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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)

**ANNOUNCEMENT
IN RELATION TO
LEGAL ACTION AGAINST CERTAIN EX-DIRECTORS AND
SUBSTANTIAL SHAREHOLDER OF THE COMPANY**

The Board refers to the announcements of the Company dated 8 October 2004 and 2 December 2004 in relation to a legal action instituted by the Plaintiff in the High Court of Hong Kong claiming, amongst others, title to the Shares held by Texan, which represented approximately 43.3% of the Company’s issued share capital. Main particulars of the Writ are described below.

Amongst all the defendants in the legal action, there were four former executive directors of the Company, namely, Wong, Cheung, Ma and Pang. The Board was also advised that Mr. Yip Chi Hung, a current executive director of the Company, and Mr. Chung Che Ling, the secretary of the Company, are directors of certain defendants, namely, All Dragon, PCHL and Super Wish but they do not hold any shares in any of such companies ; Mr. Chung Che Ling is also a director of 2 other defendants, namely, Texan and PC Asia but he does not hold any shares in any of such companies. According to the shareholders register of the Company as of 20 March 2006 and to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, other than Texan, Clipper and PC Asia, none of the defendants hold any Shares. One of the defendants, Hu, is a director of SyncMOS Technologies, Inc. , a wholly owned subsidiary of the Company and SyncMOS International, Taiwan , a 55% owned subsidiary of SyncMOS Technologies, Inc. . The remaining 45% interest of SyncMOS International, Taiwan is owned as to approximately 24.2% by Mosel Vitelic Inc. , of which, according to the information provided by Hu , Hu was the general manager. As set out below, Mosel Vitelic Inc. is deemed to be interested in the 106,043,142 Shares held by Vision2000 Venture Ltd., representing approximately 31.5 % of the share capital of the Company. Save as disclosed in this announcement and to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, none of the defendants is a director, shareholder or officer of the Group.

As no member of the Group is a party to the legal action and the Group does not have the complete information in relation thereto, the Company is unable at this stage to assess the impact of the Writ on the Company. The Board considers that it has done reasonable work to assess the impact of this legal action on the Company. However, the Company currently contemplates that in the absence of unforeseen circumstances and pending the conclusion of the legal action, the Group would continue its businesses of design and distribution of integrated circuits and semi-conductor parts and investments holding. If the Plaintiff shall succeed in the legal action, although the Company has no information regarding the intention of the Plaintiff, shareholders and investors should not rule out the possibility of the Plaintiff taking actions to replace the current management and/or change the business directions and/or operations of the Group. **In the meantime, shareholders and investors are advised to exercise extreme caution when dealing in the Shares.**

Trading in the Shares was suspended with effect from 9:44 a.m. on 27 September 2004 and application has been made for a resumption of trading in the Shares with effect from 9:30 a.m. on 22 March 2006.

The board of directors (the “Board”) of PacMOS Technologies Holdings Limited (the “Company”) refers to the announcements of the Company dated 8 October 2004 and 2 December 2004. It was announced that Pacific Electric Wire and Cable Company Limited (the “Plaintiff”) instituted a legal action on 23 September 2004 in the High Court of the Hong Kong Special Administrative Region (“Hong Kong”) claiming, amongst others, title to the ordinary shares in the Company (“Shares”) held by Texan Management Limited (“Texan”), a substantial shareholder of the Company interested in approximately 43.3% of the Company’s issued share capital.

Since then, the Board has obtained, through a search company, a copy of the writ of summons dated 23 September 2004 filed by the Plaintiff in relation to this matter (the “Writ”). The defendants named in the Writ are Texan, Clipper Investment Limited (formerly known as Pacific Capital (Investment) Limited) (“Clipper”), Pacific Capital (Asia) Limited (“PC Asia”), All Dragon International Limited (“All Dragon”), PCL Holdings Limited (formerly known as Pacific Capital (Holdings) Limited) (“PCHL”), Laidlaw Pacific Financial Services (Holdings) Limited (formerly known as Pacific Capital Financial Services (Holdings) Limited), Super Wish Limited (“Super Wish”), Messrs. Hu Hung Chiu (“Hu”), Wong Kun To (“Wong”), Cheung Kwan Hung, Anthony (“Cheung”), Ma Kam Fook, Robert (“Ma”), Cheng Shu Wing (“Cheng”), Tung Yu Jeh (“Tung”), Sun Tao Tsun (“Sun”) and Pang Hong (“Pang”). The Board notes that none of the Company and its subsidiaries (collectively, the “Group”) is named as a party to the Writ.

