

4 Nov 2009
Share Data (3 Nov 2009)
S\$ 0.035

Issued Capital	570 M
Market Cap.	\$19.95 M
12-mth price range	1.0 – 5.5 cts
Reuters Code	EUCN.SI
Bloomberg	EUCON:SP

Shareholdings Statistics
(As at 30 September 2009)
Top 5 shareholders

Wen Yao-Long***	23.26%
<i>(including deemed interest in Sunny Worldwide)</i>	
United Overseas Bank Nominees**	9.83%
Chen Ming-Hsing***	5.92%
Huang Shih An*	2.55%
Huang Chuang Shueh Ou*	2.30%

Free Float 56.14%
NB:
*(***) Directors of Eucon Holding Limited*
*(**) Includes 51,482,085 (9.03%) shares held in trust for Europrotronic Investment Pte Ltd*
() Director of Europrotronic Group Ltd, holding company of Europrotronic Investment Pte Ltd*
Company Background

- Founded in 1988 by Chairman & CEO, Mr. Wen Yao-Long, Eucon Holding Limited is an integrated PCB solution provider for PCB manufacturers in China and Taiwan.
- Eucon offers four outsourcing services, namely, PCB operations, Laser drilling, Mechanical drilling and Routing, which are provided through its six subsidiaries – 1 located in Taiwan and 5 in Shanghai, PRC.

Analyst Coverage

	Report Date	Call	Target Price
OCBC Research	10/8/07	N.R.	NA
Phillip Securities	12/1/07	HOLD	S\$0.19
DMG & Partners	15/9/06	BUY	S\$0.48
Westcomb Group	28/7/06	BUY	S\$0.36

Peer Comparison

	Eucon #	Jadason #	Multi-Chem #
Share price on 3 Nov 09 (\$)	S\$0.035	S\$0.090	S\$0.180
EPS (cts)	(1.90)	0.47	(0.55)
NAV/share (cts) as at 30 Sep 2009	12.48	13.94	20.35
FY08 Dividend per share (cts)	-	-	-
Historical PER	-	-	-
Historical P/NAV	0.28	0.65	0.88
Dividend yield (%)	-	-	-

Taken from 2Q2009 results announcement

3Q09 vs. 3Q08

Group revenue declined by 31% to \$24.2 million from \$35.3 million as compared to 3Q08 for the three months ended 30 September. The decrease was due to weak demand for electronics products as a result of global economic slowdown.

Our Group achieved a gross profit of \$3.2 million in this quarter. Although it is lower by 32% as compared to \$4.6 million in 3Q08, it is an improvement over the first 2 quarters of 2009. This improvement is mainly due to the Group's focus on OEM sales which yields better results in 3Q09 and increase in sales which is able to cover the fixed manufacturing costs.

Business outlook

- Global economies are showing signs of recovery from the financial crisis. However, recovery is expected to be slow and subjected to elements of uncertainty such as premature withdrawal of government stimulus policies and central banks' support for credit market, growth of demand in private sector, and growth impulse on inventory rebuilding for industries which experience sharp drop in production right at the start of the onset of the crisis.
- Although the ongoing economic condition remains uncertain and challenging, the management has put in dedicated efforts to streamline its operations and cost control measures during this current economic slowdown and shall continue its best to monitor its financial position closely.

Profit and Loss Highlights

S\$ m	9 months ended			3 months ended		
	3Q09	3Q08	Chg (%)	3Q09	3Q08	Chg (%)
Revenue	54.2	100.0	(46)	24.2	35.3	(31)
Gross (Loss) Profit	(0.3)	14.8	NM	3.2	4.6	(32)
Finance costs	(2.7)	(3.5)	22	(0.8)	(1.2)	32
Pre-tax (Loss) Profit	(11.1)	1.5	NM	(0.2)	0.6	NM
Tax expense	(0.1)	(0.5)	95	-	(0.06)	NM
Net (Loss) Profit	(11.2)	1.0	NM	(0.2)	0.5	NM
EPS (cts)	(1.9)	0.20	-	(0.06)	0.09	-

Cash Flow Highlights

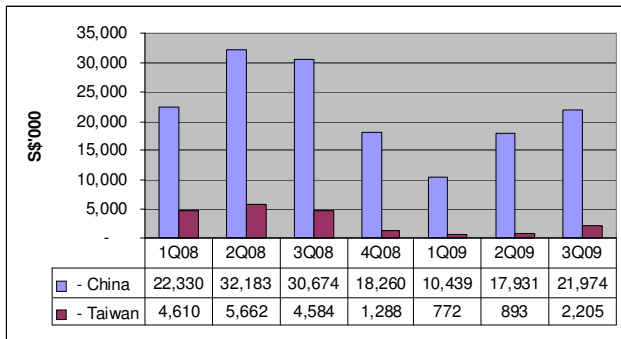
S\$ m	1Q09	2Q09	3Q09	YTD
Cash flows from operating activities	7.1	(2.4)	1.6	6.3
Cash flow used in investing activities	-	(1.0)	(0.2)	(1.2)
Cash flow used in financing activities	(10.7)	(1.1)	(1.7)	(13.5)
Net decrease in cash & cash equivalents	(3.6)	(4.5)	(0.3)	(8.4)
Forex changes on foreign currencies	0.6	(0.4)	0.4	0.6
Opening cash & cash equivalents	23.2	20.2	15.3	23.2
Closing cash & cash equivalents	20.2	15.3	15.4	15.4

