



**PRESS RELEASE**

Second Quarter 2008 Results (for the three months ended 30 June 2008)

**EUCON RECORDS A NET PROFIT OF \$2.4 MILLION IN 2Q08 ON  
THE BACK OF INCREASE IN GROUP REVENUE**

<b>(\$' million)</b>	<b>2Q08</b>	<b>2Q07</b>	<b>Change (%)</b>
<b>Revenue</b>	<b>37.8</b>	<b>24.6</b>	<b>54</b>
<b>Gross Profit</b>	<b>6.3</b>	<b>2.3</b>	<b>174</b>
<b>Profit/ (Loss) from Operations</b>	<b>3.8</b>	<b>(1.1)</b>	<b>NM</b>
<b>Finance Costs</b>	<b>(1.1)</b>	<b>(0.9)</b>	<b>(20)</b>
<b>Pre-tax profit</b>	<b>2.7</b>	<b>(2.0)</b>	<b>NM</b>
<b>Tax Expense</b>	<b>(0.3)</b>	<b>(0.1)</b>	<b>(154)</b>
<b>Net /(Loss) Profit</b>	<b>2.4</b>	<b>(2.1)</b>	<b>NM</b>

**Highlights:**

- **Group revenue boosted by increase in market demand for laser drilling and PCB manufacturing**
- **Group records a net profit of \$2.4 million in 2Q08 as against a loss of \$2.1 million in 2Q07**

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 2008 (“2Q08”).

In 2Q08, Eucon posted Group revenue of \$37.8 million, an increase of 54% from the \$24.6 million in 2Q07. The improvement was due mainly to the increase in

market demand for both laser drilling services and PCB manufacturing. The overall improvement in market demand was mainly driven by the emergence of new line of electronic products and new models of existing products which have boosted the demand for PCB-related services such as laser drilling and PCB manufacturing.

In 1H08, Group revenue increased by 34% from \$48.2 million in 1H07 to \$64.8 million.

### **Segmental Information**

In 2Q08, the sales from the Group's PCB manufacturing segment increased by 47.6% to \$25.7 million from \$17.4 million in 2Q07. PCB manufacturing accounted for 68% of Group revenue in 2Q08, remaining as the key contributor and growth driver for the top line.

Revenue for Mechanical drilling dipped slightly from \$4.5 million in 2Q07 to \$4.4 million in 2Q08. On the other hand, revenue for Routing increased slightly from \$0.7 million in 2Q07 to \$0.8 million in 2Q08.

Increase in market demand for laser drilling services in the global market led to improved utilization rates for the Group's laser drilling machines. As a result, revenue for laser drilling segment grew significantly by 195.5% from \$1.9 million in 2Q07 to \$5.7 million in 2Q08. Specifically, there had been an increase in sales from existing customers. The overall improvement in the market for laser drilling services was attributable to the growing electronics industry - a trend which was observed and continued from the previous financial quarter (1Q08).

The growth in the electronics industry was largely driven by the sophisticated consumer products such as mobile phones and game consoles that require greater requirements for laser drilling.

Gross Profit increased significantly by 174%, from \$2.3 million in 2Q07 to \$6.3 million in 2Q08, due to the increase in revenue coupled with lower production costs.

In view of the improvement in Group's top and bottom line for 2Q08, Executive Chairman and CEO for Eucon Holding Limited, Mr Wen Yao Long commented, "We are pleased that the market demand for PCB and PCB related services has slowly picked up, and our utilization rates have improved significantly to reflect that. However, we will remain cautious in view of the uncertainties in the global economy and market conditions in the near future. Apart from adopting necessary cost control measures to stay competitive in the market, we are currently strengthening our business model so as to scale up the supply value chain for PCB manufacturing. Specifically, we will develop relationships and build rapport with product manufacturers to receive direct PCB manufacturing orders from them, which are likely to yield better margins."

#### **Outlook in 3Q08**

Currently, the economic and industry trends are still gripped by uncertainty. In view of the global economic slowdown, the spillover effect of the sub-prime crisis as well as the global inflationary pressures, consumer spending may to a certain extent be adversely affected. Therefore, the management will continue to monitor the market demand and exercise prudence to remain competitive in the challenging business climate.

#### **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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