As at the date of this announcement, according to the last disclosures made to the Company and maintained in the register of interests in Shares kept by the Company under section 336 of the Securities and Futures Ordinance:

- (a) Texan had notified to the Company an interest in 145,610,000 Shares as of 27 June 1997, representing approximately 43.3% of the Company’s existing issued share capital;
- (b) All Dragon had notified to the Company that, as of 27 June 1997, as the controlling corporation of Texan, it is deemed to be interested in the 145,610,000 Shares held by Texan;
- (c) Vision2000 Venture Ltd. had notified to the Company an interest in 106,043,142 Shares as of 27 June 1997, representing approximately 31.5% of the Company’s existing issued share capital; and
- (d) Mosel Vitelic Inc. had notified to the Company that, as of 27 June 1997, as the controlling corporation of Vision2000 Venture Ltd., it is deemed to be interested in the 106,043,142 Shares held by Vision2000 Venture Ltd.

Save as disclosed above, no other person has notified to the Company an interest in Shares representing 5% or more of its issued share capital pursuant to Divisions 2, 3 and 4 of Part XV of the Securities and Futures Ordinance and the Board, having made all reasonable enquiries, is not aware of any connected person of the Company (as defined in the Listing Rules) holding Shares. To the best of the knowledge of the Company, not less than 25 per cent of the Shares are held by the public in compliance with Rules 8.08 and 13.32 of the Listing Rules.

Based on the register of members of the Company as of 23 September 2004, being the date of the writ, up to 20 March 2006, Texan is a registered shareholder of the Company with a registered holding of 145,609,998 Shares; and Clipper and PC Asia is recorded on the register as holding one Share each.

Amongst all the defendants named in the Writ, Wong, Cheung, Ma and Pang are former executive directors of the Company (up to about 30 December 1997, 5 November 2000, 30 April 1997 and 27 June 2005 respectively). The Board was also advised that Mr. Yip Chi Hung, a current executive director of the Company, and Mr. Chung Che Ling, the secretary of the Company, are also directors of All Dragon, PCHL and Super Wish but they do not hold any shares in any of such companies; Mr. Chung Che Ling is a director of Texan and PC Asia but he does not hold any shares in any of such companies. According to the shareholders register of the Company as of 20 March 2006 and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, other than Texan, Clipper and PC Asia being the registered holders of 145,609,998 Shares, 1 Share and 1 Share respectively, none of the defendants hold any Shares. The Company received confirmation from Texan, PC Asia, All Dragon, PCHL and Super Wish on or about 20 March 2006 that their respective associates do not hold any Shares, but the Company has no information as to whether the associates (as defined in the Listing Rules) of the other defendants named in the Writ hold any Shares. Hu is a director of SyncMOS Technologies, Inc., a wholly owned subsidiary of the Company and SyncMOS International, Taiwan, a 55% owned subsidiary of SyncMOS Technologies, Inc.. The remaining 45% interest of SyncMOS International, Taiwan is owned as to approximately 24.2% by Mosel Vitelic Inc., of which, according to the information provided by Hu, Hu was the general manager (resigned on 20 December 2005); as to approximately 7.12% by connected persons of the Company, (including Hu holding an approximate 2% interest); and as to the remaining approximately 13.68% by independent third parties. As set out before, Mosel Vitelic Inc. is deemed to be interested in the 106,043,142 Shares held by Vision2000 Venture Ltd., representing approximately 31.5% of the share capital of the Company. Save as disclosed above and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the defendants is a director, shareholder or officer of the Group. The executive directors of the Company confirm that they were not nominated by the defendants. According to the information provided by Mr. Yip Chi Hung, Mr. Yip Chi Hung and his associates do not have any interest in the shareholding of the Plaintiff and the defendants.

Save as disclosed in this announcement, the Company does not possess verified information as to (i) whether there are any relationship among the various defendants; and (ii) whether or how the defendants relate to one another.

