



PRESS RELEASE

First Quarter FY2014 Results (for the three months ended 31 March 2014)

EUCON REPORTS NET LOSS OF \$2.3 MILLION FOR 1Q14

(S\$' million)	1Q14	1Q13	Fav/ (Unfav) %
Revenue	12.9	17.9	(28)
Gross Profit	1.0	0.4	157
Loss from Operations	(2.0)	(2.6)	24
Finance Costs	(0.3)	(0.4)	22
Pre-tax Loss	(2.3)	(3.0)	24
Tax Expense	-	-	-
Net Loss	(2.3)	(3.0)	24

**NM – Not meaningful*

Singapore, 24 April 2014 – 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 2014 (“1Q14”).

For the three months ended 2014 (“1Q14”), the Group reported revenue of \$12.9 million, a decrease of 28% from \$17.9 million from the corresponding period in 2013 (“1Q13”). It is a decrease in revenue for all segments with laser drilling segment showing the largest percentage decrease of 74%. The Group had ceased its laser drilling operation in early 2014.

PCB operations continue to be the major contributor accounting for 89% of our Group's revenue in 1Q14. Revenue from PCB operations decreased by 26% from \$15.5 million in 1Q13 to \$11.4 million 1Q14. This decrease is due to stricter customer selection in place where sales with low profit margins will be discontinued.

Revenue from Mechanical drilling and Routing segment decreased by 8% from \$1.2 million in 1Q13 to \$1.1 million in 1Q14. Mechanical drilling and routing segments are mainly made up of sub-contracted sales which are volatile to any fluctuations in market demands.

Revenue from Laser drilling segment decreased by 75% from \$1.2 million in 1Q13 to \$0.3 million in 1Q14. This is due to the cessation of laser drilling operation in early 2014.

China operations remained as the key contributor to Group's revenue in 1Q14. Proportion of revenue from China operations increased by 3% from 95% in 1Q13 to 98% in 1Q14.

There is an improvement in gross profit where a gross profit of \$1.0 million was generated in 1Q14 as compared to \$0.4 million in 1Q13. Other than PCB operations which posted a gross profit of \$2.1 million, Mechanical drilling and Laser drilling segment recorded a total gross loss of \$1.1 million. The gross loss from Mechanical drilling and Laser drilling is mainly as a result of revenue generated for month of January and February being lesser than the fixed manufacturing expenses such as labor cost, electricity and depreciation.

The Group reported a net loss of \$2.3 million for 1Q14 as compared to a net loss of \$3.0 million for 1Q13.

Eucon's Executive Chairman and CEO, Mr Wen Yao-Long comments on the financial results, "Management had carried out a series of internal restructuring for all subsidiaries, such as more effective management of existing infrastructure and manpower.

On the note of memory modules with embedded resistors technology ("embedded PCB technology"), there are potential customers. However, the Group's focus now is to optimize the manufacturing process before taking in large orders."

Outlook in FY14

Pursuant to our 1Q13 announcement on the series of internal restructuring carried out to prepare for PCB manufacturing via embedded PCB technology, we had begun productions to fulfil small orders received for PCB products manufactured via embedded PCB technology.

However, management will continue to remain cautious and conservative in its outlook, bearing in mind the renewed uncertainties in the global financial markets and signs of instabilities in many parts of the world.

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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