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PACMOS TECHNOLOGIES HOLDINGS LIMITED

(弘茂科技控股有限公司) *

(Incorporated in Bermuda with limited liability)

(Stock code: 1010)

LETTER OF INTENT IN RELATION TO POSSIBLE DISPOSITION

This announcement is made pursuant to Rule 13.09 of Listing Rules.

The Board announces that on 21 March 2011, the Company entered into a **non-legally binding LOI** with MOU-FU, SyncMOS and the Proposed Purchaser in relation to the Possible Disposition. The Possible Disposition, if it proceeds, is subject to various conditions and the entering into of legally binding definitive agreement.

The Possible Disposition may or may not proceed. Shareholders and investors are reminded to exercise caution when dealing in the Company's Shares. Save for several legally-binding clauses, mainly relating to due diligence, exclusivity and confidentiality, the terms set out in the LOI **are not legally-binding**. The final terms of the definitive agreement(s) are subject to further negotiations between the parties and have yet to be finalized, and may however deviate from those set out in the LOI.

Subject to the terms of the definitive agreement(s), if the Possible Disposition materializes, it is presently expected that the Possible Disposition may constitute a very substantial disposal for the Company under the Listing Rules. Further detailed announcement will be made by the Company in accordance with all applicable requirements of the Listing Rules as and when appropriate, when the Company signs the definitive agreement(s) or when there is material development on the Possible Disposition.

* *For identification purpose only*

THE NON-LEGALLY BINDING LETTER OF INTENT DATED 21 MARCH 2011

Parties

The Company

MOU-FU, which is a subsidiary of MVI. MVI is a substantial shareholder of the Company and thus MOU-FU is a connected person of the Company.

SyncMOS, which, as at the date of this announcement, is owned (directly or indirectly) as to approximately 55% by the Company, as to approximately 24.2% by MOU-FU, as to approximately 4.8% by directors and/or chief executives of MVI and its subsidiaries, and as to the remaining approximately 16% by, to the best of the Directors' knowledge, information and belief, independent third parties.

Proposed Purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Proposed Purchaser (and its ultimate beneficial owner(s)) are third parties independent of and not connected with the Company and its connected persons.

Assets to be acquired by the Proposed Purchaser

Any or all the equity interests in SyncMOS from the Company, MOU-FU and other shareholders of SyncMOS.

Certain terms of the LOI

1. Subject to due diligence and the conditions of the definitive agreements (including certain capital reduction as referred to below) to be agreed and entered into, the Proposed Purchaser intends to, (through itself or its designee(s)), acquire all of the shares of SyncMOS, and the Company and MOU-FU intend to sell and dispose of any and all of the shares of SyncMOS held by them, after the said capital reduction, at the price of NT\$12.1 per share (equivalent to approximately HK\$3.19 per share) (the "**Price**"). (Based on the Price and assuming completion of the said capital reduction and all the shares of SyncMOS held by the Company shall be disposed of by the Company, the aggregate amount receivable by the Group pursuant to the capital reduction and the disposal of its shares in SyncMOS shall be approximately NT\$189,860,000 (equivalent to approximately HK\$50,123,000).
2. The definitive agreements shall contain customary representations and warranties, and closing conditions regarding execution of certain foundry agreement by SyncMOS, capital reduction at the amount of NT\$200,000,000 (equivalent to approximately HK\$52,800,000) (which is expected to be undertaken on a pro-rata basis among the shareholders), and 80% of the shareholders (other than the employees of SyncMOS) having agreed to sell and transfer all the shares of SyncMOS held by them.

3. From the execution of the LOI until the earlier of (i) the closing of the Possible Disposition; and (ii) the term of the LOI, which is 6 months from its execution, SyncMOS, the Company and MOU-FU shall not, among other things, take any action with the intent to facilitate any third party involving the sale of shares in SyncMOS.

The LOI is not binding on the parties other than paragraph 3 set out above and certain provisions regarding, among others, due diligence, and confidentiality.

