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## IMPORTANT

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in PacMOS Technologies Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, 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 circular.

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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)**

## **DISCLOSEABLE TRANSACTION**

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\* For identification purpose only

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## DEFINITIONS

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*In this circular, the following expressions shall have the following meanings unless the context requires otherwise:*

“Board”	the board of Directors;
“ChipMOS”	ChipMOS Technologies (Bermuda) Limited, a company incorporated under the laws of Bermuda, the issued shares of which are listed on Nasdaq;
“ChipMOS Group”	ChipMOS and its subsidiaries;
“ChipMOS Shares”	ordinary shares of US\$0.01 each in the share capital of ChipMOS;
“Company”	PacMOS Technologies Holdings Limited, a company incorporated under the laws of Bermuda, the issued shares of which are listed on the Stock Exchange;
“connected person”	has the meaning attributed to it in the Listing Rules;
“Directors”	the directors of the Company;
“Disposals”	the disposal of the Disposed Shares by the Company;
“Disposed Shares”	350,000 ChipMOS Shares;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administration Region of the People’s Republic of China;
“Independent Third Party”	third party independent of the Company and connected persons of the Company;
“Latest Practicable Date”	30 April 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

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## DEFINITIONS

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“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company;
“Shareholders”	shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“US\$”	United States dollars, the lawful currency of the United States of America;
“%”	per cent.

*Unless otherwise specified, for illustration purpose, amounts denominated in US\$ are translated into HK\$ at the rate of US\$1 = HK\$7.8.*

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## LETTER FROM THE BOARD

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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)**

*Executive directors:*

Mr. Yip Chi Hung (*Chairman*)

Mr. Chen Che Yuan (*Chief Executive Officer*)

*Independent non-executive directors:*

Mr. Wong Chi Keung

Mr. Cheng Hok Ming, Albert

Mr. Ma Kwai Yuen

*Registered office:*

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

*Principal office in Hong Kong:*

27th Floor, Cambridge House

Taikoo Place

979 King's Road

Island East

Hong Kong

5 May 2008

*To the Shareholders*

Dear Sir or Madam,

### DISCLOSEABLE TRANSACTION

#### INTRODUCTION

It was announced on 15 April 2008 that the Company disposed of an aggregate of 350,000 ChipMOS Shares on the Nasdaq market in a series of transactions conducted during the financial year ended 31 December 2007 for gross sale proceeds of approximately HK\$20,156,000.

Based on the "five-tests" calculation set out in rule 14.07 of the Listing Rules, each of the dispositions individually did not exceed 5% of any of the applicable percentage ratios. When aggregated together, two of the applicable percentage ratios in respect of the Disposals amount to approximately 5.59% and 5.62%. The Disposals in aggregate therefore, constituted a discloseable transaction of the Company under rule 14.06(2) of the Listing Rules. The purpose of this circular is to provide Shareholders with information relating to the Disposals in accordance with the Listing Rules.

\* For identification purpose only

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## LETTER FROM THE BOARD

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### THE DISPOSALS

The Company disposed on the Nasdaq market of the Disposed Shares (i.e. an aggregate of 350,000 ChipMOS Shares, representing approximately 0.42% of the issued share capital of ChipMOS as of 31 December 2007) in a series of transactions conducted during the financial year ended 31 December 2007, as follows:

<b>Date(s) of Disposals</b>	<b>No. of Disposed Shares</b>	<b>Price (per Disposed Share)</b>
24 January	50,000	US\$7.1702 (equivalent to approximately HK\$55.93)
14-16 February	100,000	US\$7.4276 (equivalent to approximately HK\$57.94) to US\$7.7350 (equivalent to approximately HK\$60.33)
22-29 June	70,765	US\$7.2 (equivalent to approximately HK\$56.16) to US\$7.23 (equivalent to approximately HK\$56.39)
2-23 July	129,235	US\$7.23 (equivalent to approximately HK\$56.39) to US\$7.46 (equivalent to approximately HK\$58.19)

The average price for the Disposals was approximately US\$7.4 (equivalent to approximately HK\$57.72) per ChipMOS Share. The gross sale proceeds of the Disposals were approximately HK\$20,156,000 (exclusive of transaction costs), which were received by payment in cash. The consideration received by the Company represented the then market price of the ChipMOS Shares. As a result of the Disposals, the Company recognised a gain of approximately HK\$1.6 million for the financial year ended 31 December 2007, calculated on the basis of the difference between the book value of US\$6.79 (equivalent to approximately HK\$52.96) per share and the disposal price (exclusive of transaction costs).

