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PACMOS TECHNOLOGIES HOLDINGS LIMITED

(弘茂科技控股有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1010)

**INSIDE INFORMATION
APPOINTMENT OF EXECUTIVE DIRECTOR
AND
APPOINTMENT OF CHAIRMAN OF REMUNERATION COMMITTEE AND
NOMINATION COMMITTEE
AND RESUMPTION OF TRADING**

BACKGROUND AND REASONS FOR THE APPOINTMENT OF EXECUTIVE DIRECTOR

Reference is made to the annual general meeting of the Company held on 30 June 2014 (the “**Annual General Meeting**”) and the poll results announcement of the Company dated 30 June 2014 (“**Poll Results Announcement**”). As disclosed in the Poll Results Announcement, among other things, (i) Mr. Yip Chi Hung (“**Mr. Yip**”) (former Chairman of the Company) and Mr. Wong Chi Keung (“**Mr. Wong**”) (former Independent Non-executive Director (“**INED**”), who was also the INED having the appropriate professional qualifications or accounting or related financial management expertise (“**Relevant Financial Experience**”) as required under Rule 3.10(2) of the Listing Rules) were not re-elected as Executive Director and INED of the Company respectively at the Annual General Meeting. As such, Mr. Yip also ceased to be the authorised representative (for the purpose of Rule 3.05 of the Listing Rules) of the Company (“**LRAR**”), and a member of the Remuneration Committee and Nomination Committee of the Company; and Mr. Wong also ceased to be the Chairman of the Audit Committee, Remuneration Committee and Nomination Committee of the Company; and (ii) all motions regarding payment of remuneration of directors of the Company (“**Directors**”) for the financial year ending 31 December 2014 were not approved at the Annual General Meeting (i.e. None of the Directors has been paid any remuneration since 1 January 2014). The aforementioned motions were not approved as a result of Full Global International Limited (“**Full Global**”), which according to the shareholders register of the Company, as of the date of the Annual General Meeting, held approximately 43.3% of the issued share capital of the Company, voting against such motions at the Annual General Meeting without prior consultations/discussions with the Company.

* *For identification purpose only*

The board of directors of the Company (the “**Board**”) considers the disapproval of the aforementioned motions at the Annual General Meeting is not in the interest of the Company, and the Shareholders, taken as a whole, and in particular, the non re-election of Mr. Yip as an Executive Director at the Annual General Meeting (without prior consultations/discussions with the Company) would cause **serious interruptions to the ongoing business and operations of the Group**. As interim measures and crisis management, the Board has requested Mr. Yip to remain as an Executive Director, pending the Company reaching an understanding or consensus with Full Global regarding the management and business of the Company. This appointment is strictly interim only, and aimed to achieve a smooth handover to the nominees of Full Global without serious interruptions to the business and operations of the Group. The Board is grateful to Mr. Yip’s willingness to take up the position of Executive Director in this difficult time of the Company, even though he may not be paid any remuneration for the services. As such, the Board has appointed Mr. Yip as an Executive Director with effect from 30 June 2014 (“**Appointment**”).

APPOINTMENT OF CHAIRMAN OF REMUNERATION COMMITTEE AND NOMINATION COMMITTEE AND MISCELLANEOUS

With the non re-election of Mr. Wong as an INED at the Annual General Meeting, to fill up the vacancy, the Board has appointed Mr. Cheng Hok Ming, Albert as Chairman of the Remuneration Committee and Dr. Ma Kwai Yuen as Chairman of the Nomination Committee.

Under Rule 3.10 (1) and (2) and 3.21 of the Listing Rules, the Company must have at least 3 INED, 1 of whom must have the Relevant Financial Experience, and the Audit Committee of the Company must have at least 3 members, and 1 of whom must have the Relevant Financial Experience. With the non re-election of Mr. Wong at the Annual General Meeting, the Company is not able to fulfil such requirements. The Board would try to approach and discuss with Full Global regarding the INED vacancy, as without their support, in particular, the agreement to pay reasonable remuneration, it will be difficult for the Company to recruit a replacement INED with Relevant Financial Experience.

