



PRESS RELEASE

3rd Quarter 2006 Results (for the three months ended 30th September 2006)

EUCON'S REVENUE INCREASES BY 55% TO \$31.1 M IN 3Q06

(S\$' million)	3Q06	3Q05	Change
Revenue	31.1	20.1	55%
Gross Profit	8.7	7.9	10%
Profit from Operations	4.8	4.3	10%
Finance Costs	(0.53)	(0.46)	(15%)
Pre-tax profit	4.3	3.8	10%
Tax Expenses	(0.3)	(0.4)	43%
Net Profit	4.0	3.4	17%
EPS (cts)	0.7	0.6	17%
NAV/share (cts)	15.38	12.52	23%

Highlights:

- Group revenue in 3Q06 increased by \$11.0 million to \$31.1 million, driven by more turnkey projects from PCB operations in China and higher demand for laser drilling in Taiwan
- PCB operations continued to be the Group's star performer, recording a 92% jump in revenue compared to the same period last year.

SINGAPORE (3 November 2006) – SGX Mainboard-listed Eucon Holding Limited ("Eucon" or the "Group"), an integrated PCB solution provider in China and a leading independent PCB laser driller in Taiwan, today announced its results for the three months ended 30th September 2006 ("3Q06").

The Group's revenue increased to \$31.1 million, up 55% compared to the same period last year of \$20.1 million. The increase in revenue is driven by the contribution of more turnkey projects from the PCB operations in China and higher demand for laser drilling activities in Taiwan.

PCB operations continued to be the star performer as it was the largest contributor, accounting for 68% of Group revenue. The revenue for this business segment jumped 92% to \$21.2 million compared to \$11.0 million 3Q05.

Higher demand for laser drilling in 3Q06 compared to 3Q05 also lifted the revenue for this business segment to \$4.6 million from \$3.8 million.

In line with the improvement in revenue, net profit increased from \$3.4 million in 3Q05 to \$4.0 million in 3Q06. Gross profit margin slipped to 27.8% due to the impact of higher cost of raw materials, such as copper. The lower margins also reflected the effect of more turnkey projects whose margins were lower than those of the individual outsourced services.

Commenting on the results, Executive Chairman and CEO, Mr Wen Yao Long said, "We are pleased that our PCB operations have emerged as a strong booster to the Group's top and bottom line. Both laser drilling and PCB operations will provide twin engines of growth for the Group's revenue and profitability. While we will continue to capitalise on the increasing customer demand for our services, efforts will be made to enhance margins through improved operational efficiency and tighter cost structure."

Outlook

The outlook of the PCB industry remains encouraging in the fourth quarter of 2006. The increasing migration of PCB manufacturers to China as a production base, coupled with increasing demand for end consumer products driven by rapid technological changes, has contributed to the robust growth in the PCB industry.

Going forward, Eucon's PCB operations are expected to scale upwards, with the production area in China increasing to 1,000,000 sq ft from the current area of 600,000 sq ft by FY2007. The Group has decided to focus its resources on the China operations so as to capitalise on the expected long-term growth in demand. As such, the Group will not commit any investment in any other countries such as South Korea, as previously announced.

Mr Wen added, "While the overall market conditions look positive, we will still tread cautiously in terms of committing to new capital expenditures ("capex"). We will manage our capex programme prudently in accordance with the customer demand levels."

In view of the positive market outlook and the results of the Group so far, the Group is likely to perform better this year than FY 2005.

About Eucon Holding Limited

Listed on the SGX-Mainboard, 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.

In China, Eucon provides services such as PCB manufacturing, mechanical drilling and routing through Shanghai Zhuo Kai, Shanghai Eu Ya, Shanghai Zeng Kang and Shanghai Yaolong.

In Taiwan, its subsidiary LGANG is the pioneer and the largest company to offer outsourced laser drilling services in Taiwan for PCBs which require more precise and accurate drilling.

For further information, please contact:

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