As the Disposals were made through the market, the Company was not aware of the identities of the buyers of the Disposed Shares and accordingly, to the best of the knowledge of the Board having made all reasonable enquiries, the purchasers of the Disposed Shares are Independent Third Parties.

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## LETTER FROM THE BOARD

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### REASONS FOR THE DISPOSALS AND THE FINANCIAL EFFECTS

The Group is principally engaged in design and distribution of integrated circuits and semi-conductor parts and investments holding.

The Disposed Shares were disposed of with an average price of approximately US\$7.4 (equivalent to approximately HK\$57.72) per ChipMOS Share as compared to the closing price of US\$4.26 (equivalent to approximately HK\$33.23) per ChipMOS Share as at 31 December 2007. Having regard to the then share market conditions and the trading price of ChipMOS, the Board considers that the Disposals represented good opportunities for the Company to realize a gain (i.e. approximately HK\$1.6 million). In addition, as the Disposed Shares were sold at market price, the Board believes that the Disposals were fair and reasonable and in the interests of the Shareholders as a whole. The Company intends to use the net proceeds as general working capital of the Group.

As a result of the Disposals, the assets of the Group were increased by approximately HK\$1.6 million, representing the gain recognized by the Company on the Disposals. As no dividend on ChipMOS Shares had been declared by ChipMOS for each of the two financial years ended 31 December 2006, the Disposals has no effect on the earnings of the Group.

### INFORMATION ON CHIPMOS

ChipMOS is incorporated in Bermuda with limited liability and listed on the Nasdaq market. Based on its annual report, the ChipMOS Group is a provider of semi-conductor testing and assembly services to customers in Taiwan, Japan and the United States.

Further information on ChipMOS can be found on the website of ChipMOS at [www.chipmos.com.tw](http://www.chipmos.com.tw). Based on the annual report of ChipMOS, as at 31 December 2006, the audited consolidated net asset value of ChipMOS was approximately US\$702 million (equivalent to approximately HK\$5,476 million) and the consolidated net profits of ChipMOS (before and after taxation) for each of the two financial years ended 31 December 2006 were approximately US\$65 million (equivalent to approximately HK\$507 million) and US\$62 million (equivalent to approximately HK\$484 million) (for 2005); and US\$144 million (equivalent to approximately HK\$1,123 million) and US\$125 million (equivalent to approximately HK\$975 million) (for 2006) respectively. No dividend on ChipMOS Shares had been declared by ChipMOS for each of the two financial years ended 31 December 2006. The Disposed Shares were acquired by the Company in about June 2001 at the effective cost of about US\$3.62 (equivalent to approximately HK\$28.24) per share and the book value of the Disposed Shares was US\$6.79 (equivalent to approximately HK\$52.96) per share.

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## LETTER FROM THE BOARD

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### GENERAL

Based on the “five-tests” calculation set out in rule 14.07 of the Listing Rules, each of the dispositions individually did not exceed 5% of any of the applicable percentage ratios. When aggregated together, two of the applicable percentage ratios in respect of the Disposals amount to approximately 5.59% and 5.62%. The Disposals in aggregate therefore, constituted a discloseable transaction of the Company under rule 14.06(2) of the Listing Rules. On an aggregated basis, the Disposals first constituted a discloseable transaction in about July 2007, after about 230,000 of the Disposed Shares were disposed of by the Company.

