



## NEWS RELEASE

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*All currency figures stated in this news release are in US Dollars.*

### **FASTECH SYNERGY LTD ANNOUNCES**

#### **Q3 2006 FINANCIAL RESULTS**

**MANILA, Philippines – 27 October 2006.** Fastech Synergy Ltd announced today its Financial Results for the third quarter ending 30 September 2006.

The Group recorded higher net sales for the quarter amounting to \$3.33 million, compared with the \$3.14 million in the sequential quarter and the \$3.09 million in the same quarter last year.

Actual production of 88.03 million units for the quarter was higher by 6.5%, from 82.64 million units in the preceding quarter, but lower than the 93.5 million units shipped in the same period last year.

Gross loss for the quarter was \$242,000 from a gross loss of \$596,000 in the second quarter of this year. Cost of sales during the period decreased by \$168,000 or 4.5% lower than the previous quarter. This lower cost of sales was achieved notwithstanding the higher volume shipped during the current period.

The Group registered a net loss of \$1.26 million from a net loss of \$1.35 million in the sequential quarter. Net loss of \$1.42 million was registered in the same period last year. A foreign currency exchange loss of \$209,000 was registered during the current period as opposed to the foreign currency exchange gain of \$158,000 registered in the previous quarter due to the strengthening Philippine Peso against US dollar.

The Group's semiconductor assembly and test business contributed 72% (from 65% in 3Q 2005) to the total sales while the RF Microwave business added 28% (previously 35% in 3Q 2005). The semiconductor assembly and test business includes discrete & power semiconductors products and integrated circuits. RF Microwave business, on the other hand, includes PCB assemblies, microwave modules and radio frequency devices.

## About Fastech Synergy Ltd

Fastech Synergy Ltd is a leading provider of semiconductor assembly and test services that is listed on the main board of the Stock Exchange of Singapore. Fastech provides complete assembly/test solutions for semiconductor components and module assembly products used in consumer electronics, personal computers and peripherals, telecommunication equipment, medical and office equipment, automotive systems and industrial applications. It employs approximately 1,100 employees.

For more information, visit Fastech's website at <http://www.fastechsynergy.com>.

### Safe Harbor Statement

This press release contains forward-looking statements that are based on management's assumptions and expectations and that involve risks and uncertainties. Actual results could differ materially from those expressed or implied by such statements. Such risks and uncertainties include, but may not necessarily be limited to, dependence on key customers, cyclical nature of the semiconductor industry, increased competition, foreign exchange fluctuations, working capital cost and availability, political and regulatory considerations, technological and commercialization delays, lengthy sales and qualification cycles, cost concerns in manufacturing, manufacturing capability and capacity and other factors. Fastech assumes no obligation to update these forward-looking statements.

**FASTECH SYNERGY LTD AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2006**

Group						
USD ('000)						
Quarter Ended 30/09/06	Quarter Ended 30/09/05	Increase/ % Change	Nine Months ended 30/09/06	Nine Months ended 30/09/05	Increase/ % Change	
Revenues	3,327	3,089	7.7	9,662	11,411	(15.3)
Cost of goods sold	3,569	3,694	(3.4)	10,956	12,692	(13.7)
Gross profit (loss)	(242)	(605)	(60.0)	(1,294)	(1,281)	1.0
Sales and marketing	(92)	(52)	76.9	(227)	(214)	5.9
Other expenses	(177)	(13)	1,261.0	(165)	(258)	(36.2)
Interest and bank charges	(208)	(196)	6.1	(615)	(587)	4.7
General and administrative	(539)	(563)	(4.2)	(1,817)	(2,138)	(15.0)
Share in joint venture results	0	1	(100.0)	(3)	11	(130.8)
Loss before income tax	1,258	1,428	(12.0)	4,121	4,467	(7.8)
Provision for income tax	(4)	2	2.0	(10)	4	2.0
Loss for the year	1,262	1,430	(11.8)	4,131	4,471	(7.6)
Attributable to:						
Minority interest	(2)	9	(125.0)	(2)	30	(107.6)
Equity holders of the Group	1,264	1,421	(11.0)	4,133	4,441	(6.9)
	1,262	1,430	(11.8)	4,131	4,471	(7.6)

