THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your 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, the transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

PACMOS TECHNOLOGIES HOLDINGS LIMITED
(弘茂科技控股有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1010)

VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION

Financial Adviser to the Company

CIMB Securities (HK) Limited

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

SOMERLEY LIMITED

A notice convening the SGM of PacMOS Technologies Holdings Limited to be held at Marina Room II, 2/F, The Excelsior, 281 Gloucester Road, Causeway Bay, Hong Kong on Tuesday, 10 January 2012 at 2:30 p.m. is set out on pages SGM-1 to SGM-2 of this circular.

Whether or not you are able to attend, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not later than 48 hours before the time appointed for the holding of such meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment thereof should you so wish.

23 December 2011

* *For identification purpose only*

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In this circular, the following expressions have the meanings set out below unless the context requires otherwise:

"Agreement"	the stock purchase agreement dated 2 December 2011 entered into between the Selling Stockholder and the Purchaser in relation to the Disposal;
"associate(s)"	has the meaning ascribed to it in the Listing Rules;
"Business Day(s)"	a day (not being a Saturday, Sunday or days on which a typhoon signal No. 8 or above or black rainstorm warning is hosted in Hong Kong at 12:00 noon) on which banks are generally open for general banking business in Hong Kong;
"Capital Reduction"	a capital reduction at the amount of NT$150.0 million (equivalent to approximately HK$38.4 million), representing the capital reduction carried out by SyncMOS Technologies;
"ChipMOS"	ChipMOS TECHNOLOGIES (Bermuda) LTD., a company incorporated in Bermuda with limited liability, shares of which are listed on the NASDAQ;
"Closing Date"	completion of the Disposal pursuant to the Agreement, which shall occur within five Business Days following the date upon which all conditions precedents have been satisfied, but in no event later than 16 January 2012 unless both the Purchaser and the Selling Stockholder consent in writing to an extension beyond such date;
"Company"	PacMOS Technologies Holdings Limited, a company incorporated in Bermuda with limited liabilities, the Shares of which are listed on the Main Board;
"controlling shareholder"	has the meaning ascribed to it in the Listing Rules;
"Directors"	the directors of the Company;
"Disposal"	the proposed disposal of the Sale Shares pursuant to the Agreement;

"Group"	the Company and its subsidiaries;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Independent Board Committee"	the committee of the Board comprising all the independent non-executive Directors established for the purpose of giving recommendation to the Independent Shareholders on the terms of the Agreement and the transactions contemplated thereunder;
"Independent Financial Adviser" or "Somerley"	Somerley Limited, a licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Agreement and the transactions contemplated thereunder;
"Independent Shareholders"	shareholders other than the Purchaser and its associates;
"Latest Practicable Date"	20 December 2011, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular;
"Listing Rules"	the Rules Governing the Listing of Securities on the Main Board;
"Main Board"	the Main Board of the Stock Exchange;
"Mosel"	Mosel Vitelic Inc., a company incorporated in Taiwan with limited liabilities, the shares of which are listed on the Taiwan Stock Exchange and a controlling shareholder of the Company;
"Mou Fu"	Mou-Fu Investment Ltd., a company incorporated in Taiwan with limited liabilities and a wholly owned subsidiary of Mosel;
"NASDAQ"	National Association of Securities Dealers Automated Quotations, an American stock exchange;

"PRC"	the People's Republic of China, which for the purpose of this circular, excludes Hong Kong, Macau and Taiwan;
"Purchaser"	On-Bright Electronics Incorporated, a company incorporated in the Cayman Islands with limited liabilities;
"Remaining Group"	the Group excluding SyncMOS Technologies after taking into account of the Capital Reduction;
"Sale Shares"	9,350,000 issued shares in SyncMOS Technologies, representing approximately 55% of the issued share capital of SyncMOS Technologies as at the Latest Practicable Date;
"Selling Stockholder"	the Company and SyncMOS BVI, collectively;
"SGM"	the special general meeting of the Company to be convened at Marina Room II, 2/F, The Excelsior, 281 Gloucester Road, Causeway Bay, Hong Kong on Tuesday, 10 January 2012 at 2:30 p.m to approve the Agreement and the transactions contemplated thereunder;
"Share(s)"	the share(s) of HK$0.1 each in the issued share capital of the Company;
"Shareholder(s)"	the holder(s) of Shares;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"SyncMOS BVI"	SyncMOS Technologies, Inc., a company incorporated in the British Virgin Islands with limited liabilities and a wholly owned subsidiary of the Company;
"SyncMOS Shanghai"	Shanghai SyncMOS Semiconductor Company Limited, a company incorporated in the PRC with limited liabilities and a wholly-owned subsidiary of the Company;
"SyncMOS Technologies"	SyncMOS Technologies International, Inc., a company incorporated in Taiwan with limited liabilities and an indirect non wholly-owned subsidiary of the Company;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"NT$"	New Taiwan Dollars, the lawful currency of Taiwan;

"US$"	United States Dollars, the lawful currency of United States of America; and
"%"	per cent.

An exchange rate of HK$1 to NT$3.90 is used in the letter from the Board in this circular for currency exchange from NT$ to HK$ for illustration purposes. No representation is made that any amount in HK$ could have been or could be converted at the above rate or any other rates or at all.

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:
Yip Chi Hung *(Chairman)*
Chen Che Yuan *(Chief Executive Officer)*

Independent Non-executive Directors:
Wong Chi Keung
Cheng Hok Ming, Albert
Dr. Ma Kwai Yuen

Registered Office:
Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Principal Place of Business in Hong Kong:
Suites 2905-10
Dah Sing Financial Centre
108 Gloucester Road
Wan Chai
Hong Kong

23 December 2011

To the Shareholders

Dear Sir or Madam,

VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION

INTRODUCTION

Reference is made to the announcements of the Company dated 21 March 2011, 1 September 2011 and 2 December 2011 in relation to the Disposal.

* *For identification purpose only*

On 2 December 2011, the Agreement was entered into between the Selling Stockholder and the Purchaser with regards to the disposal of the Sale Shares, representing approximately 55% of equity interest of SyncMOS Technologies, for an aggregate consideration of NT$106,870,500 (equivalent to approximately HK$27,402,692), representing NT$11.43 per share (equivalent to approximately HK$2.93 per share) in SyncMOS Technologies, which shall be satisfied in cash. The purpose of this circular is to provide you with, among other things, (i) details of the Disposal; (ii) financial information of the Group; (iii) the recommendation from the Independent Board Committee; (iv) a letter of advice from Somerley to the Independent Board Committee and the Independent Shareholders on the terms of the Agreement and the transactions contemplated thereunder; and (v) the notice of SGM.

THE AGREEMENT

Date: 2 December 2011

Parties: (1) the Purchaser as purchaser
(2) the Selling Stockholder as vendor

As disclosed in the Company's announcement dated 1 September 2011, the Company has been informed by Mou Fu that it entered into an agreement with the Purchaser on 30 August 2011 for the disposition of its entire equity interest in SyncMOS Technologies subject to certain conditions precedents to be completed. To the best of the executive Directors' knowledge, the disposition was completed on 1 December 2011 at a consideration of NT$47,025,443 (equivalent to approximately HK$12,057,806), representing NT$11.43 per share (equivalent to approximately HK$2.93 per share) in SyncMOS Technologies. As at the Latest Practicable Date, SyncMOS Technologies is approximately 55% owned by SyncMOS BVI, a wholly owned subsidiary of the Company, approximately 24.2% owned by the Purchaser, approximately 4.4% owned by directors and/or chief executives of Mosel and their subsidiaries and approximately 16.4% owned by, to the best of the executive Directors' knowledge, information and belief, independent third parties. As the Purchaser is a substantial shareholder of SyncMOS Technologies as at the Latest Practicable Date, the Purchaser is a connected person to the Company.

Subject of the Disposal: the Sale Shares, representing approximately 55% of the equity interest in SyncMOS Technologies

Consideration: NT$106,870,500 (equivalent to approximately HK$27,402,692), representing NT$11.43 per share (equivalent to approximately HK$2.93 per share) in SyncMOS Technologies

Conditions precedent: The Disposal shall be conditional upon, among others:

(i) the representations and warranties of the Purchaser and the Selling Stockholder contained in the Agreement shall be true and complete on and as of the Closing Date as though made at and as of that date, and the Purchaser and the Selling Stockholder should have delivered to each other a certificate to such effect;

(ii) the Purchaser and the Selling Stockholder shall have performed and complied with all terms, agreements, covenants and conditions of the Agreement to be performed or complied with by it on or prior to the Closing Date; and

(iii) on the Closing Date, there shall be no actions pending or threatened pertaining to the transactions contemplated hereby or to their consummation.

Closing Date: Closing Date shall take place within 5 Business Days following the date on which the above conditions have been fulfilled (or such other time, date and place as the Company and the Purchaser may agree in writing) but in no event later than 16 January 2012.

Basis of consideration

The consideration was determined after arms' length negotiations between the Purchaser and the Selling Stockholder, taking into account (i) the net assets value of SyncMOS Technologies as at 30 June 2011 as adjusted by the effect of the Capital Reduction of approximately HK$40.1 million (the "Adjusted Net Assets"); (ii) the consideration of NT$11.43 per share in the disposition of equity interests in SyncMOS Technologies by Mou Fu to the Purchaser on 1 December 2011; (iii) the scale and size of the integrated circuits and semiconductor parts market in Taiwan; (iv) the historical financial performance of SyncMOS Technologies; and (v) the industry outlook of the integrated circuits and semiconductor parts design and distribution business in Taiwan.

Financial effect of the Disposal

Based on the unaudited net asset value of SyncMOS Technologies as at 30 June 2011 as set out in Appendix II of this circular and taking into account the Capital Reduction, the Group will recognize a gain on disposal of SyncMOS Technologies of approximately HK$10.6 million. The gain is computed based on the consideration of NT$106,870,500 (equivalent to approximately HK$27.4 million), 55% of the unaudited net asset value of SyncMOS Technologies of approximately HK$22.0 million as adjusted by the effect of the Capital Reduction of SyncMOS Technologies as at 30 June 2011, realization of reserves of SyncMOS Technologies as at 30 June 2011 of approximately HK$7.5 million less estimated direct expenses of approximately HK$2.3 million. Shareholders should note that the exact amount of gain/loss to the Group would be calculated based on net assets value and the exchange rate as at Closing Date and therefore may be different from the amount mentioned above.

Based on the unaudited pro forma consolidated balance sheet of the Remaining Group as set out in Appendix III to this circular, the total assets of the Group would decrease by approximately HK$37.4 million and the total liabilities of the Group would decrease by approximately HK$9.6 million, assuming the Disposal and the Capital Reduction had been completed on 30 June 2011.

Upon completion of the Disposal, the Company will cease to hold any equity interest in SyncMOS Technologies and SyncMOS Technologies will cease to be a subsidiary of the Company. As such, its financial results will no longer be consolidated with those of the Group upon completion of the Disposal. The revenue and assets of the Taiwan segment as disclosed in the Company's annual report for the year ended 31 December 2010 and the Company's unaudited interim report for the 6 months ended 30 June 2011 were solely contributed by SyncMOS Technologies and the Group will cease all business operations in Taiwan upon completion of the Disposal.

The unaudited pro forma financial information of the Remaining Group set out in Appendix III of this circular is for illustrative purposes only, based on the judgements and assumptions of the executive Directors, and because of its hypothetical nature, may not purport to represent the true picture of the financial position of the Group as at 30 June 2011 or at any future date had the Disposal and the Capital Reduction been completed on 30 June 2011 or the financial results and cash flows of the Group for the year ended 31 December 2010 or any future period had the Disposal and the Capital Reduction been completed on 1 January 2010.