The Company has received a letter from Mr. Wong claiming for payment of remuneration for the period from 1 January 2014 to 30 June 2014 in the amount of HK\$63,000. The remaining Directors also have concerns that they have not been paid any remuneration since 1 January 2014.

The Company does not have information with respect to Full Global’s intention regarding the management and business of the Company. Shareholders and investors should not rule out the possibility of Full Global taking actions to replace the current management and/or change the business directions and/or operations of the Group. The Company will try to approach and discuss with Full Global regarding their intention regarding the management and business of the Company, and will make further announcement as and when appropriate in accordance with the requirements of the Listing Rules. **In the meantime, Shareholders and investors are advised to exercise extreme caution when dealing in the Shares.**

RESUMPTION OF TRADING

Trading in the shares of the Company has been halted at the request of the Company from 9:00 a.m. on 2 July 2014, pending release of this announcement. The Company has made an application to the Stock Exchange for the resumption of trading in the shares of Company with effect from 9:00 a.m. on 4 July 2014.

This announcement is made by PacMOS Technologies Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 (2a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

BACKGROUND AND REASONS FOR THE APPOINTMENT OF EXECUTIVE DIRECTOR

Reference is made to the annual general meeting of the Company held on 30 June 2014 (the “**Annual General Meeting**”) and the poll results announcement of the Company dated 30 June 2014 (“**Poll Results Announcement**”). As disclosed in the Poll Results Announcement, among other things, (i) Mr. Yip Chi Hung (“**Mr. Yip**”) (former Chairman of the Company) and Mr. Wong Chi Keung (“**Mr. Wong**”) (former Independent Non-executive Director (“**INED**”), who was also the INED having the appropriate professional qualifications or accounting or related financial management expertise (“**Relevant Financial Experience**”) as required under Rule 3.10(2) of the Listing Rules) were not re-elected as Executive Director and INED of the Company respectively at the Annual General Meeting. As such, Mr. Yip also ceased to be the authorised representative (for the purpose of Rule 3.05 of the Listing Rules) of the Company (“**LRAR**”), and a member of the Remuneration Committee and Nomination Committee of the Company; and Mr. Wong also ceased to be the Chairman of the Audit Committee, Remuneration Committee and Nomination Committee of the Company; and (ii) all motions regarding payment of remuneration of directors of the Company (“**Directors**”) for the financial year ending 31 December 2014 were not approved at the Annual General Meeting (i.e. None of the Directors has been paid any remuneration since 1 January 2014). The aforementioned motions were not approved as a result of Full Global International Limited (“**Full Global**”), which according to the shareholders register of the Company, as of the date of the Annual General Meeting, held approximately 43.3% of the issued share capital of the Company (For further details of the shareholding of Full Global in the Company, please refer to the litigation referred to in the announcements of the Company dated 8 October 2004, 2 December 2004, 21 March 2006, 18 April 2006, 25 January 2008, 20 October 2008, 5 March 2009, 25 August, 2009 and 20 April 2012), voting against such motions at the Annual General Meeting without prior consultations/discussions with the Company.

The board of directors of the Company (the “**Board**”) considers the disapproval of the aforementioned motions at the Annual General Meeting is not in the interest of the Company, and the Shareholders, taken as a whole, and in particular, the non re-election of Mr. Yip as an Executive Director at the Annual General Meeting (without prior consultations/discussions with the Company) would cause **serious interruptions to the ongoing business and operations of the Group**. As interim measures and crisis management, the Board has requested Mr. Yip to remain as an Executive Director, pending the Company reaching an understanding or consensus with Full Global regarding the management and business of the Company. This appointment is strictly interim only, and aimed to achieve a smooth handover to the nominees of Full Global without serious interruptions to the business and operations of the Group. The Board is grateful to Mr. Yip’s willingness to take up the position of Executive Director in this difficult time of the Company, even though he may not be paid any remuneration for the services. As such, the Board has appointed Mr. Yip as an Executive Director with effect from 30 June 2014 (“**Appointment**”).

