

Chairman's Statement

RESULTS

I have pleasure to report to the shareholders the results of PacMOS Technologies Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2006.

For the year under review, the Group achieved a turnover of approximately HK\$125.6 million, as compared to that of last year of approximately HK\$148.0 million. The profit attributable to shareholders for the current year amounted to approximately HK\$25.4 million, as compared to a loss of approximately HK\$26.7 million in last year.

DIVIDEND

The directors do not recommend the payment of any dividend for the year ended 31 December 2006.

BUSINESS REVIEW

Design and distribution of integrated circuit and semi-conductor parts

Facing competition, the turnover of the Group reduced to approximately HK\$125.6 million for the year under review as compared to that of last year of approximately HK\$148.0 million. In respect of profit margins, the Group achieved an improved gross profit margin of approximately 25.4% for the current year under review, as compared to that of last year of approximately 21.4%. For the year under review, the business recorded an operating profit of approximately HK\$7.4 million (2005: approximately HK\$9.6 million).

Investments holding

As at 31 December 2006, the Company held approximately 3.6 million shares of ChipMOS Technologies (Bermuda) Limited ("ChipMOS"). ChipMOS, listed in NASDAQ, is a leading provider of semi-conductor testing and assembly services to customers in Taiwan, Japan and the United States.

During the year, the Company realised approximately 310,000 shares of ChipMOS at prices from US\$6.0 to US\$7.26. The net realised gain was approximately HK\$2.0 million.

As at 31 December 2006, the market price of ChipMOS was US\$6.79 as compared to US\$5.80 as at 31 December 2005. Consequently, an unrealised gain of approximately HK\$27.6 million was recorded due to mark to market valuation of the shares for the year under review.

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FUTURE PLANS AND PROSPECTS

To strengthen our competitive advantage, we are planning to migrate to a more advanced production process for our integrated circuit products in the coming year. We expect that such migration will improve our overall cost efficiency and scope of new product applications.

We shall continue to focus our efforts in our current main business of design and distribution of integrated circuit products. In addition, we are also looking for new investment opportunities in order to increase our shareholders' return.

APPRECIATION

I would like to take this opportunity to thank our employees for their efforts taken in the past year and our shareholders for the continued support to our Group.

On behalf of the Board

Yip Chi Hung

Chairman

Hong Kong, 11 April 2007