INFORMATION ON SYNCMOS TECHNOLOGIES

SyncMOS Technologies is an indirect non wholly-owned subsidiary of the Company established in Taiwan. As at the Latest Practicable Date, the Company held approximately 55% of the equity interest in SyncMOS Technologies indirectly. SyncMOS Technologies is principally engaged in the business of design and distribution of integrated circuits and semiconductor parts in the Taiwan market.

According to the unaudited management accounts of SyncMOS Technologies, which was prepared in accordance with Hong Kong Financial Reporting Standards issued by Hong Kong Institute of Certified Public Accountants, the net assets value of SyncMOS Technologies as at 30 June 2011 was approximately HK$78.5 million. For the two years ended 31 December 2010, the unaudited net loss before and after taxation of SyncMOS Technologies are as follows:

	For the financial year ended 31 December	
	2009	**2010**
	HK$'million	*HK$'million*
	(unaudited)	(unaudited)
Net loss before taxation	7.0	6.5
Net loss after taxation	7.0	6.5

To return its idle assets to its shareholders prior to the Disposal, SyncMOS Technologies underwent the Capital Reduction, which was undertaken on a pro-rated basis amongst all shareholders. The Capital Reduction, including the distribution of cash to shareholders on a pro-rated basis, is permitted under the relevant laws and regulations in Taiwan and the articles of association of SyncMOS Technologies. The Capital Reduction was approved by the shareholders of SyncMOS Technologies on 16 September 2011 and by the Hsinchu Science Park on 25 October 2011 and was completed on 14 November 2011.

The Adjusted Net Assets of SyncMOS Technologies as at 30 June 2011 would be approximately HK$40.1 million. The Capital Reduction was completed on 14 November 2011 and the Company received approximately NT$82.5 million (equivalent to approximately HK$21.2 million) as a result of the Capital Reduction.

The unaudited financial information of SyncMOS Technologies for the three years ended 31 December 2008, 2009 and 2010 and six months ended 30 June 2011 is set out in Appendix II of this circular.

INFORMATION ON THE COMPANY

The Company is an investment holding company with its shares listed on the Main Board. The Company is principally engaged in the design and distribution of integrated circuits and semiconductor parts and investments holding.

INFORMATION ON THE PURCHASER

The Purchaser is an investment holding company incorporated in the Cayman Islands with its shares listed on the Taiwan OTC Exchange. The Purchaser is an integrated circuit design house that provides total solutions for AC/DC and DC/AC and production of standardized light emitting diode applications for high-end segment.

REASONS FOR AND BENEFITS OF THE DISPOSAL

SyncMOS Technologies has been suffering losses for the past three years. During the two years ended 31 December 2009 and 2010, SyncMOS Technologies recorded net loss after taxation of approximately HK$7.0 million and HK$6.5 million, respectively. The business outlook for the design and distribution of integrated circuits and semiconductor parts in the Taiwan market is overshadowed by the increase in market competition amongst the players in the industry, which has significantly been affecting the demand for SyncMOS Technologies' products. In addition to the decrease in demand for SyncMOS Technologies' products, SyncMOS Technologies has also been lagging behind its competitors in the industry in developing new and innovative products to meet customers' ongoing needs for product variety. The management of the Company considers that the Disposal represents a good opportunity for the Group to realize its investment in SyncMOS Technologies, which has been incurring losses for the past three years and experiencing a decrease in demand for its products in the Taiwan market, at a premium over the Group's carrying value of SyncMOS Technologies.

Furthermore, the Disposal will not only improve the Group's balance sheet and liquidity position but also enable the Group to focus on expanding its businesses in the PRC through SyncMOS Shanghai. Similar to SyncMOS Technologies in terms of business operations, SyncMOS Shanghai is principally engaged in the design, distribution and trading of integrated circuit products in the PRC. By shifting the Group's focus to the PRC market, the Group will utilize part of the proceeds from the Disposal and the Capital Reduction to expand its PRC businesses. In particular, the Group intends to carry out advertising campaigns for SyncMOS Shanghai in the PRC in order to improve its brand image and recruit about ten more technical staff and five more marketing staff to support and enhance its research and development and sales and marketing functions. Upon completion of the

Disposal, the Group expects to have a total of approximately 45 staff. SyncMOS Shanghai also trades micro-controller units, which are integrated circuits containing processor core, memory, and programmable input/output peripherals mostly used in automatically controlled products and devices, such as automobile engine control systems, implantable medical devices, remote controls, office machines, appliances, power tools, toys and other embedded systems. As the practical application of micro-controller units is very wide and the PRC economy continues to grow, the management of the Company anticipates that the size of the micro-controller units market will continue to expand in the foreseeable future and considers that SyncMOS Shanghai is well positioned to capture such market expansion. The management of the Company therefore expects the Group's businesses in the PRC to grow in the future. The management of the Company considers that the Group will have sufficient resources for its direct and indirect overheads and administrative functions for its remaining businesses after completion of the Disposal.

The gross proceeds from the Disposal and the amount received pursuant to the Capital Reduction amount to approximately NT$189.4 million (equivalent to approximately HK$48.6 million) in aggregate. The Group intends to apply the net proceeds (after reduction for professional fees and related expenses) from the Disposal and the Capital Reduction of approximately HK$46.3 million for the expansion of SyncMOS Shanghai's business operations, investment opportunities which may arise from time to time and as general working capital. As of the Latest Practicable Date, the Company has not entered into any formal agreement, arrangement, understanding, intention or negotiation with any parties regarding any acquisitions in relation to its businesses in the PRC.

IMPLICATION UNDER THE LISTING RULES

As the applicable percentage ratios in respect of the Disposal under Rule 14.07 of the Listing Rules represent more than 75%, the Disposal is classified as a very substantial disposal for the Company and is subject to the reporting, announcement and shareholders' approval requirements.

The Directors confirm that they have no material interest in the Agreement and the transactions contemplated thereunder. As the Purchaser is a substantial shareholder of SyncMOS Technologies as at the Latest Practicable Date, the Purchaser is a connected person to the Company. As such, the Disposal contemplated under the Agreement constitutes a connected transaction of the Company under the Listing Rules. Accordingly, the Purchaser and its associates, if holding any Shares, will be required to abstain from voting in respect of the resolution approving the Agreement and the transactions contemplated thereunder.

As the Disposal is conditional upon fulfillment of certain conditions, the Disposal may or may not proceed. Shareholders and potential investors are advised to exercise caution in dealing in the Shares.

SGM

The Company will convene the SGM at Marina Room II, 2/F, The Excelsior, 281 Gloucester Road, Causeway Bay, Hong Kong on Tuesday, 10 January 2012, at 2:30 p.m. at which ordinary resolutions will be proposed for the purpose of considering and, if thought fit, to approve, among other matters (if any), the Agreement and the transactions contemplated thereunder.

A notice convening the SGM is set out on pages SGM-1 to SGM-2 of this circular. Whether or not you are able to attend, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not later than 48 hours before the time appointed for the holding of such meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment thereof should you so wish.

RECOMMENDATIONS

The Directors, excluding the independent non-executive Directors who have expressed their views on the transactions contemplated under the Agreement in the Letter from the Independent Board Committee incorporated in this circular to the Shareholders after receiving advice from the Independent Financial Adviser, consider that the terms of the Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices of this circular.

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

The following is the text of a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in respect of the terms of the Agreement for the purpose of inclusion in this circular.

PACMOS TECHNOLOGIES HOLDINGS LIMITED
(弘茂科技控股有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1010)

23 December 2011

To the Independent Shareholders

Dear Sir or Madam,

VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION

We refer to the circular of the Company dated 23 December 2011 (the "Circular"), of which this letter forms part. Capitalised terms used herein have the same meanings as those defined in this circular unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to consider the terms of the Agreement and to advise you as to whether, in our opinion, the terms of the Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and the Disposal is in the interests of the Company and the Shareholders as a whole.

Somerley has been appointed as the Independent Financial Adviser to advise us and you regarding the terms of the Agreement. Details of its advice, together with the principal factors and reasons it has taken into consideration in giving its advice, are contained in its letter set out on pages 14 to 27 of the Circular. Your attention is also drawn to the letter from the Board and the additional information set out in the appendices to the Circular.

Having considered the terms of the Agreement and the advice from Somerley, we consider that the Disposal is on normal commercial terms which are fair and reasonable, and that the Disposal is in the interest of the Company and the Independent Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM in relation to the Agreement and the transactions contemplated thereunder.

Yours faithfully,

For and on behalf of the Independent Board Committee

Wong Chi Keung	**Cheng Hok Ming, Albert**	**Dr. Ma Kwai Yuen**
Independent Non-Executive Director	*Independent Non-Executive Director*	*Independent Non-Executive Director*

* *For identification purpose only*

The following is the letter of advice from Somerley to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.

SOMERLEY LIMITED
10th Floor
The Hong Kong Club Building
3A Chater Road
Central
Hong Kong

23 December 2011

To: *the Independent Board Committee and the Independent Shareholders of PacMOS Technologies Holdings Limited*

Dear Sirs,

VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and the Independent Shareholders on the terms of the Agreement. Details of the Disposal are set out in the letter from the Board contained in the circular (the "**Circular**") of the Company to the Shareholders dated 23 December 2011, of which this letter forms a part. Unless otherwise defined, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

As stated in the letter from the Board in the Circular, on 2 December 2011, the Agreement was entered into between the Selling Stockholder and the Purchaser with regards to the disposal of the Sale Shares, representing approximately 55% of equity interest of SyncMOS Technologies, for an aggregate consideration of NT$106,870,500 (equivalent to approximately HK$27,402,692), which shall be satisfied in cash.

As the applicable percentage ratios in respect of the Disposal under Rule 14.07 of the Listing Rules represent more than 75%, the Disposal is classified as a very substantial disposal for the Company and is subject to the reporting, announcement and shareholders' approval requirements.

As the Purchaser is a substantial shareholder of SyncMOS Technologies, the Purchaser is a connected person to the Company. As such, the transactions contemplated under the Agreement constitute a connected transaction of the Company under the Listing Rules.

The Independent Board Committee, comprising all of the independent non-executive Directors, namely Mr. Wong Chi Keung, Mr. Cheng Hok Ming, Albert and Dr. Ma Kwai Yuen, has been established to make a recommendation to the Independent Shareholders as to the Disposal. We, Somerley, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on these matters.

We are not associated with the Selling Stockholder, the Purchaser or their respective substantial shareholders or associates and, accordingly, are considered eligible to give independent advice on the Agreement and the transactions contemplated thereunder. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, the Purchaser or their respective substantial shareholders or associates.

In formulating our opinion, we have reviewed, among other things, the Agreement, the annual reports of the Company for each of the financial years ended 31 December 2008, 31 December 2009 (the "**AR 2009**") and 31 December 2010 (the "**AR 2010**") and the interim report of the Company for the six months ended 30 June 2011 (the "**IR 2011**", together with AR2009, AR2010, collectively, the "**Reports**"), and the information contained in the Circular.

In addition, we have relied on the information and facts supplied, and the opinions expressed, by the Company and have assumed that the information and facts provided, and the opinions expressed to us are true, accurate and complete in all material aspects at the time they were made and will remain true, accurate and complete up to the date of the SGM. We have also sought and received confirmation from the Company that no material facts have been omitted from the information supplied and that the opinions expressed to us are not misleading in any material respect. We consider that the information we have received is sufficient for us to formulate our opinion and recommendation as set out in this letter and have no reason to believe that any material information has been omitted or withheld, nor to doubt the truth or accuracy of the information provided to us. We have not, however, conducted any independent investigation into the business and affairs of the Group or SyncMOS Technologies, nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion with regard to the Disposal, we have taken into account the following principal factors and reasons:

1. Information on the Group

The Group is principally engaged in the design, distribution and trading of integrated circuits and semi-conductor parts in Taiwan and the PRC. The Group also invests in equity securities listed in the United States of America and Hong Kong.