**FASTECH SYNERGY LTD AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**30 SEPTEMBER 2006**

	Group		Company	
	USD ('000)		USD ('000)	
	30/09/06	31/12/05	30/09/06	31/12/05
<b>Non-Current Assets</b>				
Property, plant and equipment	15,645	18,965	-	-
Investments in subsidiaries			9,620	9,620
Investment in a joint venture	(0)	161	0	192
Other non-current assets	494	453	-	-
	<b>16,139</b>	<b>19,579</b>	<b>9,620</b>	<b>9,812</b>
<b>Current Assets</b>				
Inventories	842	898	-	
Trade and other receivables	1,581	1,819	12,192	11,403
Prepaid expenses and other current assets	220	709	2	9
Cash and bank balances	738	381	1	1
	<b>3,381</b>	<b>3,807</b>	<b>12,195</b>	<b>11,413</b>
Equipment held for sale	215	228	-	-
<b>Current Liabilities</b>				
Loans payable	1,295	2,582	-	-
Accounts payable and accrued expenses	5,630	5,364	290	163
Income tax payable	11	51	-	-
Current portion of long term debt	1,745	3,314	1,149	1,149
Current portion of liability under finance lease	58	152	-	-
	<b>8,739</b>	<b>11,463</b>	<b>1,439</b>	<b>1,312</b>
<b>Net Current Assets (Liabilities)</b>	<b>(5,143)</b>	<b>(7,428)</b>	<b>10,756</b>	<b>10,101</b>
<b>Non- Current Liabilities</b>				
Long-term debt - net of current portion	3,989	1,003	-	-
Liability under finance lease net of current portion	0	46	-	-
Deferred tax liability	113	115	-	-
	<b>4,102</b>	<b>1,164</b>	<b>-</b>	<b>-</b>
<b>Net Assets</b>	<b>6,893</b>	<b>10,987</b>	<b>20,376</b>	<b>19,913</b>
<b>Equity</b>				
<b>Equity attributable to the Group's equity holders</b>				
Capital stock	16,819	16,819	16,819	16,819
Share premium	4,041	4,041	4,041	4,041
Contributed surplus	-	-	2,269	2,269
Equity Option	204	164	204	164
Retained earnings (Deficit)	(14,281)	(10,147)	(2,957)	(3,380)
	<b>6,783</b>	<b>10,877</b>	<b>20,376</b>	<b>19,913</b>
<b>Minority Interests</b>	<b>110</b>	<b>110</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>	<b>6,893</b>	<b>10,987</b>	<b>20,376</b>	<b>19,913</b>

**FASTECH SYNERGY LTD AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2006**

For the nine months ended 30 September	
Group	
2006 USD ('000)	2005 USD ('000)

**CASH FLOWS FROM OPERATING ACTIVITIES**

Loss before income tax and minority interests	4,121	4,467
Adjustments for:		
Depreciation and amortization	3,411	3,984
Provisions for:		
Impairment losses on machinery and equipment		37
Doubtful trade receivables		
Inventory obsolescence	10	6
Interest expense	620	607
Unrealized foreign exchange losses	191	80
Amortization of prepaid rent	77	58
Write-off of property and equipment		8
Share in joint venture results	3	(11)
Interest income	(6)	(20)
Loss on disposal of property and equipment		101
Loss on sale of Shares in Joint Venture	45	
Loss on termination of Liability Under Finance Lease	66	
Operating income before working capital changes	296	383
Decrease(increase) in:		
Trade and other receivables	238	1,879
Prepaid expenses and other current assets	489	(188)
Inventories	56	434
Increase in accounts payable and accrued expenses	(42)	(1,418)
Net cash generated from operations	<u>1,037</u>	<u>1,090</u>
Interest paid	(494)	(572)
Income tax paid	(51)	(55)
Interest received	6	1
<b>Net cash generated from operating activities</b>	<u>498</u>	<u>464</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of property, plant and equipment	(239)	(413)
Proceeds from sale of equipment	156	251
Liability under capital lease	(36)	(18)
Decrease(increase) in other non-current assets	(40)	157
<b>Net cash used in investing activities</b>	<u>(159)</u>	<u>(23)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from :		
Loans payable		655
Payments of:		
Loans payable	(22)	(846)
Long-term debt		(139)
Increase (decrease) in Minority Interest	1	(2)
Increase (decrease) in Equity Option	39	40
<b>Net cash used in financing activities</b>	<u>18</u>	<u>(292)</u>
<b>Net increase (decrease) in cash and bank balances</b>	<u>357</u>	<u>149</u>
Cash and bank balances at the beginning of the period	<u>381</u>	<u>178</u>
<b>Cash and bank balances at the end of the year</b>	<u>738</u>	<u>327</u>