



**RESPONSE TO SGX QUERY ON EMPHASIS OF MATTER BY AUDITORS ON  
THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31  
DECEMBER 2009**

Following the Company's announcement dated 1 April 2009, SGX sought confirmation from the management whether the Group and Company remain going concerns despite the emphasis of matter ("EOM") cited by the auditor ("Deloitte & Touche LLP") in the Company's FY09 financial statements. Management confirms that the Group and the Company remain going concerns with SGX and the following is our response to SGX in our confirmation.

*"With respect to your query, the management confirms that the Company remains a going concern despite the emphasis of matter ("EOM") cited by the auditor ("Deloitte & Touche LLP") in the Company's FY09 financial statements.*

*The main reasons for the issuing of EOM are:*

- 1. Breaching of financial covenants,*
- 2. Continual incurring of net losses for the financial year, and*
- 3. Negative working capital (Net current liabilities > Net current assets).*

*In relation to the financial covenants, there are 2 secured term loans (DBS & SCB) in breach as per our August 2009 announcement. DBS loan had been fully repaid by October 2009 in accordance to the repayment terms. As at December 31, 2009, SCB loan of S\$2.55 million is the remaining loan in breach of financial covenants. Timely monthly repayments are made in accordance with the repayment terms of the loan and the last monthly installment is in November 2010. SCB has been accepting these monthly payments and has not required immediate repayment of the loan.*

*As for the remaining current borrowings, they are fully secured by land use rights, property, plant and equipment, trade receivables, pledged bank deposits and personal guarantees from directors. Thus, management is in view that renewal will be available upon maturity of existing loans.”*

By Order of the Board

Mr. Wen Yao Long  
Executive Chairman & CEO  
7 April 2010

## **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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***For further information, please contact:***

<b>Eucon Holding Limited</b>
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Group Accountant
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