Set out below is a summary of the financial performance of the Group for each of the three financial years ended 31 December 2010 and the six months ended 30 June 2011 (the "**Review Period**") extracted from the relevant Reports:

	For the year ended 31 December			**For the six months ended 30 June**	
	2008	**2009**	**2010**	**2010**	**2011**
				(Unaudited)	*(Unaudited)*
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue					
— PRC	9,454	7,734	11,031	5,781	6,740
— Taiwan	78,783	59,570	75,658	38,846	35,767
Total	88,237	67,304	86,689	44,627	42,507
Gross profit	21,162	17,541	25,101	12,686	13,050
Other gains/(losses) — net *(Note)*	(103,467)	12,241	25,163	25,548	20,792
Net profit/(loss) for the year/period	(114,958)	(2,818)	11,980	21,417	15,580

Note: Other gains/(losses) represented the net amount of the realised gains/(losses) and unrealised fair value gains/(losses) from the Group's investments in equity securities listed in the United States of America and Hong Kong and the exchange gains/(losses).

During the Review Period, revenue of the Group has been entirely contributed by its operation of design, distribution and trading of integrated circuits and semi-conductor parts. The Group has reported relatively steady total revenue and gross profit during the Review Period except for the substantial drop in total revenue and gross profit in 2009 as a result of the financial tsunami in late 2008. According to the management of the Company (the "**Management**"), the substantial reduction in the net loss after taxation in 2009 as compared with 2008, and the profit after taxation reported in 2010, were mainly attributable to the other gains/(losses) recognised as a result of the realised gains/(losses), as well as the unrealised fair value gains/(losses) due to mark-to-market valuation, of the listed equity securities held by the Group during the respective periods.

As disclosed in the AR 2010, the Group's operation of design, distribution and trading of integrated circuits and semi-conductor parts is organised into two main geographical segments, which are located in the PRC and Taiwan respectively. As advised by the Management, the two geographical segments design integrated circuits and semi-conductor parts for different applications with separate customer portfolio.

(i) Operation in the PRC — SyncMOS Shanghai

The Group's PRC operation is located in Shanghai, which designs integrated circuits and semi-conductor parts mainly for the uses in industrial and household measuring tools that are supplied domestically to the Group's customers in the PRC. The Group's PRC operation is carried out entirely through SyncMOS Shanghai.

As disclosed in the Reports, revenue generated from the Group's PRC operation ranged from approximately 10.7% to 15.9% of the Group's total revenue during the Review Period. For the financial year ended 31 December 2008, the Group's PRC operation contributed revenue of approximately HK$9.5 million. Due to the decrease in customers' demand as the result of the outbreak of the financial tsunami in late 2008, however, it recorded revenue of approximately HK$7.7 million for the year ended 31 December 2009, representing a decrease of approximately 18.2% as compared with that in 2008. With the recovery of the global economy, the revenue contribution of the Group's PRC operation rebounded and further increased to approximately HK$11.0 million for the year ended 31 December 2010. The Group's PRC operation recorded revenue of approximately HK$6.7 million for the six months ended 30 June 2011, which also represented an increase of 16.6% as compared with the corresponding period in 2010.

As disclosed in the Reports, the Group's PRC operation has reported gross profit margins ranged from approximately 57.0% to 66.6% during the Review Period. The segment results of the Group's PRC operation has shown gradual improvement from segment loss of approximately HK$1.8 million in 2008 to segment profit of approximately HK$0.3 million in 2010. It also reported segment profit of approximately HK$0.8 million for the six months ended 30 June 2011.

(ii) Operation in Taiwan – SyncMOS Technologies

The Group's Taiwan operation is carried out entirely through SyncMOS Technologies. SyncMOS Technologies is an indirect non-wholly owned subsidiary of the Company established in Taiwan. As at the Latest Practicable Date, the Company holds approximately 55% of the equity interest in SyncMOS Technologies indirectly. SyncMOS Technologies designs integrated circuits and semi-conductor parts mainly for the counterfeit detector machines that are supplied domestically to the Group's customers in Taiwan.

As disclosed in the Reports, revenue generated from SyncMOS Technologies represented over 80% of the total revenue of the Group during the Review Period.

Set out below are the financial highlights of SyncMOS Technologies for the three years ended 31 December 2010 and for the six months ended 30 June 2011 as extracted from Appendix II of the Circular:

	For the year ended 31 December			For the six months ended 30 June	
	2008	**2009**	**2010**	**2010**	**2011**
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	78,783	59,570	75,658	38,846	35,767
Gross profit	15,769	12,839	17,912	8,907	8,560
Net loss before taxation	(3,321)	(7,041)	(6,465)	(621)	(2,265)
Net loss for the year/period	(4,069)	(7,041)	(6,465)	(621)	(2,265)

	As at 31 December			As at 30 June
	2008	**2009**	**2010**	**2011**
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Net assets	84,307	78,121	79,305	78,454

Because of the decline in customers' demand as the result of the outbreak of the financial tsunami in late 2008, revenue of SyncMOS Technologies reduced to approximately HK$59.6 million for the year ended 31 December 2009 from approximately HK$78.8 million in 2008. With the recovery of the global economy, the revenue of SyncMOS Technologies recovered to approximately HK$75.7 million in the financial year ended 31 December 2010 which, however, was still below the revenue level reported in 2008. SyncMOS Technologies recorded a revenue of approximately HK$35.8 million for the six months ended 30 June 2011 which represented a decrease of around 7.9% as compared with the corresponding period in 2010.

As compared with the gross profit margins of the Group's PRC operation, the gross profit margins reported by SyncMOS Technologies were lower with a range from approximately 20.0% to 23.9% during the Review Period as disclosed in the Reports. In addition, SyncMOS Technologies consistently recorded net losses during the Review Period with the reported net loss after taxation of approximately HK$4.1 million, approximately HK$7.0 million and approximately HK$6.5 million for each of the three years ended 31 December 2010 respectively and approximately HK$2.3 million for the six months ended 30 June 2011.

The net assets of SyncMOS Technologies as at 30 June 2011 was approximately HK$78.5 million. As disclosed in the letter from the Board, SyncMOS Technologies underwent the Capital Reduction at the amount of NT$150.0 million (equivalent to approximately HK$38.4 million), which was undertaken on a pro-rated basis amongst all shareholders of SyncMOS Technologies. The Capital Reduction, including the distribution of cash to shareholders on a pro-rated basis, is permitted under the relevant laws and regulations in Taiwan and the articles of association of SyncMOS Technologies. As disclosed in the letter from the Board, after taking into account the Capital Reduction, the adjusted net assets of SyncMOS Technologies as at 30 June 2011 (the "**Adjusted Net Assets**") would be approximately HK$40.1 million. The Capital Reduction was approved by the shareholders of SyncMOS Technologies on 16 September 2011 and by the Hsinchu Science Park on 25 October 2011, and was completed on 14 November 2011. The Company received approximately NT$82.5 million (equivalent to approximately HK$21.2 million) as a result of the Capital Reduction.

2. The Disposal

(i) Background to and reasons for the Agreement

As disclosed in Appendix II to the Circular, SyncMOS Technologies has been suffering losses for the three years ended 31 December 2010. For each of the two years ended 31 December 2009 and 2010, SyncMOS Technologies recorded net loss after taxation of approximately HK$7.0 million and approximately HK$6.5 million, respectively. As disclosed in the letter from the Board, the Management is of the view that the business outlook for the design and distribution of integrated circuits and semiconductor parts in the Taiwan market is overshadowed by the increase in market competition amongst the players in the industry, which has significantly been affecting the demand for SyncMOS Technologies' products. In addition to the decrease in demand for SyncMOS Technologies' products, according to the Management, SyncMOS Technologies has also been lagging behind its competitors in the industry in developing new and innovative products to meet customers' ongoing needs for product variety. The Management therefore considers that the Disposal represents a good opportunity for the Group to realise its investment in SyncMOS Technologies, which has been incurring losses for the past three years and experiencing a decrease in demand for its products in the Taiwan market, at a premium over the Group's carrying value of SyncMOS Technologies.

Furthermore, the Management is of the view that the Disposal will not only improve the Group's balance sheet and liquidity position but also enable the Group to focus on expanding its PRC operation through SyncMOS Shanghai. SyncMOS Shanghai is principally engaged in the design, distribution and trading of integrated circuit products in the PRC. By shifting the Group's focus to the PRC market, the Group will utilise part of the proceeds from the Disposal and the Capital Reduction to expand its PRC businesses. In particular, the Group intends to carry out advertising campaigns for SyncMOS Shanghai in the PRC in order to improve its brand image and recruit about ten more technical staff and five more marketing staff to support and enhance its research and development and sales and marketing functions. SyncMOS Shanghai also trades micro-controller units, which are integrated circuits containing processor core, memory, and programmable input/output peripherals mostly used in automatically controlled products and devices, such as automobile engine control systems, implantable medical devices, remote controls, office machines, appliances, power tools, toys and other embedded systems. As disclosed in the letter from the Board, as the practical application of micro-controller units is very wide and the PRC economy continues to grow, the Management anticipates that the size of the micro-controller units market in the PRC will continue to expand in the foreseeable future and considers that SyncMOS Shanghai is well positioned to capture such market expansion. The Management therefore expects the Group's businesses in the PRC to grow in the future.

The gross proceeds from the Disposal and the amount received pursuant to the Capital Reduction amount to approximately NT$189.4 million (equivalent to approximately HK$48.6 million) in aggregate. As disclosed in the letter from the Board, the Group intends to apply the net proceeds (after reduction for professional fees and related expenses) from the Disposal and the Capital Reduction of approximately HK$46.3 million for the expansion of SyncMOS Shanghai's business operations, investment opportunities which may arise from time to time and as general working capital.

We note that SyncMOS Technologies contributed over 80% of the Group's total revenue during the Review Period and the Disposal will result in an immediate reduction in the Group's total revenue and operation scale. However, having considered, among other things, (i) the consecutive losses incurred by SyncMOS Technologies in the Review Period; (ii) the dim outlook for the business of SyncMOS Technologies due to the shrinking demand for SyncMOS Technologies' products and the failure of SyncMOS Technologies in keeping abreast with its competitors in Taiwan market; (iii) the growth potentials of the market of micro-controller units in the PRC with the efforts and resources to be devoted by the Company in expanding its PRC operation as discussed under the section headed "Financial and trading prospect of the Group" in Appendix I of the Circular and any other favourable investment opportunities which may arise from time to time, are expected to enhance the Group's revenue and profitability in the long run; and (iv) the premium represented by the consideration for the Disposal (the "**Consideration**") over the Adjusted Net Assets attributable to the Company as at 30 June 2011 (as further discussed in the section below), we concur with the view of the Management that the Disposal represents a good opportunity for the Group to realise its operation in Taiwan at a premium over the Group's carrying value of SyncMOS Technologies, which will allow the Remaining Group to redeploy and focus its resources to expand its PRC businesses.