BIOGRAPHY OF EXECUTIVE DIRECTOR

Mr. Yip, aged 55, was an Executive Director of the Company from November 1998 to 30 June 2014 and the Chairman of the Board from March 2006, prior to the Appointment. Mr. Yip was a member of the Remuneration Committee and Nomination Committee of the Company from May 2006 to 30 June 2014. He has extensive experience in corporate management and was responsible for formulating the Group’s management philosophy and corporate strategies. Mr. Yip is also experienced in the construction industry.

Mr. Yip is an independent non-executive director of Perfectech International Holdings Limited, a company listed on the Stock Exchange and is a director of Fong Wing Shing Construction Company Limited, a reputable registered building contractor in Hong Kong. He has over 30 years of experience in a variety of building and maintenance projects for both the public and private sectors. He is well versed in the development of properties in Hong Kong. Save as described, Mr. Yip has not held any directorship in any listed public companies in the past three years.

As at the date of this announcement, Mr. Yip does not have any interests in any shares of the Company (the “**Shares**”) within the meaning of Part XV of the SFO. Mr. Yip does not have any relationship with other directors, members of senior management, substantial or controlling shareholders of the Company (“**Shareholders**”), save and except that according to the information provided by Mr. Yip, Mr. Yip was a director of All Dragon International Limited (from 1 January 1999 to 7 January 2013) (“**All Dragon**”) but he does not hold any shares in All Dragon. All Dragon had notified to the Company that being the controlling corporation of Texan Management Limited (“**Texan**”), it was deemed to be interested in the 145,610,000 Shares held by Texan, representing

approximately 43.3% of the Company's existing issued share capital. Texan and All Dragon, among other parties, are involved in a legal action in relation to the Shares held by Texan, which was instituted by Pacific Electric Wire and Cable Company Limited ("**Pacific Electric**"), as plaintiff, on 23 September 2004 in the High Court of Hong Kong (the "**Legal Action**"). In connection with the Legal Action:

- (i) 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. 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 43.26% 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;
- (ii) 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, a wholly owned subsidiary of Pacific Electric ("**PAH**"), 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);
- (iii) on 18 November 2008, PAH had notified the Company that PAH was interested, as nominee, in 145,609,999 Shares, representing approximately 43.26% of the Company's issued share capital;
- (iv) on 4 March 2009, the Company was notified by the solicitors acting for Texan and PC Asia of the following:
 - (1) Texan and PC Asia, amongst others, had successfully appealed against the Order in the Court of Appeal on 2 and 3 March 2009; and
 - (2) the Court of Appeal ordered on 3 March 2009 that the Order be discharged;
- (v) 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:
 - (1) 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

- (2) 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.

- (vi) On 12 April 2012, the Company was notified that judgment has been delivered by the High Court of Hong Kong in relation to the Legal Action (the "**2012 Judgment**"), which contains, among other things, the following:

- (1) there be a declaration that Texan holds all its Shares on constructive trust for Pacific Electric, and Texan is to transfer all of its such Shares to Pacific Electric within 28 days; and
- (2) there be a declaration that PC Asia holds all its Share on constructive trust for the Pacific Electric, and PC Asia is to transfer all of its such Share to Pacific Electric within 28 days.

On 16 April 2012, the solicitors acting for Pacific Electric notified the Company that Pacific Electric was beneficially interested in 145,610,000 Shares representing approximately 43.26% of the Company's issued share capital.

- (vii) On 31 May 2012, the solicitors acting for Full Global notified the Company that pursuant to the 2012 Judgment, the following transfer of Shares were executed on 29 May 2012:

- (1) 145,609,998 Shares from Texan to Full Global (as nominee of Pacific Electric); and
- (2) 1 Share from PC Asia to Full Global (as nominee of Pacific Electric).

As at 18 June 2012, the said 145,609,998 Shares and 1 Share had been registered in the name of Full Global. Full Global, a company incorporated in the British Virgin Islands, is wholly-owned by Developer Global Limited, a company incorporated in the British Virgin Islands, which in turn is wholly-owned by Dragon Conqueror Limited, a company incorporated in the British Virgin Islands, which in turn is wholly-owned by Pacific Electric.

