



**PRESS RELEASE**

Second Quarter 2007 Results (for the three months ended 30 June 2007)

**EUCON POSTS GROUP REVENUE OF \$24.6 MILLION IN 2Q07**

<b>(S\$ million)</b>	<b>2Q07</b>	<b>2Q06</b>	<b>Change</b>
<b>Revenue</b>	24.6	26.3	- 7%
<b>Gross Profit</b>	2.3	9.0	- 74%
<b>Profit/ (Loss) from Operations</b>	(1.1)	5.1	NM
<b>Finance Costs</b>	(0.9)	(0.6)	-66%
<b>Pre-tax profit</b>	(2.0)	4.5	NM
<b>Tax Expense</b>	(0.1)	(0.5)	- 75%
<b>Net /(Loss) Profit</b>	(2.1)	4.0	NM

**Highlights:**

- **Group revenue and profit affected by continued weak demand for laser drilling in Taiwan as expected**
- **Group is optimistic of turnaround in Taiwan in 2H07 and profitability for the entire year**

Singapore, 7 August 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 second quarter ended 30 June 2007 (“2Q07”).

In 2Q07, Eucon achieved Group revenue of \$24.6 million, representing a decrease of 7% from the \$26.3 million reported for the same period the year before (2Q06). This is attributed to the continued weak demand for laser drilling in Taiwan and price reduction pressures from customers.

Revenue for PCB Manufacturing, which continued to be the key driver for the Group's top line and bottom line growth, dipped slightly by 0.3% from \$17.5 million in 2Q06 to \$17.4 million in 2Q07. This business segment accounts for 71% of Group revenue in 2Q07.

The revenue for Mechanical Drilling in China increased 22% from \$3.7 million in 2Q06 to \$4.5 million in 2Q07 as the Group's mechanical drilling capacity increased from 90 machines in 2Q06 to 126 machines in 2Q07.

The revenue from Routing services in China dipped slightly from \$1.4 million to \$0.7 million. Revenue from Routing services accounted for 3% of Group revenue.

In view of the slow down in demand that resulted lower machine utilization rates, higher fixed costs and the reduced gross profit due to increased raw material prices, price reduction pressures from customers and lower margins from higher layer count projects, the Group incurred a loss of \$2.1 million in 2Q07.

Despite the loss in 2Q07, Eucon's Executive Chairman and CEO, Mr Wen Yao Long is confident that the performance for the second half would be positive. Mr Wen said, "The downturn in the demand curve for laser drilling has bottomed out and since July 2007, we are seeing consistent improvement in utilization rates for our Laser Drilling services and other business segments. We are optimistic about the outlook for the second half as order books have increased and going forward, we expect to have greater visibility of customer orders."

### **Outlook in 2007**

Utilization rates for Eucon's Drilling services and PCB manufacturing are expected to increase substantially in 2H07. This is because of higher demand for electronic products in the second half of the year; especially those products that require laser drilling such as mobile phones, MP3 players, game consoles and notebooks. The newly launched iPhone, which has been well received by the US market, is

expected to spearhead the influx of new smart phone models into the market over the next few months.

Overall, the Directors are optimistic that the Group will not only turn around in 2H2007, but will also deliver a profitable performance for the entire year.

### **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 subsidiaries (five in Shanghai, China and one in Taiwan), it offers four outsourcing services, namely, PCB operations, Laser drilling, Mechanical drilling and Routing.

In Taiwan, laser drilling services are delivered through its subsidiary Taiwan LGANG - the pioneering and the largest company to offer outsourced laser drilling services for PCBs that require more precise and accurate drilling.

In Shanghai, the Group provides laser and mechanical drilling and routing services through three plants – Shanghai Zeng Kang, Shanghai Yaolong and Shanghai Lian Han Xin. The Group is one of the largest PCB drilling service providers in the Shanghai-Jiangsu region. Two other Shanghai plants specialize in PCB manufacturing - Shanghai Zhuo Kai handles outer-layer PCB manufacturing, while Shanghai Eu Ya focuses on mass lamination production.

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