(ii) Consideration

As disclosed in the letter from the Board, the Consideration was determined after arms' length negotiations between the Purchaser and the Selling Stockholder, taking into account (i) the Adjusted Net Assets of approximately HK$40.1 million after taking into account the effect of the Capital Reduction; (ii) the price of NT$11.43 per share used in the disposition of equity interest in SyncMOS Technologies by Mou Fu to the Purchaser on 1 December 2011; (iii) the scale and size of the integrated circuits and semiconductor parts market in Taiwan; (iv) the historical financial performance of SyncMOS Technologies; and (v) the industry outlook of the integrated circuits and semiconductor parts design and distribution business in Taiwan. As discussed in the letter from the Board, we understand that the Consideration of NT$106,870,500 represents NT$11.43 per share (equivalent to HK$2.93 per share) in SyncMOS Technologies which is equivalent to the price per share used in the disposition of equity interest in SyncMOS Technologies by Mou Fu to the Purchaser on 1 December 2011.

As mentioned in the letter from the Board, after taking into account the Capital Reduction, the Adjusted Net Assets would be approximately HK$40.1 million. We note that the Consideration of NT$106,870,500 (equivalent to HK$27,402,692) represents a premium of approximately 24.0% over the Adjusted Net Assets attributable to the Company as at 30 June 2011 of approximately HK$22.1 million (i.e. HK$40.1 million x 55%).

We have researched into companies listed on the Stock Exchange or the Taiwan Stock Exchange Corporation (the "**Taiwan Stock Exchange**") and have identified, based on selection criteria including such companies (i) being engaged in business(es) similar to those of SyncMOS Technologies, which is the design, research and development and sales of integrated circuits and semi-conductor parts; and (ii) being loss making during their respective latest financial year, 7 companies (the "**Comparables**") listed on the Taiwan Stock Exchange for comparison purposes. We consider that the Comparables identified based on the abovementioned criteria, which reflect particulars similar to that of SyncMOS Technologies, represent fair and representative samples for our analysis.

The table below set out the price to sales ratio (the "**P/S**") and the price to book ratio (the "**P/B**") of each of the Comparables and SyncMOS Technologies:

	Closing share price on the Latest Practicable Date	**Market capitalisation as at the Latest Practicable Date**	**Consolidated revenue**	**Consolidated net asset value attributable to equity holders**	**P/S**	**P/B**
	(Note 1)	*(Note 1)*	*(Note 1)*	*(Note 1)*	*(Note 2)*	*(Note 3)*
	NT$	*NT$ million*	*NT$ million*	*NT$ million*		
Orient Semiconductor Electronics, Limited (stock code 2329.tt)	4.10	3,304.7	11,853.6	3,593.0	0.28	0.92
Mosel Vitelic Inc. (stock code 2342.tt)	3.02	2,042.5	4,880.8	5,031.0	0.42	0.41
VIA Technologies, Inc. (stock code 2388.tt)	15.80	15,588.4	5,732.2	7,420.8	2.72	2.10
Nanya Technology Corporation (stock code 2408.tt)	2.05	8,270.9	57,109.4	15,770.9	0.14	0.52
Walton Chaintech Corporation (stock code 2425.tt)	10.50	938.2	3,498.0	649.7	0.27	1.44
Mospec Semiconductor Corp. (stock code 2434.tt)	5.93	799.1	838.2	1,406.5	0.95	0.57
Power Quotient International Company Limited (stock code 6145.tt)	9.30	2,720.4	19,881.6	2,221.9	0.14	1.22
Mean					**0.70**	**1.03**
Max					2.72	2.10
Min					0.14	0.41
		HK$million	*HK$million*	*HK$million*		
		(Unaudited)	*(Unaudited)*	*(Unaudited)*		
SyncMOS Technologies		**49.8**	**75.7**	**40.1**	**0.66**	**1.24**
		(Note4)	*(Note5)*	*(Note6)*		

Notes:

(1) The closing share price and market capitalisation of the Comparables as at the Latest Practicable Date are sourced from the website of the Taiwan Stock Exchange. The market capitalisation of the Comparables is calculated based on their respective closing share price and the number of issued shares as at the Latest Practicable Date (save for the closing share price of Walton Chaintech Corporation which was the closing price as at 15 December 2011, being the last trading day prior to its suspension in trading since 16 December 2011). The consolidated net asset value attributable to equity holders of the Comparables are extracted from the latest interim reports of the Comparables, and the consolidated revenue of the Comparables are extracted from the latest annual reports of the Comparables.

(2) The P/S of the Comparables are calculated based on their respective market capitalisation divided by their respective consolidated revenue as extracted from the latest annual reports of the Comparables, while the P/S of SyncMOS Technologies is calculated based on the theoretical market capitalisation of SyncMOS Technologies (computed based on the Consideration of NT$106,870,500 (equivalent to approximately HK$27,402,692)) divided by the unaudited revenue for the year ended 31 December 2010 of SyncMOS Technologies as disclosed in Appendix II of the Circular.

(3) The P/B of the Comparables are calculated based on their respective market capitalisation divided by their respective consolidated net asset value attributable to equity holders as extracted from the latest interim reports of the Comparables; while the P/B of SyncMOS Technologies is calculated based on the theoretical market capitalisation of SyncMOS Technologies (computed based on Consideration of NT$106,870,500 (equivalent to approximately HK$27,402,692)) divided by the Adjusted Net Assets of approximately HK$40.1 million.

(4) We have taken the Consideration of NT$106,870,500 (equivalent to approximately HK$27,402,692) for approximately 55% of the equity interest in SyncMOS Technologies for the purpose of determining the theoretical market capitalisation of SyncMOS Technologies.

(5) The unaudited revenue for the year ended 31 December 2010 of SyncMOS Technologies is extracted from Appendix II of the Circular.

(6) The Adjusted Net Assets of approximately HK$40.1 million.

As shown in the table above, the P/B of the Comparables ranged from approximately 0.41 times to approximately 2.10 times with the average P/B being approximately 1.03 times. The P/B of SyncMOS Technologies of approximately 1.24 times calculated with reference to the Consideration is, therefore, above the average figure. However, while SyncMOS Technologies currently does not conduct any manufacturing of integrated circuits and semi-conductor parts which is carried out through original equipment manufacturing arrangements, SyncMOS Technologies' operation is not considered as assets-based in nature and therefore, we have put less weight on the P/B comparison in our analysis. In light of this, we have also considered the P/S comparison in our analysis as an additional reference.

As also shown in the table above, the P/S of the Comparables ranged from approximately 0.14 times to approximately 2.72 times with the average P/S being approximately 0.70 times. The P/S of SyncMOS Technologies of approximately 0.66 times calculated with reference to the Consideration is slightly below but close to the average figure and within the range of the P/S of the Comparables.

Having taken into account the above and in particular, the consecutive losses incurred by SyncMOS Technologies in the Review Period and the outlook for the business of SyncMOS Technologies in Taiwan market as discussed in the section headed "Background to and reasons for the Agreement" above, we consider that the Consideration, which represents a premium of approximately 24.0% over the Adjusted Net Assets attributable to the Company as at 30 June 2011, is fair and reasonable and in the interest of the Company and the Independent Shareholders as a whole.

(iii) Financial effect of the Disposal

Earnings

According to the unaudited pro forma financial information of the Remaining Group as set out in Appendix III to the Circular (the "**Unaudited Pro Forma Financial Information**"), assuming the Disposal and the Capital Reduction had been completed on 1 January 2010, the Remaining Group would recognise a gain of approximately HK$4.4 million, and the consolidated net profit after taxation for the year ended 31 December 2010 would increase from approximately HK$12.0 million to approximately HK$22.9 million.

Net assets and gearing

According to the Unaudited Pro Forma Financial Information, assuming the Disposal and the Capital Reduction had been completed on 30 June 2011, the consolidated net assets attributable to owners of the Company as at 30 June 2011 would increase from approximately HK$120.8 million to approximately HK$128.3 million. Based on the Unaudited Pro Forma Financial Information, the gearing ratio (being total liabilities divided by total assets) would decrease from approximately 10.0% to approximately 5.7% as a result of the completion of the Disposal and the Capital Reduction.

Working Capital

As reported in the IR2011, the Group had short-term bank deposits and cash and cash equivalents in aggregate of approximately HK$66.1 million as at 30 June 2011. According to the Unaudited Pro Forma Financial Information, the Remaining Group would have no short-term bank deposits but have cash and cash equivalents of approximately HK$65.0 million as a result of the completion of the Disposal and the Capital Reduction.

Based on the above, we are of the view that the Disposal will not have material adverse effect on the Remaining Group's earnings, net assets, gearing position and working capital immediately upon completion of the Disposal.

3. Recommendation

Based on the above principal factors and reasons, we consider that the Disposal is on normal commercial terms which are fair and reasonable, and that the Disposal is in the interest of the Company and the Independent Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM in relation to the Agreement and the transactions contemplated thereunder.

Yours faithfully,
for and on behalf of
SOMERLEY LIMITED

Kenneth Chow	**Lyan Tam**
Managing Director — Corporate Finance	*Director*

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for the financial years ended 31 December 2008, 2009 and 2010, and six months ended 30 June 2011 are disclosed in the Company's annual reports for the financial years ended 31 December 2008, 2009 and 2010, and interim report for the six months ended 30 June 2011, respectively. All of these financial statements have been published on the website of the Stock Exchange at www.hkex.com.hk and the Company's website at http://pacmos.etnet.com.hk.

2. MANAGEMENT DISCUSSION AND ANALYSIS ON THE REMAINING GROUP

The Remaining Group is principally engaged in the design, distribution and trading of integrated circuit products in the PRC. The executive Directors consider that the design, distribution and trading of integrated circuit products in the PRC business will generate stable revenue to the Remaining Group and will continue to develop new products in the future to strengthen the Remaining Group's competitive edge in the long run. Set out below is the management discussion and analysis on the Remaining Group:

(i) For the six months ended 30 June 2011

Business Review

For the six months ended 30 June 2011, revenue of the Remaining Group was approximately HK$6.7 million and net profit of the Remaining Group was approximately HK$17.8 million. The Remaining Group's net profit of approximately HK$17.8 million for the six months ended 30 June 2011 was mainly attributable to the unrealised gain of approximately HK$18.3 million as a result of the holding of securities listed on the Hong Kong Stock Exchange and NASDAQ, which was slightly offset by the loss from the Remaining Group's main operations as the distribution costs and administrative expenses exceeded gross profit.

Liquidity and Financial Resources

As at 30 June 2011 after taking into account the Disposal and the Capital Reduction, the Remaining Group's net current assets and current ratio would be approximately HK$125.4 million and 18.3 times, respectively as set out in Appendix III of this circular. Net gearing ratio (total interest bearing borrowings net of cash at banks and in hand as a percentage of total equity) was nil as at 30 June 2011 as the Remaining Group did not have any borrowings.

The Remaining Group had no outstanding bank loan and no financing cost was incurred for the six months ended 30 June 2011. No equity or debt financing were raised during the six months ended 30 June 2011.

As at 30 June 2011, the Remaining Group's cash at banks and in hand amounted to approximately HK$65.0 million after taking into account the Disposal and the Capital Reduction.

Charge on Assets

As at 30 June 2011, the Remaining Group had no charges on its assets.

Capital Structure

For the six months ended 30 June 2011, the Remaining Group financed its working capital requirements through cash flows generated from operation. No equity or debt financing were raised during the six months ended 30 June 2011.

Capital Commitment and Contingent Liabilities

As of 30 June 2011, the Remaining Group had no capital commitment and approximately HK$8.9 million as operating lease commitments.

As at 30 June 2011, the Remaining Group did not have any significant contingent liabilities.