INFORMATION ON SYNCMOS

SyncMOS is a company incorporated under the laws of Taiwan in July 2001, and 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.

As per the latest accounts of SyncMOS ended 31 December 2010 prepared in accordance with the generally accepted accounting principles in Hong Kong, the net loss for the year ended 31 December 2010 amounted to approximately NT\$25,357,000 (equivalent to approximately HK\$6,694,000), and the net asset as at 31 December 2010 is approximately NT\$287,916,000 (equivalent to approximately HK\$76,010,000). SyncMOS is owned by the Company as to approximately 55%, the share of net asset as at 31 December 2010 by the Company is approximately NT\$158,354,000 (equivalent to approximately HK\$41,805,000).

REASONS FOR THE POSSIBLE DISPOSITION

The Group is principally engaged in the design, sale and distribution of integrated circuits products and other investments.

Since the unprecedented global financial crisis and recessionary economic environment ignited by the series of high profile failures of major United States and European financial institutions in 2008, the demand for SyncMOS's electronic materials and components, and industrial and commercial services (including research and development of electronic materials and components, and products design) had dropped significantly. The results of SyncMOS had been adversely affected and SyncMOS had recorded net losses of approximately NT\$28,975,000 (equivalent to approximately HK\$7,649,000) and approximately NT\$25,357,000 (equivalent to approximately HK\$6,694,000) for each of the two years ended 31 December 2010.

The Possible Disposition (including the capital reduction referred to above) presents the Company a good opportunity to realize its investment in SyncMOS, which the Price also represents a premium to the net asset value of SyncMOS. If it materializes, it is expected that the Company will record a profit on the Possible Disposition, and it may use the proceeds therefrom (including from the capital reduction referred to above) for other investments that may possibly bring or generate a better return and value to the Shareholders. As at the date of this announcement, no such opportunity has been identified by the Company.

GENERAL

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Subject to the terms of the definitive agreement(s), if the Possible Disposition materializes, it is presently expected that the Possible Disposition may constitute a very substantial disposal for the Company under the Listing Rules. Further detailed announcement will be made by the Company in accordance with all applicable requirements of the Listing Rules as and when appropriate, when the Company signs the definitive agreement(s) or when there is material development on the Possible Disposition.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“Company”	PacMOS Technologies Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the directors of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“LOI”	the non-legally binding letter of intent dated 21 March 2011 entered into among the Company, MOU-FU, SyncMOS and the Proposed Purchaser in relation to the Possible Disposition
“MOU-FU”	茂福開發股份有限公司, a company incorporated under the laws of Taiwan, and a subsidiary of MVI
“MVI”	Mosel Vitelic Inc., a substantial shareholder of the Company

“Possible Disposition”	the possible disposition by shareholders of SyncMOS (including the Group) to the Proposed Purchaser and/or its designees of any or all the equity interests in SyncMOS as contemplated in the LOI
“Proposed Purchaser”	the proposed purchaser in relation to the Possible Disposition
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SyncMOS” or “Target Company”	SyncMOS Technologies International, Inc., a company incorporated under the laws of Taiwan
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
NT\$	New Taiwan dollar, the lawful currency of Taiwan
“%”	per cent.

In this announcement, amounts in NT\$ are translated into HK\$ on the basis of NT\$1 = HK\$0.264. The translation rates are for illustrative purpose only and should not be taken as a representation that NT\$ could actually be converted into HK\$ at such rates or at all.

By order of the Board of
PacMOS Technologies Holdings Limited
Yip Chi Hung
Chairman

Hong Kong, 21 March 2011

As at the date of this announcement, the Board comprises five directors. The executive directors of the Company are Mr. Yip Chi Hung and Mr. Chen Che Yuan and the independent non-executive directors are Mr. Wong Chi Keung, Mr. Cheng Hok Ming, Albert and Mr. Ma Kwai Yuen.