Further details on the Legal Action are set out in the announcements of the Company dated 8 October 2004, 2 December 2004, 21 March 2006, 18 April 2006, 25 January 2008, 20 October 2008, 5 March 2009, 25 August 2009 and 20 April 2012.

As disclosed in the announcements of the Company dated 21 January 2009 and 5 October 2009, and based on the information provided by Mr. Yip:

- (i) in connection with the Legal Action,
 - (1) amongst others, Mr. Yip was a director of PCL Holdings Limited (“**PCL**”) (from 6 November 2000 to 7 January 2013) and each of its wholly owned subsidiaries (the “**PCL Subsidiaries**”), being China Dragon International Limited (“**China Dragon**”), Ever Dragon Investments Limited (“**Ever Dragon**”), PCL Development Limited (“**PCL Development**”), Pacific Capital (Asia) Limited (“**PC Asia**”) and Marina Square Property Management Limited (“**Marina Management**”), but Mr. Yip does not hold any shares in PCL or any of the PCL Subsidiaries and is not named as a defendant in the Legal Action. PCL and PC Asia are named as defendants in the Legal Action;
 - (2) according to information provided by Mr. Yip, PCL and PC Asia are investment holding and/or inactive companies and incorporated in Hong Kong on 6 August 1991 and 27 August 1991 respectively.

Further details on the Legal Action are set out above and in the announcements of the Company dated 8 October 2004, 2 December 2004, 21 March 2006, 18 April 2006, 25 January 2008, 20 October 2008, 5 March 2009, 25 August 2009 and 20 April 2012.

- (ii) in about December 2004, legal proceedings (the “**Second Legal Action**”) were instituted in the High Court of Hong Kong against, amongst others, Mr. Yip, All Dragon, Casparson Properties Limited (“**Casparson**”), Haddowe Limited (“**Haddowe**”), and Harmutty Limited (“**Harmutty**”), companies (the “**Second Action Defendant Companies**”) of which Mr. Yip was then a director (Mr. Yip resigned as director of each of the Second Action Defendant Companies on or about 7 January 2013). According to information provided by Mr. Yip, the Second Legal Action relates to, amongst others, disputes on the ownership of the shares of the Second Action Defendant Companies, but Mr. Yip does not hold any shares of any of the Second Action Defendant Companies. All Dragon, Casparson, Haddowe and Harmutty were investment holding companies and incorporated in the British Virgin Islands on 20 November 1996, 23 September 1992, 13 October 1992 and 29 September 1992 respectively.

The then principle assets of the Second Action Defendant Companies and their subsidiaries included approximately 43.3% Shares held by Texan (which had been transferred to Full Global (as nominee of Pacific Electric) as set out above); various commercial properties and car parking spaces in the Marina Square of the South Horizons (the “**South Horizon Properties**”); and various residential houses in Shouson Hill Road (the “**Shouson Hill Properties**”). On or about 12 April 2012, judgment has been delivered by the High Court of Hong Kong (the

“**Second Legal Action Judgment**”), which provides, among other things, that (1) all claims against Mr. Yip in the Second Legal Action be dismissed with costs to Mr. Yip; and (2) ownership of the shares of the Second Action Defendant Companies be transferred to the plaintiff (“**Transfer of Second Action Defendant Companies Shares**”). An appeal had been made against the Second Legal Action Judgment regarding the Transfer of Second Action Defendant Companies Shares; and

- (iii) in about December 2004, legal proceedings (the “**Third Legal Action**”) were instituted in the High Court of Hong Kong against, amongst others, Mr. Yip, Greateam Limited (“**Greateam**”), Gold Global Limited (“**Gold Global**”) and Harmutty, companies (the “**Third Action Defendant Companies**”) of which Mr. Yip was then a director (Mr. Yip resigned as director of each of the Third Action Defendant Companies on or about 7 January 2013). According to information provided by Mr. Yip, the Third Legal Action relates to, amongst others, disputes on the ownership of the shares of the Third Action Defendant Companies, but Mr. Yip does not hold any shares of any of the Third Action Defendant Companies. Greateam was an investment holding company and incorporated in Hong Kong on 5 March 1997. Gold Global and Harmutty were investment holding companies and incorporated in the British Virgin Islands on 28 July 1997 and 29 September 1992 respectively.