Significant investment, material acquisition and disposals

As at 30 June 2011, the Remaining Group held shares of ChipMOS at mark-to-market valuation of approximately HK$63.8 million. In addition, the Remaining Group held some shares of Hong Kong listed companies with mark-to-market valuation of approximately HK$0.9 million as at 30 June 2011. During the six months ended 30 June 2011, the Remaining Group sold some ChipMOS shares with a total sale proceeds of approximately HK$10.8 million.

Save as disclosed above, the Remaining Group did not have any significant investments, material acquisition or disposals during the six month ended 30 June 2011.

Staff and Remuneration Policy

As at 30 June 2011, the Remaining Group had a total of 40 employees. Staff costs for the six months ended 30 June 2011 was approximately HK$2.8 million. The remuneration package of employees are reviewed on an annual basis with reference to market level and individual staff performance. The Remaining Group's remuneration packages include basic salaries, bonus, contributions to provident fund and medical benefits.

Foreign Exchange Fluctuation and Hedge

The Remaining Group operates principally in the PRC and is exposed to foreign exchange risk arising from the Renminbi. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

During the six months ended 30 June 2011, the Remaining Group did not enter into any forward foreign currency contracts.

Future plans for material investments or capital assets

There was no specific plan for material investments and acquisition of material capital assets as at 30 June 2011. However, the Remaining Group will continue to seek new business development opportunities and there will be continuous research and development activities to improve the existing products and to develop new products in order to strengthen the Remaining Group's competitive edge in the long run.

(ii) For the year ended 31 December 2010

Business Review

With improvement in the worldwide economic environment, the business of the Remaining Group recovered gradually during the year. For the financial year ended 31 December 2010, revenue of the Remaining Group was approximately HK$11.0 million and net profit of the Remaining Group was approximately

HK$22.9 million. The Remaining Group's net profit of approximately HK$22.9 million for the year ended 31 December 2010 was mainly attributable to the unrealised gain of approximately HK$25.0 million as a result of the holding of securities listed on the Hong Kong Stock Exchange and NASDAQ, which was slightly offset by the loss from the Remaining Group's main operations as the distribution costs and administrative expenses exceeded gross profit.

Liquidity and Financial Resources

As at 31 December 2010, the Remaining Group's net current assets and current ratio were approximately HK$61.4 million and 11.8 times, respectively. Net gearing ratio (total interest bearing borrowings net of cash at banks and in hand as a percentage of total equity) was nil as at 31 December 2010, as the Remaining Group did not have any borrowings.

The Remaining Group had no outstanding bank loan and no financing cost was incurred for the year ended 31 December 2010. No equity or debt financing were raised during the year ended 31 December 2010.

As at 31 December 2010, the Remaining Group's cash at banks and in hand amounted to approximately HK$8.3 million.

Charge on Assets

As at 31 December 2010, the Remaining Group had no charges on its assets.

Capital Structure

For the year ended 31 December 2010, the Remaining Group financed its working capital requirements through cash flows generated from operation. No equity or debt financing were raised during the year ended 31 December 2010.

Capital Commitment and Contingent Liabilities

As of 31 December 2010, the Remaining Group had no capital commitments and approximately HK$9.9 million as operating lease commitments.

As at 31 December 2010, the Remaining Group did not have any significant contingent liabilities.

Significant investment, material acquisition and disposals

As at 31 December 2010, the Company held approximately 2.9 million shares of ChipMOS. During the year, the Remaining Group sold approximately 400,000 shares of ChipMOS with net proceeds of approximately HK$4.5 million and realized a gain of approximately HK$2.3 million.

As at 31 December 2010, the Remaining Group also held approximately US$1.5 million worth of 5-year convertible bonds issued by ChipMOS with an interest income of 8% per annum and conversion price of US$1.25 per share of ChipMOS. No conversion was made during the year ended 31 December 2010.

During the year ended 31 December 2010, the Remaining Group also sold shares of Hong Kong listed companies amounted to approximately HK$4.4 million.

Save as disclosed above, the Remaining Group did not have any significant investments, material acquisition or disposals during the year ended 31 December 2010.

Staff and Remuneration Policy

As at 31 December 2010, the Remaining Group had a total of 37 employees. Staff costs for the year ended 31 December 2010 was approximately HK$6.2 million. The remuneration package of employees are reviewed on an annual basis with reference to market level and individual staff performance. The Remaining Group's remuneration packages include basic salaries, bonus, contributions to provident fund and medical benefits.

Foreign Exchange Fluctuation and Hedge

The Remaining Group operates principally in the PRC and is exposed to foreign exchange risk arising from the Renminbi. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

During the year ended 31 December 2010, the Remaining Group did not enter into any forward foreign currency contracts.

Future plans for material investments or capital assets

There was no specific plan for material investments and acquisition of material capital assets as at 31 December 2010. However, the Remaining Group will continue to seek new business development opportunities and there will be continuous research and development activities to improve the existing products and to develop new products in order to strengthen the Remaining Group's competitive edge in the long run.

(iii) For the year ended 31 December 2009

Business Review

The Remaining Group's performance during the year was negatively affected by the worldwide economic downturn, although some businesses did begin to recover during the second half of the year. For the financial year ended 31 December 2009, revenue of the Remaining Group was approximately HK$7.7 million and net profit of the Remaining Group was approximately HK$4.2 million. In addition, with improvement in the Chinese economy, the executive Directors believe that the performance will improve in the coming year. The Remaining Group's net profit of approximately HK$4.2 million for the year ended 31 December 2009 was mainly attributable to the unrealised gain of approximately HK$13.2 million as a result of the holding of securities listed on the Hong Kong Stock Exchange and NASDAQ, which was partially offset by the loss from the Remaining Group's main operations as the distribution costs and administrative expenses exceeded gross profit.

Liquidity and Financial Resources

As at 31 December 2009, the Remaining Group's net current assets and current ratio were approximately HK$43.1 million and 17.3 times, respectively. Net gearing ratio (total interest bearing borrowings net of cash at banks and in hand as a percentage of total equity) was nil as at 31 December 2009, as the Remaining Group did not have any borrowings.

The Remaining Group had no outstanding bank loan and no financing cost was incurred for the year ended 31 December 2009. No equity or debt financing were raised during the year ended 31 December 2009.

As at 31 December 2009, the Remaining Group's cash at banks and in hand amounted to approximately HK$19.8 million.

Charge on Assets

As at 31 December 2009, the Remaining Group had no charges on its assets.

Capital Structure

For the year ended 31 December 2009, the Remaining Group financed its working capital requirements through cash flows generated from operation. No equity or debt financing were raised during the year ended 31 December 2009.

Capital Commitment and Contingent Liabilities

As of 31 December 2009, the Remaining Group had no capital commitments and approximately HK$3.5 million as operating lease commitments.

As at 31 December 2009, the Remaining Group did not have any significant contingent liabilities.

Significant investment, material acquisition and disposals

As at 31 December 2009, the Remaining Group held approximately 3.2 million shares of ChipMOS which is listed on NASDAQ.

In December 2009, the Remaining Group announced that it would invest in approximately US$1.5 million worth of 5-year convertible bonds issued by ChipMOS with an interest income of 8% per annum and conversion price of US$1.25 per share of ChipMOS. The investment was approved on 9 February 2010 and completed on 8 March 2010.

During the year ended 31 December 2009, the Remaining Group also utilized approximately HK$0.4 million to acquire shares of Hong Kong listed companies.

Save as disclosed above, the Remaining Group did not have any significant investments, material acquisition or disposals during the year ended 31 December 2009.

Staff and Remuneration Policy

As at 31 December 2009, the Remaining Group had a total of 34 employees. Staff costs for the year ended 31 December 2009 was approximately HK$5.4 million. The remuneration package of employees are reviewed on an annual basis with reference to market level and individual staff performance. The Remaining Group's remuneration packages include basic salaries, bonus, contributions to provident fund and medical benefits.

Foreign Exchange Fluctuation and Hedge

The Remaining Group operates principally in the PRC and is exposed to foreign exchange risk arising from the Renminbi. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

During the year ended 31 December 2009, the Remaining Group did not enter into any forward foreign currency contracts.

Future plans for material investments or capital assets

There was no specific plan for material investments and acquisition of material capital assets as at 31 December 2009. However, the Remaining Group will continue to seek new business development opportunities and there will be continuous research and development activities to improve the existing products and to develop new products in order to strengthen the Remaining Group's competitive edge in the long run.

(iv) For the year ended 31 December 2008

Business Review

The Remaining Group's performance during the year was negatively affected by the worldwide economic downturn. For the financial year ended 31 December 2008, revenue of the Remaining Group was approximately HK$9.5 million and net loss of the Remaining Group was approximately HK$110.9 million. The Remaining Group's net loss of approximately HK$110.9 million for the year ended 31 December 2008 was mainly attributable to the unrealised loss of approximately HK$103.8 million as a result of the holding of securities listed on the Hong Kong Stock Exchange and NASDAQ.

Liquidity and Financial Resources

As at 31 December 2008, the Remaining Group's net current assets and current ratio were approximately HK$38.9 million and 10.4 times, respectively. Net gearing ratio (total interest bearing borrowings net of cash at banks and in hand as a percentage of total equity) was nil as at 31 December 2008, as the Remaining Group did not have any borrowings.

The Remaining Group had no outstanding bank loan and no financing cost was incurred for the year ended 31 December 2008. No equity or debt financing were raised during the year ended 31 December 2008.

As at 31 December 2008, the Remaining Group's cash at banks and in hand amounted to approximately HK$29.2 million.

Charge on Assets

As at 31 December 2008, the Remaining Group had no charges on its assets.

Capital Structure

For the year ended 31 December 2008, the Remaining Group financed its working capital requirements through cash flows generated from operation. No equity or debt financing were raised during the year ended 31 December 2008.

Capital Commitment and Contingent Liabilities

As of 31 December 2008, the Remaining Group had no capital commitments and approximately HK$7.7 million as operating lease commitments.

As at 31 December 2008, the Remaining Group did not have any significant contingent liabilities.

Significant investment, material acquisition and disposals

As at 31 December 2008, the Remaining Group held approximately 3.2 million shares of ChipMOS which is listed on NASDAQ.

During the year ended 31 December 2008, the Remaining Group also utilized approximately HK$1.4 million to acquire shares of Hong Kong listed companies.

Save as disclosed above, the Remaining Group did not have any significant investments, material acquisition or disposals during the year ended 31 December 2008.

Staff and Remuneration Policy

As at 31 December 2008, the Remaining Group had a total of 34 employees. Staff costs for the year ended 31 December 2008 was approximately HK$4.6 million. The remuneration package of employees are reviewed on an annual basis with reference to market level and individual staff performance. The Remaining Group's remuneration packages include basic salaries, bonus, contributions to provident fund and medical benefits.

Foreign Exchange Fluctuation and Hedge

The Remaining Group operates principally in the PRC and is exposed to foreign exchange risk arising from the Renminbi. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

During the year ended 31 December 2008, the Remaining Group did not enter into any forward foreign currency contracts.

Future plans for material investments or capital assets

There was no specific plan for material investments and acquisition of material capital assets as at 31 December 2008. However, the Remaining Group will continue to seek new business development opportunities and there will be continuous research and development activities to improve the existing products and to develop new products in order to strengthen the Remaining Group's competitive edge in the long run.

