



## PRESS RELEASE

*1<sup>st</sup> Quarter 2006 Results (for the first three months ended 31 March 2006)*

### **EUCON'S REVENUE INCREASES 122% TO \$25.9 MILLION IN 1Q06**

(S\$'million)	1Q06	1Q05	Change
Revenue	25.9	11.7	+122%
Gross profit	11.6	2.3	+395%
Profit from operations	7.4	0.6	NM
Finance Costs	(0.6)	(0.3)	+81%
Pre-tax profit	6.9	0.3	NM
Tax Expense	(0.9)	(0.2)	+437%
Net profit	6.0	0.1	NM
EPS (cts)	1.05	0.02	NM
NAV/share (cts)	14.62	11.99	+22%

### **Highlights:**

- **Group revenue for 1Q06 increased 122% to \$25.9 million, due mainly to the higher utilisation rates of the Group's laser drilling segment, and the full-fledged contribution of its PCB operations.**
- **Net profit for the quarter increased to \$6.0 million, reflecting higher sales and better margins**
- **The Group will monitor market conditions and make progressive expansion to its production capacity for both laser drilling and PCB operations**

**SINGAPORE (27 April 2006)** – Singapore Exchange (“SGX”) Mainboard-listed Eucon Holding Limited (“Eucon” or the “Company”), an integrated PCB solution provider in China and leading independent PCB laser driller in Taiwan, today announced its results for the first three months of the year ended 31 March 2006 (1Q06).

### **Key growth drivers: Laser Drilling & PCB Operations**

The Group posted a good performance in 1Q06, driven primarily by the higher utilisation rates of its laser drilling segment and the full-fledged contribution of its PCB operations. Group revenue increased 122% to \$25.9 million from \$11.7 million in 1Q05.

In 1Q06, PCB operations remained the largest revenue contributor, accounting for 54% of Group revenue. Revenue from this segment was \$13.9 million, representing a 122% increase over \$6.3 million in 1Q05.

Revenue for laser drilling, which accounted for 27% of group revenue, registered an increase of 408% to \$7.1 million in 1Q06. In 1Q05, revenue for laser drilling segment was \$1.4 million due to low utilisation rates resulting from the industry slowdown.

In line with the higher revenue and better margins, Group net profit increased to \$6.0 million in 1Q06 from \$0.1 million in 1Q05. Gross margins increased from 20.0% to 44.8%, primarily due to the higher utilisation rates of laser drilling machines where margins compared to other business segments are higher. In addition, margins from the PCB operations improved as a result of larger customer orders and more turnkey projects secured.

Mr Wen Yao-Long, Eucon's Executive Chairman & CEO, commented on the results: "We are delighted to deliver a good first-quarter report card for the Group. Our performance in this quarter reflects the positive industry conditions and strong customer demand. However, we will not rest on our laurels and will continue to strive for better margins by improving our operational efficiency and cost management."

### **Looking Ahead**

Demand for Eucon's laser drilling services is linked to demand for mobile handsets and other electronic gadgets such as MP3 players and game consoles. Similarly the performance of our PCB operations hinges on market demand for notebooks and other consumer electronic products.

Currently, the industry conditions in which the Group is operating are very positive. The latest market demand projections by global handset makers such as Nokia are

promising. In addition, International Data Corporation has reported that the global PC market continued to grow in the first quarter of 2006 with year-on-year growth of 12.9%. The Asia Pacific region maintained robust year-on-year growth of over 20%.

Mr Wen added, "While the encouraging market outlook augurs well for the Group's earnings growth in FY2006, expansion of our production capacity still calls for prudence and careful planning."

Barring unforeseen circumstances, the Directors expect the Group to remain profitable in FY2006.

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

Subsidiary Taiwan Zeng Kang is the pioneer and largest company to offer outsourced laser drilling services in Taiwan for PCBs which require more precise and accurate drilling. In Shanghai, the Group has two plants – Shanghai Zeng Kang and Shanghai Yaolong – providing laser and mechanical drilling and routing services. The Group is one of the largest PCB drilling service providers in the Shanghai-Jiangsu region.

Since 2004, the Group has implemented its vertical integration strategy to move up the value chain. It started offering turnkey solutions to PCB manufacturers, most of whom are migrating upstream to focus on high-density interconnect PCBs for products such as mobile phones and laptops. Shanghai Zhuo Kai specializes in outer-layer PCB manufacturing, while Shanghai Eu Ya focuses on mass lamination production.

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