.2 million in 4Q13 to \$1.9 million in 4Q14. Despite the decrease in revenue is small, cost of sales includes depreciation of machineries which is not correlated to sales volume.

The Group reported a net loss of \$5.3 million for 4Q14 and net loss of \$1.2 million for 4Q13.

Eucon's Executive Chairman and CEO, Mr Wen Yao-Long comments on the financial results, "FY2014 had been a harsh year due to the delay of embedded PCB sales and our continual focus on cost restructuring. Since late 2014, we had shifted our main focus to sales and marketing and increasing sales orders had been observed. We will continue to work hard in this direction."

Outlook in FY14

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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