3. ADDITIONAL FINANCIAL INFORMATION OF THE GROUP

Financial and trading prospects of the Group

The Group is principally engaged in the design and distribution of integrated circuits and semiconductor parts and investments holding. The Group intends to focus on expanding its businesses in the PRC through SyncMOS Shanghai. Similar to SyncMOS Technologies in terms of business operations, SyncMOS Shanghai is principally engaged in the design, distribution and trading of integrated circuit products in the PRC. By shifting the Group's focus to the PRC market, the Group will utilize part of the proceeds from the Disposal and the Capital Reduction to expand its PRC businesses. In particular, the Group intends to carry out advertising campaigns for SyncMOS Shanghai in the PRC in order to improve its brand image and recruit about ten more technical staff and five more marketing staff to support and enhance its research and development and sales and marketing functions.

SyncMOS Shanghai's advertising campaigns is expected to cover a wide array of channels, which may include magazines, monthly seminars, souvenirs and printings, promotional ceremonies and strategic alliances with product design houses and distributors. The Group currently has plans to launch the abovementioned advertising campaigns during the period from April 2012 to December 2012. The estimated total budget for the abovementioned advertising campaigns is approximately HK$0.7 million for the year of 2012.

In terms of the Remaining Group's enhancement of its research and development functions, apart from hiring ten more technical staff to increase the size of the research and development team, the Group currently has plans to invest more capital to improve on its existing products such as its caliper integrated circuit technology by the end of year 2012 and also to develop new micro-controller units of different types by the end of year 2013. The estimated total budget for the abovementioned research and development activities is approximately HK$3.2 million for the year of 2012 and HK$2.5 million for the year of 2013.

Upon completion of the Disposal, the Group expects to have a total of approximately 45 staff. SyncMOS Shanghai also trades micro-controller units, which are integrated circuits containing processor core, memory, and programmable input/output peripherals mostly used in automatically controlled products and devices, such as automobile engine control systems, implantable medical devices, remote controls, office machines, appliances, power tools, toys and other embedded systems. As the practical application of micro-controller units is very wide and the PRC economy continues to grow, the management of the Company anticipates that the size of the micro-controller units market will continue to expand in the foreseeable future and considers that SyncMOS Shanghai is well positioned to capture such market expansion. The Board therefore expect the Group's businesses in the PRC to grow in the future.

Statement of indebtedness

As at 31 October 2011, being the latest practicable date for ascertaining the information regarding this indebtedness statement prior to the printing of this circular, apart from intra-group liabilities and normal trade payables in the ordinary course of business, the Group did not have any debt securities, issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

Sufficiency of working capital

Taking into account the expected completion of the Disposal and the internal resources available to the Group, the Directors are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next twelve months from the Latest Practicable Date.

Material adverse change

As at the Latest Practicable Date, the executive Directors are not aware of any material adverse changes in the financial or trading position of the Group since 31 December 2010, being the date to which the latest published audited consolidated financial statements of the Group were made up.

UNAUDITED FINANCIAL INFORMATION OF SYNCMOS TECHNOLOGIES INTERNATIONAL, INC.

Set out below are the unaudited income statements, unaudited statements of comprehensive income, unaudited statements of changes in equity and unaudited cash flow statements of SyncMOS Technologies International, Inc. for each of the three years ended 31 December 2008, 2009 and 2010 and the six months ended 30 June 2010 and 2011, and the unaudited balance sheets of SyncMOS Technologies International, Inc. as at 31 December 2008, 2009 and 2010 and 30 June 2011 (collectively referred to as "unaudited financial information"), which have been reviewed by the auditor of the Company, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. Based on their review, nothing has come to their attention that caused them to believe that the unaudited financial information is not prepared, in all material respects, in accordance with the accounting policies as set out in note 2 to appendix II of this circular.

UNAUDITED INCOME STATEMENTS

For the three years ended 31 December 2010 and six months ended 30 June 2010 and 2011

	Unaudited				
	Year ended 31 December			Six months ended 30 June	
	2008	**2009**	**2010**	**2010**	**2011**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	78,783	59,570	75,658	38,846	35,767
Cost of sales	(63,014)	(46,731)	(57,746)	(29,939)	(27,207)
Gross profit	15,769	12,839	17,912	8,907	8,560
Distribution costs	(4,355)	(4,120)	(3,812)	(1,632)	(2,180)
General and administrative expenses	(17,211)	(16,214)	(19,231)	(8,557)	(8,669)
Other income	494	609	116	90	183
Other gains/(losses) — net	306	(960)	(1,892)	388	(340)
Operating loss	(4,997)	(7,846)	(6,907)	(804)	(2,446)
Finance income	1,676	805	442	183	181
Loss before income tax	(3,321)	(7,041)	(6,465)	(621)	(2,265)
Income tax expenses	(748)	—	—	—	—
Loss for the year/period	(4,069)	(7,041)	(6,465)	(621)	(2,265)

UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME

For the three years ended 31 December 2010 and six months ended 30 June 2010 and 2011

	Unaudited				
	Year ended 31 December			Six months ended 30 June	
	2008	2009	2010	2010	2011
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Loss for the year/period	(4,069)	(7,041)	(6,465)	(621)	(2,265)
Other comprehensive (loss)/ income					
Currency translation differences	(476)	855	7,649	942	1,414
Total comprehensive (loss)/ income for the year/period	(4,545)	(6,186)	1,184	321	(851)

UNAUDITED BALANCE SHEETS

As at 31 December 2008, 2009 and 2010 and 30 June 2011

	Unaudited			
	At 31 December			At 30 June
	2008	**2009**	**2010**	**2011**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS				
Non-current assets				
Property, plant and equipment	1,371	914	985	2,086
Intangible assets	212	65	426	420
Long-term deposits	738	275	303	287
	2,321	1,254	1,714	2,793
Current assets				
Inventories	15,219	14,248	17,889	18,541
Trade receivables	10,645	9,771	8,821	12,133
Deposits, prepayments and other receivables	2,306	763	919	2,527
Restricted cash	246	249	275	280
Short-term bank deposits	54,900	49,370	34,843	25,460
Cash and cash equivalents	10,524	10,857	24,132	26,300
	93,840	85,258	86,879	85,241
Total assets	96,161	86,512	88,593	88,034
EQUITY				
Capital and reserves attributable to the equity holders of the Company				
Share capital	76,209	76,209	76,209	76,209
Reserves	8,098	1,912	3,096	2,245
Total equity	84,307	78,121	79,305	78,454

UNAUDITED BALANCE SHEETS *(Continued)*

As at 31 December 2008, 2009 and 2010 and 30 June 2011

	Unaudited			
	At 31 December			At 30 June
	2008	**2009**	**2010**	**2011**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
LIABILITIES				
Current liabilities				
Trade payables	8,563	5,494	4,608	5,994
Other payables and accruals	2,940	2,556	4,276	3,178
Amount due to a related company	351	341	404	408
	11,854	8,391	9,288	9,580
Total liabilities	11,854	8,391	9,288	9,580
Total equity and liabilities	96,161	86,512	88,593	88,034
Net current assets	81,986	76,867	77,591	75,661
Total assets less current liabilities	84,307	78,121	79,305	78,454

UNAUDITED STATEMENTS OF CHANGES IN EQUITY

For the three years ended 31 December 2010 and six months ended 30 June 2010 and 2011

	Share capital	Statutory reserve	Employee share-based compensation reserve	Exchange reserve	Retained earnings/ (Accumulated losses)	Total
	Unaudited					
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance as at 1 January 2008	76,209	4,639	2,268	4,307	5,409	92,832
Total comprehensive loss for the year	—	—	—	(476)	(4,069)	(4,545)
Employee share-based compensation scheme	—	—	621	—	—	621
Transfer to statutory reserve	—	601	—	—	(601)	—
Dividends paid	—	—	—	—	(4,601)	(4,601)
Balance as at 31 December 2008	76,209	5,240	2,889	3,831	(3,862)	84,307
Total comprehensive income/(loss) for the year	—	—	—	855	(7,041)	(6,186)
Balance as at 31 December 2009	76,209	5,240	2,889	4,686	(10,903)	78,121
Total comprehensive income/(loss) for the year	—	—	—	7,649	(6,465)	1,184
Share options expired	—	—	(2,889)	—	2,889	—
Balance as at 31 December 2010	76,209	5,240	—	12,335	(14,479)	79,305
Balance as at 1 January 2010	76,209	5,240	2,889	4,686	(10,903)	78,121
Total comprehensive income/(loss) for the period	—	—	—	942	(621)	321
Balance as at 30 June 2010	76,209	5,240	2,889	5,628	(11,524)	78,442
Balance as at 1 January 2011	76,209	5,240	—	12,335	(14,479)	79,305
Total comprehensive income/(loss) for the period	—	—	—	1,414	(2,265)	(851)
Balance as at 30 June 2011	76,209	5,240	—	13,749	(16,744)	78,454

UNAUDITED CASH FLOW STATEMENTS

For the three years ended 31 December 2010 and six months ended 30 June 2010 and 2011

	Unaudited				
	Year ended 31 December			Six months ended 30 June	
	2008	2009	2010	2010	2011
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Loss before income tax	(3,321)	(7,041)	(6,465)	(621)	(2,265)
Adjustments for:					
Interest income	(1,676)	(805)	(442)	(183)	(181)
Amortisation of intangible assets	387	149	208	108	176
Depreciation of property, plant and equipment	505	469	386	345	397
Employee share-based payment expenses	621	—	—	—	—
Provision for/(reversal of) inventories	539	319	(305)	158	(24)
	(2,945)	(6,909)	(6,618)	(193)	(1,897)
Changes in working capital:					
Inventories	3,792	810	(1,692)	5,459	(299)
Trade receivables	288	980	1,827	(1,756)	(3,112)
Deposits, prepayments and other receivables	1,079	1,995	(68)	(1,577)	(1,550)
Trade payables, other payables and accruals	(5,971)	(3,507)	(7)	658	126
Amount due to a related company	(6)	(14)	25	4	(4)
Cash flows (used in)/generated from operating activities	(3,763)	(6,645)	(6,533)	2,595	(6,736)
Income taxes paid	(164)	—	—	—	—
Net cash (used in)/generated from operating activities	(3,927)	(6,645)	(6,533)	2,595	(6,736)

UNAUDITED CASH FLOW STATEMENTS *(Continued)*

For the three years ended 31 December 2010 and six months ended 30 June 2010 and 2011

	Unaudited				
	Year ended 31 December			Six months ended 30 June	
	2008	**2009**	**2010**	**2010**	**2011**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cash flows from investing activities					
Purchases of property, plant and equipment	(141)	(6)	(364)	(1,686)	(1,467)
Purchases of intangible assets	(28)	(2)	(537)	(482)	(163)
Interest received	1,676	805	442	183	181
(Decrease)/increase in short-term bank deposits	(40,805)	6,050	18,251	3,229	9,891
Net cash (used in)/generated from investing activities	(39,298)	6,847	17,792	1,244	8,442
Cash flow from financing activities					
Dividends paid	(4,601)	—	—	—	—
Net cash used in financing activities	(4,601)	—	—	—	—
Net (decrease)/increase in cash and cash equivalents	(47,826)	202	11,259	3,839	1,706
Cash and cash equivalents at beginning of the year/period	57,306	10,524	10,857	10,857	24,132
Exchange gains	1,044	131	2,016	127	462
Cash and cash equivalents at end of the year/period	10,524	10,857	24,132	14,823	26,300

NOTES TO THE UNAUDITED FINANCIAL INFORMATION

For the three years ended 31 December 2010 and six months ended 30 June 2010 and 2011

1. GENERAL INFORMATION

On 2 December 2011, PacMOS Technologies Holdings Limited (the "Company") entered into an agreement to dispose all of its 55% equity interest in SyncMOS Technologies International, Inc. ("SyncMOS Technologies") to On-Bright Electronics Incorporated (the "Disposal"). Immediately after the completion of the Disposal, SyncMOS Technologies will cease to be a subsidiary of the Company.