Due to overlook of the management of the Company, the Company had not, prior to the announcement of the Company dated 15 April 2008, previously announced the Disposals by way of an announcement and issued a circular with further information regarding the Disposals as required by the Listing Rules, which constituted a breach of Chapter 14 of the Listing Rules. The Stock Exchange reserves its right to take action against the Company and/or its Board regarding any breach of the Listing Rules in this regard. In order to avoid any future breach of the Listing Rules, the management will monitor any future transactions undertaken by the Company closely, and will also consult professional advice in the event of doubt.

Your attention is also drawn to the further information contained in the appendix to this circular.

For and on behalf of the Board  
**Yip Chi Hung**  
*Chairman*



## 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Directors' interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, none of the Directors and chief executives of the Company had any interest or short position in Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange.

### (b) Persons who have interests or short positions which are discloseable under Divisions 2 and 3 of Part XV of the SFO and persons interested in 10% or more of the share capital of any other member of the Group

#### *The Company*

As at the Latest Practicable Date, the following interests in Shares were recorded in the register of interests and short positions required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholders	Number of shares	Approximate percentage holding
Texan Management Limited ("Texan") (notes (1) & (3))	145,610,000	43.3%
Vision2000 Venture Ltd. ("Vision2000") (note (2))	106,043,142	31.5%

*Notes:*

- (1) All Dragon International Limited (“All Dragon”) had notified the Company, as of 27 June 1997, it was deemed to be interested in the 145,610,000 shares held by Texan, as being the controlling corporation of Texan.
- (2) Mosel Vitelic Inc. had notified the Company, as of 27 June 1997, it was deemed to be interested in the 106,043,142 shares held by Vision2000, as being the controlling corporation of Vision2000.
- (3) The Company had been provided with a judgment of the court dated 18 January 2008 (“Judgment”) in respect of an application for summary judgment by Pacific Electric Wire and Cable Company Limited (“Pacific Electric”) in the Legal Action (as defined below). Pursuant to the Judgment, it was held, among other things, Texan held the shares of the Company owned by it upon trust for Pacific Electric. Pacific Electric had notified the Company on 22 January 2008 that Pacific Electric was the beneficial owner of the 145,610,000 shares held by Texan. The Company had also been notified by Texan that Texan would appeal against the Judgment and the findings made therein, including, the finding that Texan held the shares upon trust for Pacific Electric. The Legal Action refers to the legal action instituted by Pacific Electric, as plaintiff, on 23 September 2004 in the High Court of Hong Kong (“Legal Action”) against, among others, Texan and All Dragon in respect of, among others, shares of the Company held by Texan. Further details on the Legal Action are set out in the announcements of the Company dated 21 March 2006, 18 April 2006 and 25 January 2008.

***Subsidiaries***

Name of subsidiary of the Company	Name of shareholder (other than a member of the Group) who is interested in 10% or more of the subsidiary	Number of shares held in the subsidiary	Approximate percentage holding
新茂國際科技股份有限公司	茂福投資股份有限公司 (a company incorporated in Taiwan and a subsidiary of Mosel Vitelic Inc.)	7,744,400	24.2%

According to the register of interests in shares and short positions kept by the Company under section 336 of the SFO and so far as was known to the Directors and chief executives of the Company, other than the interests disclosed above, there were no persons who, as at the Latest Practicable Date, had any interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or in any options in respect of such capital.

**3. LITIGATION**

So far as the Directors are aware, neither the Company nor any of its subsidiaries is engaged in any litigation or claims which is in the opinion of the Directors of material importance and no litigation or claims which is in the opinion of the Directors of material importance is known to them to be pending or threatened against any member of the Group.

**4. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contract with any member of the Group (excluding contracts expiring or terminable by the employer within one year without payment of any compensation, other than statutory compensation).

**5. COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors and their respective associates (within the meaning of the Listing Rules) was interested in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

**6. GENERAL**

- (a) The transfer office of the Company in Hong Kong is Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong.
- (b) The secretary of the Company and the qualified accountant of the Company appointed pursuant to Rule 3.24 of the Listing Rules is Mr. Chung Che Ling, Fellowship of Association of Chartered Certified Accountants (FCCA) and Certified Public Accountant (CPA).
- (c) The English text of this circular shall prevail over the Chinese text.