



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

On 16 October 2008, the Company was notified, among other things that (1) in compliance with the order of the Court, Texan and PC Asia had prepared documents for the transfer of their respective Subject Shares to be delivered to the Plaintiff; (2) Texan and PC Asia had filed their Notice of Appeal against the Judgment and the order for transfer of the respective Subject Shares; and (3) the Plaintiff and PAH had undertaken to the Court not to dispose, transfer, encumber, pledge, charge or otherwise deal with the Subject Shares; and/or to exercise any shareholders' rights in respect of the Subject Shares until all appeals had been concluded or further order of the Court. Further details are set out below.

In the meantime, shareholders and investors are advised to exercise extreme caution when dealing in the Shares.

Reference is made to the announcements of the Company dated 21 March 2006, 18 April 2006 and 25 January 2008 (the "**Announcements**"), regarding, among other things, a legal action against certain ex-directors and a substantial shareholder of the Company concerning ownership of certain shares of the Company ("**Legal Action**"). Terms in this announcement shall have the same meanings as those defined in the Announcements unless defined otherwise.

In the announcement of the Company dated 25 January 2008, it was announced that, among other things, the Company was provided with the Judgment in respect of an application for summary judgment ("**Application**") by the Plaintiff against certain defendants in the Legal Action, pursuant to which, it was held, among other things, Texan holds the shares of the Company ("**Shares**") it owns, upon trust for the Plaintiff. Based on the register of members of the Company as of 25 January 2008, Texan was the registered shareholder of the Company for 145,609,998 Shares, representing approximately 43.26% of the Company's existing issued share capital and PC Asia was the registered shareholder of the Company for 1 Share.

* *For identification purpose only*

On 16 October 2008, the Company received a letter from the solicitors acting for Texan and PC Asia and was notified of the following:

- (1) in compliance with the order of the Court which ordered Texan and PC Asia to transfer their respective Shares (being 145,609,998 Shares for Texan and 1 Share for PC Asia) (“**Subject Shares**”) to PEWC Asset Holdings Limited (“**PAH**”), a wholly-owned subsidiary of the Plaintiff, made pursuant to the Application, Texan and PC Asia had prepared documents for the transfer of their respective Subject Shares to be delivered to the Plaintiff;
- (2) Texan and PC Asia, along with other defendants in the Legal Action, had filed their Notice of Appeal against the Judgment and the order for transfer of the respective Subject Shares of Texan and PC Asia (“**Appeal**”);
- (3) the Plaintiff and PAH had undertaken to the Court that they would not (a) dispose, transfer, encumber, pledge, charge or otherwise deal with the Subject Shares transferred to PAH without leave of the Court; and/or (b) exercise any shareholders’ rights in respect of the Subject Shares without prior approval of the Court, until all appeals had been concluded or further order of the Court; and
- (4) the Appeal had been set down for hearing in March 2009.

As the Judgment is subject to the Appeal and the Company does not have information with respect to the Plaintiff’s future intention regarding the management and business of the Company, the Company is unable at this stage to assess the impact of the Judgment on the Company, but 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, particularly in the event the Appeal of Texan, PC Asia and certain other defendants in the Legal Action shall not be successful.

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.**

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.

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

Hong Kong, 20 October 2008