



## PRESS RELEASE

Third Quarter FY2015 Results (for the three months ended 30 September 2015)

### **EUCON REPORTS NET LOSS OF \$4.1 MILLION FOR 3Q15**

(S\$' million)	YTD 3Q15	YTD 3Q14	Fav/ (Unfav) %		3Q15	3Q14	Fav/ (Unfav) %
Revenue	<b>41.5</b>	41.4	0		<b>11.5</b>	14.9	(23)
Gross Profit (Loss)	<b>2.6</b>	3.8	(32)		<b>(0.5)</b>	1.1	NM
Loss from Operations	<b>(5.3)</b>	(4.6)	15		<b>(3.1)</b>	(0.6)	NM
Finance Costs	<b>(1.0)</b>	(0.8)	25		<b>(0.3)</b>	(0.3)	0
Pre-tax Loss	<b>(6.3)</b>	(5.4)	17		<b>(4.1)</b>	(0.9)	NM
Tax Expense	-	-	-		-	-	-
Net Loss	<b>(6.3)</b>	(5.4)	17		<b>(4.1)</b>	(0.9)	NM

\*NM – Not meaningful

Singapore, 3 November 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 third quarter ended 30 September 2015 (“3Q15”).

For the nine months ended 30 September 2015 (“YTD3Q15”), the Group reported revenue of \$41 million, similar to corresponding period in 2014 (“YTD3Q14”). However, for the three months ended 30 September 2015 (“3Q15”), the Group reported revenue of \$11.5 million, a decrease of 22% from \$14.9 million from the corresponding period in 2014 (“3Q14”). 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 88% of our Group's revenue in YTD3Q15. Revenue from PCB operations remained constant at \$36.6 million for YTD3Q14 and YTD3Q15.

On a quarterly basis, revenue from PCB operations decreased by 26% from \$13.1 million in 3Q14 to \$9.6 million in 3Q15 due to weaker business sentiments.

Revenue from Mechanical drilling and Routing segment decrease by 8% from \$4.9 million in YTD3Q14 to \$4.5 million in YTD3Q15. 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 11% from \$1.8 million in 3Q14 to \$1.6 million in 3Q15.

China operations remained as the key contributor to Group's revenue in 3Q15 at 86%.

Gross profit decreased from \$3.8 million in YTD3Q14 to \$2.6 million in YTD3Q15. PCB operations posted a gross profit of \$2.9 million which was partially offsetted by Mechanical drilling and Routing segment's gross loss of \$0.3 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, a gross loss of \$0.5 million was incurred for 3Q15. This gross loss was due to decrease in PCB operations revenue in 3Q15, coupled with high fixed manufacturing expenses.

The Group reported a net loss of \$4.1 million for 3Q15 and net loss of \$0.9 million for 3Q14.

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 3Q15 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.

## **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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**For further information, please contact:**

<b>Eucon Holding Limited</b>
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Ms Tay Ai Li
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Finance Manager
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Tel: 65-63456078 Fax: 65-63456079
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Email: tal@euconholding.com
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