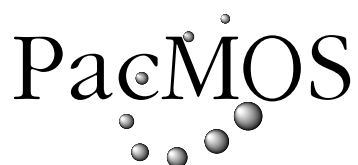


The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



PACMOS TECHNOLOGIES HOLDINGS LIMITED

(弘 茂 科 技 控 股 有 限 公 司) *

(Incorporated in Bermuda with limited liability)

CONNECTED TRANSACTION — RENEWAL OF LEASE

The board of directors of PacMOS Technologies Holdings Limited announce that 新茂國際科技股份有限公司 (SyncMOS, Taiwan)*, a non wholly-owned subsidiary of the Company, entered into a new lease on 5 January 2004 with Mosel Vitelic Inc., a substantial shareholder of the Company in respect of the lease of the same premises under the current lease to be expired on 9 January 2004. The new lease constitutes connected transaction for the Company pursuant to Rule 14.25(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

BACKGROUND

On 12 April 2002, a lease (the “Current Lease”) was entered into between Mosel Vitelic Inc. (“MVI”), as lessor, and SyncMOS, Taiwan, as lessee, for the lease of office premises of Unit A (excluding Rooms 422, 423 and 428) and Unit C, Rooms 407 and 408, 4/F (together of a total area of 324 ping (equivalent to approximately 11,525 square feet)) and 15 car-parking spaces in Basement, No.1 Creation Road 1, Science-Based Industrial Park, Hsinchu, Taiwan at a monthly rental of NTD278,640 (equivalent to approximately HKD63,544) and at a monthly service charges of NTD175,758 (equivalent to approximately HKD40,082) for a term of two years commencing on 9 January 2002 (details of which have been disclosed in the Company’s annual reports 2002). On 5 January 2004, the abovementioned parties entered into a new

lease (the “New Lease”) in respect of the same premises. Details of the New Lease are set out below. Please make reference to the announcement of the Company dated 12 April 2002 in relation the Current Lease.

NEW LEASE DATED 5 JANUARY 2004

PARTIES TO THE NEW LEASE

Lessor: MVI, is a substantial shareholder of the Company holding approximately 31.50% of the total issued share capital of the Company.

Lessee: SyncMOS, Taiwan is a joint venture company (incorporated in Taiwan in July 2001) which are held by the Company and MVI approximately 55% and 24.20% of the total issued share capital respectively. As such, SyncMOS, Taiwan is a non wholly-owned subsidiary of the Company. Since year 2002 till 30 November 2003, MVI has increased its shareholding in SyncMOS, Taiwan gradually from approximately 10.94% to 24.20% due to the purchase of shares from ex-employees of the Company and its subsidiaries as well as other persons who are persons independent of and not connected with the directors, chief executives and substantial shareholders of the Company and their respective associates. Moreover, out of the remaining approximately 20.8% shareholdings of SyncMOS, Taiwan, the approximately 7.75% is held by 8 connected persons who are directors and/or chief executives of the Company and MVI and their subsidiaries, and the rest of approximately 13.05% is held by 87 other persons who are independent of and not connected with the directors, chief executives and substantial shareholders of the Company and their respective associates respectively.

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

TERMS OF THE NEW LEASE

- Subject Premises and area:** Office premises of Unit A (excluding Rooms 422,423 and 428) and Unit C, Rooms 407 and 408, 4/F (together of a total area of 324 ping (equivalent to approximately 11,525 square feet)) and 15 car-parking spaces in Basement, No.1 Creation Road 1, Science-Based Industrial Park, Hsinchu, Taiwan
- Deposit:** 3 months' rental amounting to NTD835,920 (equivalent to approximately HKD190,632)
- Rental:** NTD278,640 (equivalent to approximately HKD63,544) (exclusive of tax) per month and payable every 3 months in advance
- Subject to price index adjustment after completion of one year term
- Service charges:** NTD258,370 (equivalent to approximately HKD58,921 (exclusive of tax) per month including water, air conditioning and electricity charges (including maintenance fees), MIS system maintenance fee, car parking and janitor services fees
- May subject to price index adjustment during the term of the New Lease
- Term:** From 9 January, 2004 to 8 January, 2006
- Renewable subject to the consent of the Lessor in writing three months before the expiry of the New Lease
- Both lessor and lessee can terminate the New Lease at any time in writing with two months prior notice of termination to the opposite party

REASONS FOR ENTERING INTO THE NEW LEASE

The New Lease is a renewal of the Current Lease as disclosed in the announcement dated 12 April 2002 which will be expired on 9 January 2004. Save as disclosed below, the rental and all other terms of the New Lease are the same as the Current Lease.

The MIS system of SyncMOS, Taiwan is currently provided by MVI and charge SyncMOS, Taiwan on actual usage monthly. In order to streamline administrative procedure of SyncMOS, Taiwan, the MIS system maintenance fee is included in the service charges. Such fee is charged base on the average fee paid during the term of the Current Lease.

The terms of the New Lease are arrived at after arm's length negotiation and are on normal commercial terms by reference to open market rental as appraised by an independent valuer for comparable premises. The directors (including the independent non-executive directors) of the Company consider that the terms of the New Lease are fair and reasonable so far as the shareholders of the Company are concerned.

PRINCIPAL BUSINESSES

The principal businesses of the Company are the design, sale and distribution of integrated circuits products, property holding and other investments.

The business of SyncMOS, Taiwan is principally engaged in the 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 and SRAM.

DISCLOSURE

As the aggregate value payable over the term of the New Lease is less than the higher of either HKD10,000,000 or 3% of book value of the net tangible assets of the Company (as disclosed in the latest annual report of the Company for the year ended 31 December 2002), the Company is required by Rule 14.25(1) of the Listing Rules to make this announcement and disclose such details in the coming annual report and accounts of the Company.

By Order of the Board
PacMOS Technologies Holdings Limited
Seto Yee Woon, John
Chairman

Hong Kong, 5 January 2004

Unless otherwise specified, the translation of NTD into HKD is based on the exchange rate of NTD4.385 : HKD1.00.

** For identification purpose only*

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