2. BASIS OF PRESENTATION

The unaudited financial information of SyncMOS Technologies has been prepared in accordance with paragraph 68(2)(a)(i) of Chapter 14 of the Listing Rules, and solely for the purpose of inclusion in this circular.

The unaudited financial information has been prepared under the historical costs convention.

The amounts included in the unaudited financial information for each of the three years ended 31 December 2008, 2009 and 2010 and the six months ended 30 June 2010 and 2011 (the "Relevant Periods") have been recognised and measured using the same accounting policies adopted by the Company in the preparation of the Group's audited consolidated financial statements and unaudited condensed consolidated interim financial information for the respective years and periods in the Relevant Periods, which conform with the Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The unaudited income statements, unaudited statements of comprehensive income, unaudited statements of changes in equity and unaudited cash flow statements for the Relevant Periods include the results and cash flows of SyncMOS Technologies for each of the three years ended 31 December 2008, 2009 and 2010 and the six months ended 30 June 2010 and 2011.

The unaudited balance sheets as at 31 December 2008, 2009 and 2010 and 30 June 2011 include the assets and liabilities of SyncMOS Technologies as at those reporting period end dates.

The unaudited financial information does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 (Revised) "Presentation of Financial Statements" nor a complete set of condensed consolidated financial statements as defined in Hong Kong Accounting Standard 34 "Interim Financial Reporting".

Items included in the unaudited financial information of SyncMOS Technologies are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). This unaudited financial information is presented in Hong Kong dollars, which is different from SyncMOS Technologies's functional currency of New Taiwan dollars. As the Company operates in Hong Kong and is listed on The Main Board of The Stock Exchange of Hong Kong Limited, the directors have adopted Hong Kong dollar as the presentation currency.

1. THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

1. Unaudited pro forma financial information of the Remaining Group

(A) Introduction

The unaudited pro forma financial information presented below is prepared to illustrate (a) the financial position of the Remaining Group as if the Disposal and the Capital Reduction had been completed on 30 June 2011; and (b) the results and cash flows of the Remaining Group for the year ended 31 December 2010 as if the Disposal and the Capital Reduction had been completed on 1 January 2010. This unaudited pro forma financial information has been prepared for illustrative purposes only and because of its hypothetical nature, it may not purport to represent the true picture of the financial position of the Group as at 30 June 2011 or at any future date had the Disposal and the Capital Reduction been completed on 30 June 2011 or the results and cash flows of the Group for the year ended 31 December 2010 or for any future period had the Disposal and the Capital Reduction been completed on 1 January 2010.

The unaudited pro forma financial information is prepared based on the unaudited condensed consolidated balance sheet of the Group as at 30 June 2011 and the audited consolidated income statement, the audited consolidated statement of comprehensive income and the audited consolidated cash flow statement of the Group for the year ended 31 December 2010 extracted from the published unaudited interim report of the Group for the six months ended 30 June 2011 and the audited consolidated financial statements of the Group for the year ended 31 December 2010 as set out in the 2010 annual report of the Group, respectively, and the unaudited financial information of SyncMOS Technologies International, Inc. ("SyncMOS Technologies") set out in Appendix II to this circular after giving effect to the pro forma adjustments described in the notes and was prepared in accordance with Rules 4.29 and 14.68(2)(a)(ii) of the Listing Rules.

Unaudited Pro Forma Consolidated Balance Sheet of the Remaining Group

	As at 30 June 2011			
	Unaudited	Pro forma adjustments		Pro forma
	Note (a)	*Note (b)*	*Note (c)*	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS				
Non-current assets				
Property, plant and equipment	4,336	(2,086)		2,250
Intangible assets	420	(420)		—
Long-term deposits	1,440	(287)		1,153
	6,196			3,403
Current assets				
Inventories	20,472	(18,541)		1,931
Trade receivables	12,234	(12,133)		101
Deposits, prepayments and other receivables	3,433	(2,527)		906
Financial assets at fair value through profit or loss	64,736			64,736
Restricted cash	280	(280)		—
Short-term bank deposits	25,460	(25,460)		—
Cash and cash equivalents	40,601	(26,300)	50,684	64,985
	167,216			132,659
Total assets	173,412			136,062
EQUITY				
Share capital	134,922			134,922
Reserves	(14,165)		7,535	(6,630)
	120,757			128,292
Non-controlling interest	35,305		(35,305)	—
Total equity	156,062			128,292
LIABILITIES				
Non-current liability				
Other payables	530			530
	530			530
Current liabilities				
Trade payables	5,994	(5,994)		—
Other payables and accruals	6,943	(3,178)		3,765
Amount due to a related company	3,883	(408)		3,475
	16,820			7,240
Total liabilities	17,350			7,770
Total equity and liabilities	173,412			136,062

Notes:

a. The amounts are extracted from the unaudited condensed consolidated balance sheet of the Group as at 30 June 2011 as set out in the published unaudited interim report of the Group for the six months ended 30 June 2011.

b. The adjustment, which is extracted from the unaudited balance sheet of SyncMOS Technologies as at 30 June 2011 as set out in Appendix II, represents the exclusion of the assets and liabilities of SyncMOS Technologies, assuming that the Disposal had been completed on 30 June 2011.

c. The adjustment reflects the estimated gain as if the Disposal and the Capital Reduction had been completed on 30 June 2011.

	HK$'000
Total estimated consideration of the Disposal	29,924
Estimated direct expenses in relation to the Disposal	(2,340)
Net consideration	27,584
Net assets of SyncMOS Technologies as at 30 June 2011	(78,454)
Non-controlling interest	35,305
Proceeds from the Capital Reduction	23,100
Release of exchange reserves attributable to 55% equity interest in SyncMOS Technologies upon completion of the Disposal	7,562
Estimated gain as at 30 June 2011	15,097

For the purpose of preparing the unaudited pro forma financial information, the consideration for the Disposal of NTD106,870,500 and the proceeds from capital reduction of NTD82,500,000 were translated using an exchange rate of HK$1 to NTD3.57, which was the prevailing exchange rate as at 30 June 2011.

The actual amount of gain from the Disposal are to be determined based on the consideration of the Disposal, the direct expenses in relation to the Disposal and the carrying amount of the net assets value of SyncMOS Technologies and the exchange rate as at the completion date and are therefore subject to change upon completion of the Disposal.

d. Apart from the above, no other adjustment has been made to reflect any trading result or other transaction of the Group entered subsequent to 30 June 2011.

Unaudited Pro Forma Consolidated Income Statement of the Remaining Group

	For the year ended 31 December 2010				
	Audited		Pro forma adjustments		Pro forma
	(Note e)	*(Note f)*	*(Note g)*	*(Note h)*	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	86,689		(75,658)		11,031
Cost of sales	(61,588)		57,746		(3,842)
Gross profit	25,101				7,189
Distribution costs	(3,842)		3,812		(30)
General and administrative expenses	(35,928)		19,231		(16,697)
Other income	1,531	(1,274)	(116)		141
Other gains-net	25,163		1,892		27,055
Gain on disposal of SyncMOS Technologies	—			4,435	4,435
Operating profit	12,025				22,093
Finance income	—	1,274	(442)		832
Profit before income tax	12,025				22,925
Income tax expenses	(45)				(45)
Profit for the year	11,980				22,880

Unaudited Pro Forma Consolidated Statement of Comprehensive Income of the Remaining Group

	For the year ended 31 December 2010			
	Audited	**Pro forma adjustments**		**Pro forma**
	(Note e)	*(Note g)*	*(Note h)*	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Profit for the year	11,980	6,465	4,435	22,880
Other comprehensive income				
Currency translation differences	7,798	(7,649)	(2,577)	(2,428)
Total comprehensive income for the year	19,778			20,452

Unaudited Pro Forma Consolidated Cash Flow Statement of the Remaining Group

	For the year ended 31 December 2010			
	Audited	Pro forma adjustments		Pro forma
	(Note e)	*(Note i)*	*(Note j)*	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Profit before income tax	12,025	6,465		18,490
Adjustments for:				
Interest income	(1,274)	442		(832)
Amortisation of intangible assets	208	(208)		—
Depreciation of property, plant and equipment	672	(386)		286
Fair value gain from financial assets at fair value through profit and loss	(24,994)			(24,994)
Realised gain on disposal of financial assets at fair value through profit or loss	(2,001)			(2,001)
Provision for inventories	108	305		413
	(15,256)			(8,638)
Changes in working capital:				
Inventories	(2,760)	1,692		(1,068)
Trade receivables	1,637	(1,827)		(190)
Deposits, prepayments and other receivables	(1,652)	68		(1,584)
Trade payables, other payables and accruals	2,241	7		2,248
Amount due to a related company	188	(25)		163
Cash flow used in operating activities	(15,602)			(9,069)
Overseas taxes paid	(45)			(45)
Net cash used in operating activities	(15,647)			(9,114)

	For the year ended 31 December 2010			
	Audited	Pro forma adjustments		Pro forma
	(Note e)	*(Note i)*	*(Note j)*	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Cash flows from investing activities				
Purchase of property, plant and equipment	(538)	364		(174)
Purchase of intangible assets	(537)	537		—
Purchase of financial assets at fair value through profit and loss	(12,181)			(12,181)
Proceeds from disposal of financial asset at fair value through profit and loss	8,930			8,930
Interest received	1,274	(442)		832
Increase in short-term bank deposits	14,527	(18,251)		(3,724)
Proceeds from disposal of SyncMOS Technologies	—		33,967	33,967
Net cash generated from investing activities	11,475			27,650
Net (decrease)/increase in cash and cash equivalents	(4,172)			18,536
Cash and cash equivalents at beginning of the year	30,632	(10,857)	10,857	30,632
Exchange gains	5,958	(2,016)		3,942
Cash and cash equivalents at end of the year	32,418			53,110

Notes:

e. The amounts are extracted from the audited consolidated income statement, audited consolidated statement of comprehensive income and audited consolidated cash flow statement of the Group for the year ended 31 December 2010 as set out in the 2010 annual report of the Group.

f. The adjustment represents a reclassification to conform to the presentation adopted by the Group in the published unaudited interim report of the Group for the six months ended 30 June 2011.

g. The adjustment, which is extracted from the unaudited financial information of the SyncMOS Technologies for the year ended 31 December 2010 as set out in Appendix II, represents the exclusion of the income and expenses of SyncMOS Technologies for the year ended 31 December 2010, assuming that the Disposal had been completed on 1 January 2010.

h. The adjustment reflects the estimated gain as if the Disposal and the Capital Reduction had been completed on 1 January 2010.

	HK$'000
Total estimated consideration of the Disposal	26,611
Estimated direct expenses in relation to the Disposal	(2,330)
Net consideration	24,281
Net assets of SyncMOS Technologies as at 1 January 2010	(78,121)
Non-controlling interest	35,155
Proceeds from the Capital Reduction	20,543
Release of exchange reserves attributable to 55% equity interest in SyncMOS Technologies upon completion of the Disposal	2,577
Estimated gain as at 1 January 2010	4,435

For the purpose of preparing the unaudited pro forma financial information, the consideration for the Disposal of NTD106,870,500 and the proceeds from the capital reduction of NTD82,500,000 were translated using an exchange rate of HK$1 to NTD4.02, which was the prevailing rate as at 1 January 2010.

