Eucon Holding Limited
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PRESS RELEASE

Second Quarter FY2016 Results (for the three months ended 30 June 2016)

EUCON REPORTS NET LOSS OF $2.9 MILLION FOR 2Q16

(S$' million)	1H16	1H15	Fav/ (Unfav) %		2Q16	2Q15	Fav/ (Unfav) %
Revenue	**19.4**	29.9	*(36)*		**9.5**	12.9	*(26)*
Gross Profit	**0.3**	3.1	*(90)*		**0.2**	0.8	*(75)*
Loss from Operations	**(6.1)**	(1.6)	*NM*		**(2.6)**	(2.1)	*(24)*
Finance Costs	**(0.6)**	(0.7)	*14*		**(0.3)**	(0.3)	-
Pre-tax Loss	**(6.7)**	(2.2)	*NM*		**(2.9)**	(2.4)	*(21)*
Tax Expense	**-**	-	-		**-**	-	-
Net Loss	**(6.7)**	(2.2)	*NM*		**(2.9)**	(2.4)	*(21)*

**NM – Not meaningful*

Singapore, 4 August 2016 – Singapore Exchange ("SGX") Mainboard-listed Eucon Holding Limited ("Eucon" or the "Group"), an integrated PCB solutions provider in China and Taiwan, today announced its results for the second quarter ended 30 June 2016 ("2Q16").

For the six months ended 30 June 2016 ("1H16"), the Group reported revenue of $19.4 million, a decrease of 35% from $29.9 million from the corresponding period in 2015 ("1H15"). It is a decrease across the board with PCB operation bearing the brunt. This is mainly due to low PCB market sentiments globally.

Similarly, for the three months ended 30 June 2016 ("2Q16"), the Group reported revenue of $9.5 million, a decrease of 26% from $12.9 million from the corresponding period in 2015 ("2Q15").

PCB operations continue to be the major contributor accounting for 94% of our Group's revenue in 1H16. Revenue from PCB operations decreased by 32% from $27.0 million in 1H15 to $18.3 million 1H16. Similarly, this decrease is mainly due to low PCB market sentiments globally.

On a quarterly basis, revenue from PCB operations decreased by 20% from $11.2 million in 2Q15 to $9.0 million in 2Q16.

Revenue from Mechanical drilling and Routing segment decreased by 62% from $2.9 million in 1H15 to $1.1 million in 1H16. Mechanical drilling and routing segments are mainly made up of sub-contracted sales which are volatile to any fluctuations in market demands.

On a quarterly basis, revenue from Mechanical drilling and Routing decreased by 71% from $1.7 million in 2Q15 to $0.5 million in 2Q16.

China operations remained as the key contributor to Group's revenue in 1H16 at 77%. There is a decrease of 4% from 81% in 1Q15 to 77% in 1H16 due to improvements in Taiwan operations. Since the cessation of laser drilling operation in Taiwan in 2014, Taiwan operation underwent a series of restructurings to convert into PCB operations.

Gross profit decreased from $3.1 million in 1H15 to $0.3 million in 1H16. PCB operations posted a gross profit of $1.0 million which was offsetted by Mechanical drilling and Routing segment's gross loss of $0.7 million. Revenue generated from these remaining segments was less than the fixed manufacturing expenses such as labour cost, electricity and depreciation.

On a quarterly basis, gross profit dropped from $0.8 million in 2Q15 to $0.2 million in 2Q16.

The Group reported a net loss of $2.9 million and $2.4 million for 2Q16 and 2Q15 respectively.

Outlook in FY16

In view of the low business market sentiments globally, management continues to remain cautious and conservative in its outlook.

About Eucon Holding Limited

SGX Mainboard-listed Eucon Holding Limited ("Eucon" or "the Group") is an integrated PCB service provider. Its suite of PCB solutions being mechanical drilling, routing and PCB manufacturing are provided through its six plants, 1 located in Taiwan and 5 in Shanghai, China.

In China, the Group has dedicated 2 of the plants in Shanghai to handle the entire process of PCB manufacturing. Shanghai Zhuo Kai Electronic Technology Co., Ltd ("Zhuo Kai") handles outer-layer PCB manufacturing, while Shanghai Eu Ya Electronic Technology Co., Ltd ("Eu Ya") focuses on mass lamination production. The rest of the Shanghai plants are equipped with mechanical drilling and routing machines to handle both in-house demand from PCB operations and external customers. They are Shanghai Zeng Kang Electronic Technology Co., Ltd, Shanghai Yaolong Electronic Technology Co., Ltd and Shanghai Lian Han Xin Electronic Technology Co., Ltd.

In August 2012, a wholly owned subsidiary, Emerging Technology Pte Ltd which is trading in nature was incorporated.

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