PacMOS Technologies Holdings Limited
（弘茂科技控股有限公司）*

(Incorporated in Bermuda with limited liability)

Connected Transaction

新茂國際科技股份有限公司 (SyncMOS, Taiwan*), a non wholly-owned subsidiary of the Company, has entered into an agreement to purchase various specifications of masks and probe-cards from Mosel Vitelic Inc., a substantial shareholder of the Company, for a total sum of NT$27,371,831 (approximately HK$6,240,777) on 26 September 2002. The sale and purchase of the said various specifications of masks and probe-cards constitutes a connected transaction for the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). As the consideration for such transaction is less than HK$10,000,000, the Company is required to make this announcement and to disclose details of such transaction in its next annual report and accounts pursuant to Rule 14.25(1) of the Listing Rules.

AGREEMENT FOR SALE AND PURCHASE OF VARIOUS SPECIFICATIONS OF MASKS AND PROBE-CARDS DATED 26 SEPTEMBER 2002 (THE "AGREEMENT")

PARTIES TO THE AGREEMENT

The Company: PacMOS Technologies Holdings Limited (a company listed on The Stock Exchange of Hong Kong Limited), the holding company of 新茂國際科技股份有限公司 ("SyncMOS, Taiwan*").

Vendor: Mosel Vitelic Inc. ("MVI") is a substantial shareholder of the Company holding approximately 31.50% of the total issued share capital of the Company.

Purchaser: SyncMOS, Taiwan is a joint venture company (incorporated in Taiwan in July, 2001) of the Company and of MVI holding approximately 55% and 22.80% respectively of the total issued share capital of SyncMOS, Taiwan. As such, SyncMOS, Taiwan is a non wholly-owned subsidiary of the Company. During the year, MVI has increased its shareholding in SyncMOS, Taiwan gradually from 10.94% to 22.80% due to the purchase

of shares from ex-employees of the Company and its subsidiaries as well as independent third parties. Other persons who are independent of and not connected with the directors, chief executives and substantial shareholders of the Company and their respective associates held the rest of the 22.20% shareholdings of SyncMOS, Taiwan.

Assets: Various specifications of masks and probe-cards to be acquired for a total sum of NT$27,371,831 (approximately HK$6,240,777)

As MVI is a substantial shareholder of the Company, MVI is a connected person of the Company and the entering into the Agreement constitutes a connected transaction for the Company pursuant to Rule 14.25(1) of the Listing Rules.

PRINCIPAL BUSINESS

The principal business of the Company is the design, sale and distribution of integrated circuit products, property holding and other investments.

The business of SyncMOS, Taiwan is principally engaged in wholesale of electronic materials and components and the provision of industrial and commercial services (including research and development of electronic materials and components) and products design.

The business of MVI is to develop, manufacture and market of large size integrated circuits and related electronic components, such as DRAM, SRAM and flash memories.

REASONS FOR ENTERING INTO THE AGREEMENT

(1) Reference is made to the circular dated 22 February 2001 to the shareholders of the Company relating to the setting up of a joint venture company in Taiwan. SyncMOS, Taiwan was thus incorporated in July 2001 in Taiwan. The Company and MVI are in full support of SyncMOS, Taiwan in strengthening its business operation.

(2) Masks and probe-cards are necessary equipment for development, manufacturing and testing of electronic materials and components such as MCU and flash memories. The capacity of existing masks and probe-cards of SyncMOS, Taiwan are almost fully utilized.

(3) The Company and MVI aim at making SyncMOS, Taiwan highly competitive in the electronics industry by strengthening its productivity and expanding its product portfolio.

(4) MVI, SyncMOS, Taiwan and the Company forecast that the demand of electronic materials and components will continue to grow steadily in the coming years.

(5) In order to save the time required and reduce the risk of failure in the stage of designing masks and probe-cards, SyncMOS, Taiwan considered that it is appropriate to purchase various specifications of fully tested masks and probe-cards ("Equipment") from MVI instead of developing and designing the same by SyncMOS, Taiwan itself. After such acquisition, it is expected that SyncMOS, Taiwan will be able to enhance its product portfolio and to meet the growing demand for innovative and advanced electronic products.

(6) In view of the above reasons, SyncMOS, Taiwan, MVI and the Company are of the opinion that SyncMOS, Taiwan should acquire the Equipment with the positive effects both on time and on risk management.

CONSIDERATION

The directors of the Company and SyncMOS, Taiwan were agreed to purchase the Equipment from MVI at market value of NT$27,371,831 (approximately HK$6,240,777) as consideration by reference to the quotation of comparable masks and probe-cards. The consideration is payable in cash upon satisfactory receipt of delivery of the Equipment. The consideration will be paid out of internal source of fund of SyncMOS, Taiwan.

The directors of the Company and SyncMOS, Taiwan reviewed the value of the relevant Equipment and considered that the consideration payable is fair and reasonable by reference to the quotation of comparable masks and probe-cards provided by current market leaders of mask houses and probe-card houses and was agreed by the directors of the Company, MVI and SyncMOS, Taiwan on an arm's length basis.

After taking into account of the aforesaid reasons, the directors (including the independent non-executive directors) consider that the Agreement was negotiated on an arm's length basis and on normal commercial terms and that the terms are fair and reasonable and in the interest of the Company.

DISCLOSURE

As the consideration payable by SyncMOS, Taiwan in relation to the Agreement is less than HK$10,000,000, the Company is required by Rule 14.25(1) of the Listing Rules to make this announcement and to disclose such details in its next annual report and accounts.

By order of the Board
Seto Yee Woon, John
Chairman

Hong Kong, 26 September 2002

* *For identification purpose only*

Please also refer to the published version of this announcement in The Standard.