The actual amount of gain from the Disposal are to be determined based on the consideration of the Disposal, the direct expenses in relation to the Disposal and the carrying amount of the net assets value of SyncMOS Technologies as at the completion date and are therefore subject to change upon completion of the Disposal.

i. The adjustment, which is extracted from the unaudited cash flow statement of SyncMOS Technologies for the year ended 31 December 2010 as set out in Appendix II, represents the exclusion of the cash flows of SyncMOS Technologies as if the Disposal had been completed on 1 January 2010.

j. The adjustment represents the net cash inflow as if the Disposal and the Capital Reduction had been completed on 1 January 2010:

	HK$'000
Total estimated consideration of the Disposal	26,611
Estimated direct expenses in relation to the Disposal	(2,330)
Net cash inflow from the Disposal	24,281
Proceeds from the Capital Reduction	20,543
Cash and cash equivalents held by SyncMOS Technologies	(10,857)
Net cash inflow from the Capital Reduction and the Disposal	33,967

The consideration for the Disposal is NTD106,870,500 and the proceeds from the capital reduction is NTD82,500,000. An exchange rate of HK$1 to NTD4.02 is used as the exchange rate to convert NTD to HK$, which was the prevailing exchange rate as at 1 January 2010.

k. Apart from the above, no other adjustment has been made to reflect any trading result or other transaction of the Group entered subsequent to 31 December 2010.

2. ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

pwc 羅兵咸永道

ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION TO THE DIRECTORS OF PACMOS TECHNOLOGIES HOLDINGS LIMITED

We report on the unaudited pro forma financial information set out on pages III-1 to III-8 under the heading of "Unaudited Pro Forma Financial Information of the Remaining Group" (the "Unaudited Pro Forma Financial Information") in Appendix III of the circular dated 23 December 2011 (the "Circular") of PacMOS Technologies Holdings Limited (the "Company"), in connection with the proposed disposal of SyncMOS Technologies International, Inc. (the "Disposal") by the Company. The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company, for illustrative purposes only, to provide information about how the Disposal might have affected the relevant financial information of the Company and its subsidiaries (hereinafter collectively referred to as the "Group"). The basis of preparation of the Unaudited Pro Forma Financial Information is set out on pages III-1 to III-8 of the Circular.

Respective Responsibilities of Directors of the Company and the Reporting Accountant

It is the responsibility solely of the directors of the Company to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

It is our responsibility to form an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of Opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the HKICPA. Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unaudited consolidated balance sheet of the Group as at 30 June 2011 and the audited consolidated income statement, the audited consolidated statement of comprehensive income and the audited consolidated cash flow statement of the Group for the year ended 31 December 2010 as set out in the "Unaudited Pro forma Financial Information of the Remaining Group" section of this circular with the unaudited interim report of the Company for the six months ended 30 June 2011 and the audited consolidated financial statements of the Company for the year ended 31 December 2010 as set out in the 2010 annual report of the Company, respectively, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of:

— the financial position of the Group as at 30 June 2011 or any future date, or

— the results and cash flows of the Group for the year ended 31 December 2010 or any future periods.

Opinion

In our opinion:

a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;

b) such basis is consistent with the accounting policies of the Group; and

c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 23 December 2011

I. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

II. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, none of the Directors or chief executives of the Company had, any interests or short positions in the 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 to be recorded in the register required to be kept under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

As at the Latest Practicable Date, none of the Directors or proposed directors is a director or employee of a company which has an interest or short position in the share and underlying shares of the Company which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO.

III. INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF OTHER PERSONS

As at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, those persons, other than the Directors or chief executive of the Company, who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or were, 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 member of the Remaining Group and the amount of each such person's interest in such securities, together with particulars of any options in respect of such capital or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, were as follows:

Long positions in the ordinary shares of HK$0.1 each in the share capital of the Company

As at the Latest Practicable Date, according to the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO, the Company had been notified of the following substantial shareholders' interests, being 5% or more of the Company's issued share capital.

Name of Shareholder	Number of issued shares held	Approximate percentage of shareholding (%)
Texan Management Limited *(Note 1)*	145,610,000	43.3
Vision2000 Venture Ltd. ("Vision2000") *(Note 2)*	106,043,142	31.5

Notes:

1. Texan Management Limited ("Texan") had notified the Company, as of 27 June 1997, it was interested in 145,610,000 Shares, representing approximately 43.3% of the Company's issued share capital. 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.

   The Company had been provided with a judgment of the court dated 18 January 2008 ("Judgment") in respect of an application for summary judgment ("Application") 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 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, representing approximately 43.3% of the Company's issued share capital. 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.

   On 16 October 2008, the Company was notified that in compliance with the order of the Court ("Order") which ordered Texan and Pacific Capital (Asia) Limited ("PC Asia") to transfer their respective Shares (being 145,609,998 Shares for Texan and 1 Share for PC Asia) to PEWC Asset Holdings Limited ("PAH"), a wholly owned subsidiary of Pacific Electric, made pursuant to the Application, Texan and PC Asia had prepared documents for the transfer of their respective said Shares to be delivered to Pacific Electric. (On or about 27 February 2009, the said 145,609,999 Shares had been registered in the name of PAH.)

   On 18 November 2008, PAH had notified the Company that PAH was interested as nominee, in 145,609,999 Shares, representing approximately 43.3% of the Company's issued share capital.

On 4 March 2009, the Company was notified by the solicitors acting for Texan and PC Asia of the following:

(i) Texan and PC Asia, amongst others, had successful appealed against the Order in the Court of Appeal on 2 and 3 March 2009; and

(ii) the Court of Appeal ordered on 3 March 2009 that the Order be discharged.

On or about 20 August 2009, the Company was notified by the solicitors acting for, among others, All Dragon, Texan and PC Asia of the following:

(i) pursuant to an order of the Court of Appeal dated 3 March 2009 ("Court of Appeal Order"), Pacific Electric was ordered by the Court of Appeal to procure PAH to transfer 145,609,999 Shares to Texan and PC Asia; and

(ii) due to Pacific Electric's non-compliance with the Court of Appeal Order, Texan and PC Asia applied to the court for the execution of the relevant share transfers by a judicial officer in place of PAH, and such application was approved by the court on 31 July 2009. Accordingly, the said 145,609,999 Shares had been transferred to Texan (as to 145,609,998 Shares) and to PC Asia (as to 1 Share).

On 27 August 2009, the said 145,609,998 Shares and 1 Share had been registered in the name of Texan and PC Asia respectively.

The Legal Action above 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, 25 January 2008, 20 October 2008, 5 March 2009 and 25 August 2009.

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.

IV. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into a service contract or had an unexpired service contract with any member of the Group, which is not determinable by any member of the Group within one year without payment of compensation other than statutory compensation.

V. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and there was no litigation, arbitration or claim of material important known by the Directors to be pending or threatened against any member of the Group.

VI. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors or any of their respective associates had any business or interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

VII. MATERIAL CONTRACTS

The following contracts (not being entered into in the ordinary course of business) have been entered into by the members of the Group within two years preceding the Latest Practicable Date and which are or may be material:

(a) the purchase agreement dated 18 December 2009 made between the Company and ChipMOS in relation to the issuance and acquisition of convertible bonds with aggregate principal amount of US$1.5 million; and

(b) the Agreement.

VIII. INTERESTS IN ASSETS AND/OR CONTRACTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which had been, since 31 December 2010, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of or leased to any member of the Group.

As at the date of this circular, none of the Directors was materially interested in any contract or arrangement which is significant in relation to the business of the Company.

IX. EXPERTS AND CONSENT

The qualifications of the experts who have given opinion in this circular are as follows:

Name	Qualification
PricewaterhouseCoopers	Certified Public Accountants
Somerley	A licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO

As at the Latest Practicable Date, PricewaterhouseCoopers and Somerley:

(a) have given and have not withdrawn their written consent to the issue of this circular with the inclusion of their letters and reference to their names in the form and context in which they appear;

(b) did not have any direct or indirect interest in any asset which had been acquired, disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group, since 31 December 2010, the date to which the latest audited financial statements of the Group was made up; and

(c) did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

X. GENERAL

(a) The registered office of the Company is situated at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda. The head office and principal place of business of the Company in Hong Kong is situated at Suites 2905-10, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong.

(b) The company secretary of the Company is Mr. Chung Che Ling, a member of The Hong Kong Institute of Certified Public Accountants.

(c) The registered address of the reporting accountant, PricewaterhouseCoopers is 22nd Floor, Prince's Building, Central, Hong Kong.

(d) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong.

(e) The English text of this circular shall prevail over the Chinese text in the case of inconsistency.

XI. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's principal place of business in Hong Kong at Suites 2905-10, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong during normal business hours from the date of this circular up to and including the date of SGM:

(a) the bye-laws of the Company;

(b) each of the material contracts entered into by the Group as referred to in the paragraph headed "Material contracts" in this appendix;

(c) the annual reports of the Company for each of the three financial years ended 31 December 2010;

(d) the interim report of the Company for the six months ended 30 June 2011;

(e) the written consent from PricewaterhouseCoopers and Somerley referred to in paragraph headed "Experts and consent" in this appendix;

(f) the report on unaudited pro forma financial information of the Remaining Group from PricewaterhouseCoopers, the text of which is set out in Appendix III of this circular;

(g) Somerley's letter of advice dated 23 December 2011; and

(h) this circular.

PACMOS TECHNOLOGIES HOLDINGS LIMITED
(弘茂科技控股有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1010)

NOTICE IS HEREBY GIVEN that a special general meeting (the "**Meeting**") of PacMOS Technologies Holdings Limited (the "**Company**") will be held at Marina Room II, 2/F, The Excelsior, 281 Gloucester Road, Causeway Bay, Hong Kong on Tuesday, 10 January 2012 at 2:30 p.m., for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolution as ordinary resolution of the Company:

"THAT

(a) the stock purchase agreement dated 2 December 2011 entered into among the Company, SyncMOS Technologies, Inc. (a wholly owned subsidiary of the Company) as selling stockholders collectively and On-Bright Electronics Incorporated as the purchaser (the "**Agreement**"), in relation to the disposal of approximately 55% of the issued share capital of SyncMOS Technologies International, Inc. (the "**Disposal**") (a copy of which has been marked "A" and produced to the meeting and initialled by the chairman of the meeting for the purpose of identification) and all transactions contemplated thereby be and are hereby approved, ratified and confirmed; and

(b) the directors of the Company be and are hereby authorised, for and on behalf of the Company, to take all steps necessary or expedient in their opinion to implement and/or give effect to the terms of the Agreement and/or the Disposal."

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

Hong Kong, 23 December 2011

* *For identification purpose only*

Registered office:
Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Principal place of business in Hong Kong:
Suites 2905-10
Dah Sing Financial Centre
108 Gloucester Road
Wan Chai
Hong Kong

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and on a poll vote instead of him. A proxy need not be a member of the Company.

2. In order to be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited with the Company's branch share registrar and transfer office in Hong Kong at Tricor Tengis Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude any member from attending and voting in person at the meeting or any adjourned meeting thereof should he so wishes.

3. In case of joint shareholdings, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholdings.

4. The register of shareholders of the Company will be closed from 6 January 2012 to 10 January 2012 (both days inclusive) for the purpose of establishing the entitlement of shareholders to vote at the meeting convened by the above notice. During this period, no share transfers will be registered. In order to qualify for voting, all transfer of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong at Tricor Tengis Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:30 p.m. on 5 January 2012.

5. Shareholders are recommended to read the circular of the same date of this notice of SGM despatched to shareholders which contains important information concerning the resolutions set out in this notice.

6. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. The Chairman of the Meeting shall therefore demand voting on all resolutions set out in the Notice of SGM be taken by way of poll pursuant to Bye-law 70 of the Company's Bye-laws.

As at the date of this notice, 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 Dr. Ma Kwai Yuen.