According to the Writ, the Plaintiff claims, amongst others :

1. Texan, Clipper and PC Asia respectively hold on trust for the Plaintiff 145,609,998 Shares and one Share registered in each of Clipper and PC Asia's names, which allegedly were Shares held upon trust for the Plaintiff and/or entrusted to them as the Plaintiff's agents and/or trustees, and the Plaintiff seeks an order that they transfer all such Shares to the Plaintiff or its nominee;

2. All Dragon holds on trust for the Plaintiff all shares in Texan, which allegedly were shares entrusted to All Dragon as the Plaintiff's agent and/or trustee, and the Plaintiff seeks an order that All Dragon transfers all such shares to the Plaintiff or its nominee;
3. Hu, Wong and/or Cheung hold on trust for the Plaintiff all shares in All Dragon, which allegedly were shares entrusted to them as the Plaintiff's agents and/or trustees, and the Plaintiff seeks an order that they transfer all such shares to the Plaintiff or its nominee; and
4. against Hu, Wong, Cheung, Ma, Cheng, Tung, Sun and/or Pang for damages for their breaches of their fiduciary, equitable and/or contractual duties as directors, officers, employees, agents and/or trustees of the Plaintiff or its subsidiary and/or affiliated companies for the periods since around May 1995 in depriving the Plaintiff of its rights over assets entrusted to them, including the shares mentioned in paragraph 1 above and all the shares of Texan and All Dragon.

Apart from having obtained the Writ, the Board has been attempting to contact by telephone Wong, Cheung and Ma, former executive directors of the Company who are named as parties in the Writ to seek for further details concerning this legal action. Apart from Ma, the Board was unable to contact Cheung and Wong. In addition, the Board made enquiries with Texan, each current director, Pang and the secretary of the Company, Mr. Chung Che Ling, to ascertain if they have further information concerning the Writ. The Board was informed by Texan, PC Asia, All Dragon, PCHL, Super Wish and Ma that they have respectively received service of the Writ and the statement of claim in respect thereof filed on ("Statement of Claim") 13 May 2005. The Company was also informed that as they are in the course of proceedings, to which the Group is not a party, they do not consent to the disclosure of details of the Statement of Claim in the announcement of the Company. The Company has no knowledge on whether the Writ and/or the Statement of Claim has been served on other defendants.

As no member of the Group is a party to the legal action and the Group does not have the complete information for such legal action, the Company is unable at this stage to assess the impact of the Writ on the Company. The Board considers that it has done reasonable work to assess the impact of this legal action on the Company. However, the Company currently contemplates that in the absence of unforeseen circumstances and pending the conclusion of the legal action, the Group would continue its businesses of design and distribution of integrated circuits and semi-conductor parts and investments holding. If the Plaintiff shall succeed in the legal action, although the Company has no information regarding the intention of the Plaintiff, shareholders and investors should not rule out the possibility of the Plaintiff taking actions to replace the current management and/or change the business directions and/or operations of the Group. Subject as set out herein, the Company is not aware of any matter, which is otherwise material and verifiable by the Company that need to be brought to the attention of the shareholders and the public. Subject to legal requirements, the Company will make further announcement if it becomes aware of any material future development in this matter. **In the meantime, shareholders and investors are advised to exercise extreme caution when dealing in the Shares.**

Trading in the Shares was suspended with effect from 9:44 a.m. on 27 September 2004. It took lengthy time for the Company to publish this announcement since (i) in addition to checking within the Group for matters relate to the Writ, which includes matters taken place some time ago, there are in total 15 defendants named in the Writ and the Company had to contact each defendant (some of whom do not reside / have presence in Hong Kong) for information; (ii) in view of this legal action in progress, the defendants were slow and generally very reluctant to provide information to the Company; and (iii) the Directors do not have personal knowledge of the background of this legal action and it took lengthy time to locate materials (if any) in order to verify the information that was available to the Company. Application has been made for a resumption of trading in the Shares with effect from 9:30 a.m. on 22 March 2006.

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. Cheng Hok Ming, Albert, Mr. Wong Chi Keung and Mr. Ma Kwai Yuen.

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

Hong Kong, 21 March 2006

* *For identification purpose only*

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