The then principle assets of the Third Action Defendant Companies and their subsidiaries included the South Horizons Properties and the Shouson Hill Properties. On or about 12 April 2012, judgment has been delivered by the High Court of Hong Kong (the “**Third Legal Action Judgment**”), which provides, among other things, that (1) all claims against Mr. Yip in the Third Legal Action be dismissed with costs to Mr. Yip; and (2) ownership of the shares of the Third Action Defendant Companies be transferred to the plaintiff (“**Transfer of Third Action Defendant Companies Shares**”). An appeal had been made against the Third Legal Action Judgment regarding the Transfer of Third Action Defendant Companies Shares.

Mr. Yip has not entered into any appointment agreement with the Company. There is no fixed term or proposed length of service except that Mr. Yip is subject to retirement by rotation at least once every three years and re-election in accordance with the requirements under the Listing Rules, the Company’s Bye-laws and other applicable laws and regulations. Subject to approval by the Board and the Shareholders, Mr. Yip’s director’s remuneration will be based on the recommendations from the Remuneration Committee, which will be with reference to the qualification, experience and duties of Mr. Yip and the prevailing market rate.

Save as disclosed above, as at the date of this announcement, there is no other information relating to Mr. Yip that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.

APPOINTMENT OF CHAIRMAN OF REMUNERATION COMMITTEE AND NOMINATION COMMITTEE AND MISCELLANEOUS

With the non re-election of Mr. Wong as an INED at the Annual General Meeting, to fill up the vacancy, the Board has appointed Mr. Cheng Hok Ming, Albert as Chairman of the Remuneration Committee and Dr. Ma Kwai Yuen as Chairman of the Nomination Committee.

Under Rule 3.10 (1) and (2) and 3.21 of the Listing Rules, the Company must have at least 3 INED, 1 of whom must have the Relevant Financial Experience, and the Audit Committee of the Company must have at least 3 members, and 1 of whom must have the Relevant Financial Experience. With the non re-election of Mr. Wong at the Annual General Meeting, the Company is not able to fulfil such requirements. The Board would try to approach and discuss with Full Global regarding the INED vacancy, as without their support, in particular, the agreement to pay reasonable remuneration, it will be difficult for the Company to recruit a replacement INED with Relevant Financial Experience.

The Company has received a letter from Mr. Wong claiming for payment of remuneration for the period from 1 January 2014 to 30 June 2014 in the amount of HK\$63,000. The remaining Directors also have concerns that they have not been paid any remuneration since 1 January 2014.

The Board would like to express its gratitude to Mr. Yip and Mr. Wong for their valuable efforts and contributions to the Company during their tenure of office, and also to Mr. Yip for his willingness to take up the position of Executive Director in this difficult time of the Company.

The Company does not have information with respect to Full Global's intention regarding the management and business of the Company. Shareholders and investors should not rule out the possibility of Full Global taking actions to replace the current management and/or change the business directions and/or operations of the Group. The Company will try to approach and discuss with Full Global regarding their intention regarding the management and business of the Company, and will make further announcement as and when appropriate in accordance with the requirements of the Listing Rules. **In the meantime, Shareholders and investors are advised to exercise extreme caution when dealing in the Shares.**

RESUMPTION OF TRADING

Trading in the shares of the Company has been halted at the request of the Company from 9:00 a.m. on 2 July 2014, pending release of this announcement. The Company has made an application to the Stock Exchange for the resumption of trading in the shares of Company with effect from 9:00 a.m. on 4 July 2014.

By order of the Board of
PacMOS Technologies Holdings Limited
Chen Che Yuan
Executive Director & Chief Executive Officer

Hong Kong, 3 July 2014

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