



PRESS RELEASE

EUCON'S NET PROFIT FOR FY2006 INCREASES 22% TO \$15.3 MILLION ON THE BACK OF STRONGER CONTRIBUTION FROM ITS PCB OPERATIONS IN CHINA

- **Group's future growth strategy will continue to hinge on its concurrent focus on both Laser Drilling in Taiwan and PCB business in China**

| (S\$' Million) | FY2006 | FY2005 | Change |
|-------------------------------|---------------|---------------|---------------|
| Revenue | 111.8 | 74.7 | 50% |
| Gross Profit | 35.0 | 29.5 | 19% |
| Profit from Operations | 18.8 | 17.0 | 11% |
| Finance Costs | (2.4) | (1.8) | 31% |
| Pre-Tax Profit | 16.4 | 15.1 | 8% |
| Tax Expense | (1.1) | (2.6) | (58%) |
| Net Profit | 15.3 | 12.6 | 22% |
| EPS (cts) | 2.69 | 2.21 | 22% |
| NAV/Share (cts) | 15.28 | 13.87 | 10% |

Highlights:

- **Group Revenue increased 50% from \$74.7million in FY2005 to \$111.8 million in FY2006, due mainly to higher revenue in all business segments**
- **Net Profit rose 22% to \$15.3 million which is in line with the overall increase in Group Revenue**

Singapore, 14 February 2007 – Singapore Exchange (“SGX”) Mainboard-listed Eucon Holding Limited (“Eucon” or the “Group”), an integrated PCB solution provider in China and leading independent PCB laser driller in Taiwan, today announced its results for the full year ended 31st December 2006 (FY2006).

Eucon's Group revenue for FY2006 rose 50% \$111.8 million in FY2006 compared to \$74.7 million in the same period last year, due primarily to an increase in sales from all business segments, especially the China-based PCB operations. Group revenue for its 4Q06 however fell 9% from \$31.2 million due to the slowdown in Laser Drilling in Taiwan.

PCB operations continued to lead the growth in Group revenue as a result of continued increase in customer demand. PCB's revenue grew 84% from \$38.9 million in FY2005 to \$71.7 million in FY2006, which accounted for 64% of Group's revenue. During the year, the Group expanded its production capacity by adding new machines in their plants in Shanghai, China, while increasing the production area from 300,000 sq feet in FY2005 to 600,000 sq feet in FY2006.

Revenue for the Drilling and Routing Services segment recorded an increase of \$4.2 million, from \$35.8 million in FY2005 to \$40.0 million in FY2006. The revenue for this segment in 4Q06 decreased 44% compared to 4Q05 mainly due to lower demand for Laser Drilling services, which is the key contributor to this segment in 4Q05. Revenue from Laser Drilling dropped 68% in 4Q06 compared to 4Q05 as demand for high-end consumer electronic products such as mobile phones, game consoles and notebooks did not pick up in 4Q06.

In line with the improvement in overall revenue, net profit for the Group increased 22% from \$12.6 million in FY2005 to \$15.3 million in FY2006. Gross profit margin decreased from 40% in FY2005 to 31% in FY2006. This is due to revenue from our PCB operations making up a higher percentage of total revenue in FY 2006. As profit margin for PCB operations is lower than Laser Drilling services, overall margin for the Group decreased by 9%.

Commenting on the full year results, Executive Chairman and CEO, Mr Wen Yao Long said, “We are pleased that our diversification into PCB operations in China, which started three years ago, are reaping results now – this business segment has generated a steady stream of income, thus helping to cushion against the slack in the Laser Drilling segment in the 2H06. ”

Outlook in 2007

Since the third quarter of 2006, the Group has seen a slow down in demand for Laser Drilling services in Taiwan. Indications from some of the Group’s customers have pointed to weaker demand for Laser Drilling in 1Q07 due partly to the seasonal slowdown during the festive period (Chinese New Year) and lower than expected demand for mobile phones worldwide. Thus the Group expects the performance in the Laser Drilling segment in 4Q06 to continue into 1Q07.

On a positive note, global demand for electronic products is expected to grow in 2007, due to the launch of new electronic products and the upgrading of existing ones. This should have a positive impact on the overall demand for laser drilling services. Barring unforeseen circumstances, the Group expects its Laser Drilling segment to contribute positively to its Group profitability for the year.

To offset the slow down in Laser Drilling operations, the Group has been devoting more resources on business operations in China in the second half of 2006. In the course of doing so, the Group will continue to be vigilant in its cost management.

Mr Wen added, “With more electronic manufacturing companies shifting to China and an increasing number of China’s manufacturers sprouting up in China, the Group will continue to focus on its China-based business. We anticipate stable and sustained growth in this sector for the next few years.”

Earnings Per Share

Earnings per ordinary share for the Group in FY2006 stood at 2.69 cents compared with 2.21 cents in FY2005.

Proposed Dividend

The directors of Eucon have proposed for approval at the upcoming Annual General Meeting a final dividend of 0.5 cents per share (after tax) to be paid for FY2006.

About Eucon Holding Limited

Listed on the Mainboard of the Singapore Exchange, Eucon Holding Limited is an integrated PCB solution provider for PCB manufacturers in China and Taiwan. Through its six wholly-owned subsidiaries (five in Shanghai, China and one in Taiwan), it offers four outsourcing services, namely, PCB operations, Laser drilling, Mechanical drilling and Routing.

Laser drilling services are delivered mainly through its subsidiary Taiwan LGANG which is the pioneering and the largest company to offer outsourced laser drilling services in Taiwan for PCBs which require more precise and accurate drilling. In Shanghai, the Group has three plants – Shanghai Zeng Kang, Shanghai Yaolong and Shanghai Lian Han Xin – providing mechanical drilling and routing services. The Group is one of the largest PCB drilling service providers in the Shanghai-Jiangsu region.

PCB manufacturing is done in Eucon's other Shanghai plants. Shanghai Zhuo Kai specializes in outer-layer PCB manufacturing, while Shanghai Eu Ya focuses on mass lamination production.

Since 2004, the Group has implemented its vertical integration strategy by moving up the value chain and offering turnkey solutions to PCB manufacturers, most of which are migrating upstream to focus on high-density interconnect PCBs for products such as mobile phones and laptops.

For further information, please contact:

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