Balance Sheet Highlights

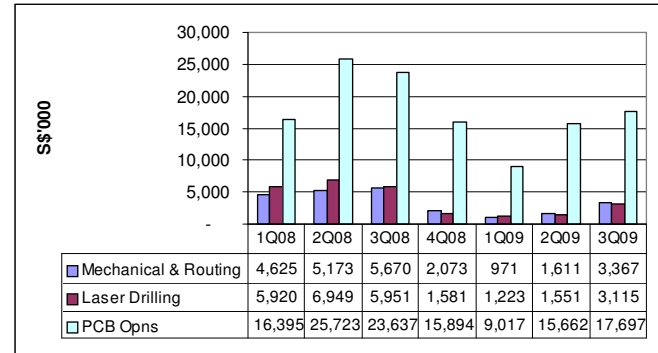
S\$ m	30/09/09	30/06/09	31/03/09	31/12/08
Cash & bank balances (including bank deposits)	17.0	18.4	22.9	24.2
Trade receivables	30.8	25.0	20.2	35.4
Other receivables & prepayments	2.7	2.5	2.7	0.8
Inventories	7.8	7.3	7.4	6.8
Property, plant & equipment	110.4	117.8	126.5	125.9
Land use rights	4.4	4.5	4.9	4.5
Trade payables	23.9	21.2	20.1	26.6
Other payables	11.8	10.5	10.5	8.8
Bank borrowings & debts	62.7	66.2	67.0	75.0
Shareholders' equity	79.2	75.2	83.7	84.9

NM - Not meaningful

Revenue by Geographical Market



Segmental Revenue Quarterly Trend



Production Capabilities

Subsidiary	Machines for			Other facilities
	Mechanical Drilling	Laser Drilling	Routing	
LGANG (TW)	-	73	-	-
Shanghai Zeng Kang	45	-	16	-
Shanghai Yaolong	35	-	17	-
Shanghai Zhuo Kai*	10	15	-	Outer-layer PCB mfg
Shanghai Eu Ya*	-	-	-	Inner-layer PCB mfg, mass lamination
Shanghai Lian Han Xin	66	-	-	-
Total	156	88	33	

*Total output capability of approximately 800,000 sq feet monthly

Top 5 Customers (Jan-Sep 2009)

PCB Operations

- Goodwell Technology Co. Ltd
- Circuitech(British Virgin Island) Ltd
- Wus Print Circuit (KunShan) Co.,Ltd
- Triking International Inc
- Polytronics Technology Corporation

Laser Drilling

- Unimicron Technology Corp.
- Ya Hsin Industrial Co., Ltd
- Tigerbuilder Circuit (Suzhou) Co., Ltd
- Shanghai Unitech Electronics Co.,Ltd
- Hua Shen (Jiangsu) Electronics Co., Ltd

Mechanical Drilling & Routing

- Wus Print Circuit (KunShan) Co.,Ltd
- An Aspocomp-Chinpoon Company
- Shanghai Unitech Electronics Co., Ltd
- Nan Ya Electronic Materials (Kunshan) Corp.
- Kunying Electronic (Kunshan) Co., Ltd

Contact Information

Eucon Holding Limited
 Ms Tay Ai Li
 Group Accountant
 Tel: 65-63456078 / Fax: 65-63456079
tal@euconholding.com

5-Year Financial Information

Profit and Loss (S\$000)					
	FY04	FY05	FY06	FY07	FY08
Revenue	41,820	74,740	111,752	116,138	119,591
Profit (Loss) before tax	10,614	15,144	16,413	7,323	(11,115)
Net Profit (Loss)	8,256	12,579	15,333	7,257	(11,670)
Depreciation	8,320	10,877	13,271	17,001	20,328
Interest expenses	1,439	1,792	2,352	3,673	4,670
Pretax profit margin	25.4%	20.3%	14.7%	6.3%	-9.3%
Net profit margin	19.7%	16.8%	13.7%	6.2%	-9.8%
Net profit growth	-17.7%	+52.4%	+21.9%	-52.7%	-258.1%

Balance Sheet (S\$ million)					
	FY04	FY05	FY06	FY07	FY08
Cash & bank balances (including deposits)	9.0	15.3	20.0	27.1	24.2
Trade receivables	12.4	36.8	37.5	53.2	35.4
Other receivables & prepayments	1.4	2.0	2.7	3.1	2.2
Inventories	1.1	4.2	10.2	10.4	6.8
Land use rights	-	-	-	4.4	4.5
Property, plant & equipment	91.2	90.4	117.3	129.4	125.9
Trade payables	3.9	14.6	23.9	29.2	26.6
Other payables	8.3	8.8	16.1	14.3	8.8
Bank borrowings & debts	37.4	46.8	61.1	91.9	75.6
Shareholders' equity	71.0	83.0	91.0	92.8	84.9

Key Financial Ratios					
	FY04	FY05	FY06	FY07	FY08
No of shares (in mil)	570.0	570.0	570.0	570.0	570.0
EPS (cents)	1.72	2.21	2.69	1.16	(1.88)
NAV / share	11.76	13.87	15.28	15.60	14.50
Dividend / share (cents)	0.50	0.50	0.50	-	-
Return on Average shareholders' equity (%)	14.4	16.3	17.6	7.9	-13.1
Return on average assets (%)	7.6	9.2	8.9	3.4	-5.3
Current Ratio	0.63x	0.97x	0.79x	0.87x	0.72x
Net Gearing	0.32x	0.31x	0.39x	0.62x	0.49x