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

If you have sold or transferred all your shares in PacRay International Holdings Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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太 睿 國 際 控 股 有 限 公 司

PacRay International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 1010)

**MAJOR TRANSACTION
POSSIBLE DISPOSALS OF LISTED SECURITIES OF
CHIPMOS TAIWAN ADS
AND
NOTICE OF SPECIAL GENERAL MEETING**

Financial adviser to the Company

VEDA | CAPITAL
智 略 資 本

A letter from the Board is set out on pages 5 to 12 of this circular.

A notice convening the SGM to be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong Hotel, 238 Jaffe Road, Wanchai, Hong Kong on Monday, 12 March 2018 at 11:00 a.m. is set out on pages 20 to 21 of this circular.

Whether or not you are able to attend in person and vote at the SGM, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

14 February 2018

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DEFINITIONS

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

“Acquisition”	the acquisition of the entire issued share capital of Wit Sky Limited and its subsidiaries from Fortune Favour International Limited by the Group as disclosed in the announcement of the Company dated 13 November 2017
“Aggregate Disposals”	the aggregate transactions of the Possible Disposals and the Previous Disposals
“Announcement”	the announcement made by the Company dated 24 January 2018 in relation to the Possible Disposals
“Board”	the board of Directors
“ChipMOS Taiwan”	ChipMOS Technologies Inc., a company incorporated in Taiwan, the issued shares of which are listed on the Taiwan Stock Exchange as “8150”
“ChipMOS Taiwan ADS”	ChipMOS Taiwan American depository shares, in which are listed on the NASDAQ Global Select Market under the ticker symbol “IMOS”
“Company”	PacRay International Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1010)
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	directors of the Company
“Disposal Mandate”	the 12-month mandate to be granted by the Shareholders to the Directors for the Possible Disposals
“Fifth Batch Disposed Shares”	14,985 ChipMOS Taiwan ADS sold by the Company during the period from 9 December 2017 to 12 December 2017 (both dates inclusive)

DEFINITIONS

“First Batch Disposed Shares”	63,000 ChipMOS Taiwan ADS sold by the Company during the period from 8 November 2017 to 9 November 2017 (both dates inclusive), details of which are disclosed in the announcement of the Company dated 9 November 2017
“Fourth Batch Disposed Shares”	63,950 ChipMOS Taiwan ADS sold by the Company during the period from 29 November 2017 to 7 December 2017 (both dates inclusive), details of which are disclosed in the announcement of the Company dated 7 December 2017
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	23 January 2018, being the last trading day of ChipMOS Taiwan ADS prior to the release of the Announcement
“Latest Practicable Date”	9 February 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Minimum Disposal Price”	the disposal price equals to or exceeds US\$16.65 per ChipMOS Taiwan ADS
“Possible Disposals”	any on-market disposal of the Possible Disposed Shares by the Company under the Disposal Mandate
“Possible Disposed Share(s)”	130,362 ChipMOS Taiwan ADS, being the ChipMOS Taiwan ADS that the Company disposed of under the Possible Disposals
“PRC”	the People’s Republic of China, which for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Previous Disposals”	the disposal of Previous Disposed Shares

DEFINITIONS

“Previous Disposals Announcements”	collectively, the (i) announcement of the Company dated 9 November 2017 relating to the disposal of the First Batch Disposed Shares, (ii) the announcement of the Company dated 16 November 2017 relating to the disposal of the Second Batch Disposed Shares, (iii) the announcement of the Company dated 28 November 2017 relating to the disposal of the Third Batch Disposed Shares, and (iv) the announcement of the Company dated 7 December 2017 relating to the disposal of the Fourth Batch Disposed Shares
“Previous Disposed Shares”	collectively, the First Batch Disposed Shares, the Second Batch Disposed Shares, the Third Batch Disposed Shares, the Fourth Batch Disposed Shares and the Fifth Batch Disposed Shares
“Second Batch Disposed Shares”	77,381 ChipMOS Taiwan ADS sold by the Company during the period 10 November 2017 to 16 November 2017 (both dates inclusive), details of which are disclosed in the announcement of the Company dated 16 November 2017
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“SGM”	the special general meeting to be convened and held on 12 March 2018 by the Company to consider and, if thought fit, to approve, among other things, the Disposal Mandate
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Taiwan Stock Exchange”	Taiwan Stock Exchange Corporation
“Third Batch Disposed Shares”	80,349 ChipMOS Taiwan ADS sold by the Company during the period 17 November 2017 to 28 November 2017 (both dates inclusive), details of which are disclosed in the announcement of the Company dated 28 November 2017

DEFINITIONS

“very substantial disposal”	the meaning ascribed to it in the Listing Rules
“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 the United States of America
“%”	per cent.

For the purpose of the circular, amounts in US\$ are converted into HK\$ at the rate of US\$1 = HK\$7.755 and the amounts in NT\$ are converted into HK\$ at the rate of NT\$1 = HK\$0.268, the conversion rates are for illustration purpose only and should not be taken as a representation that US\$ and NT\$ have been, could in the future, be converted into HK\$ at this or any other rate of exchange.

LETTER FROM THE BOARD



太 睿 國 際 控 股 有 限 公 司
PacRay International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 1010)

Executive Directors:

Mr. Liew Fui Kiang (*Chairman*)
Mr. Leung Pok Man
Ms. Lau Mei Ying

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Independent Non-executive Directors:

Ms. Chow Chui Ying
Mr. Zhou Danqing
Dr. Yang Yung-Ming

*Principal Place of Business
in Hong Kong:*

Unit 902, Unicorn Trade Centre
127-131 Des Voeux Road Central
Hong Kong

14 February 2018

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION
POSSIBLE DISPOSALS OF LISTED SECURITIES OF
CHIPMOS TAIWAN ADS**

INTRODUCTION

References are made to the Announcement in relation to the Possible Disposals and the Previous Disposals Announcements.

The purpose of this circular is to provide you with, among other things, (i) further details of the Disposal Mandate and (ii) a notice convening the SGM.

THE DISPOSAL MANDATE

Immediately after the disposal of the Fourth Batch Disposed Shares, the Company held 145,347 ChipMOS Taiwan ADS. During the period from 9 December 2017 to 12 December 2017 (both dates inclusive), the Company further disposed of an aggregate of 14,985 ChipMOS Taiwan ADS for a total consideration of US\$273,411 (equivalent to approximately HK\$2,120,301), exclusive of transaction costs, in the open market through the NASDAQ Global Select Market. As at the Latest Practicable Date, the Company held 130,362 ChipMOS Taiwan ADS. The Company intends to further dispose an aggregate of 130,362 ChipMOS Taiwan ADS, which represents all of its current holding of ChipMOS Taiwan ADS, exclusive of transaction costs, in the open market through the NASDAQ Global Select Market. The

LETTER FROM THE BOARD

Directors are considering the Possible Disposals of some or all of those shares in one or more on-market transactions at a minimum price of US\$16.65 (equivalent to approximately HK\$129.12) per ChipMOS Taiwan ADS represents:

- (i) a discount of approximately 8.77% to the closing price per ChipMOS Taiwan ADS of US\$18.25 (equivalent to approximately HK\$141.53) as quoted on the NASDAQ Global Select Market on the Last Trading Day; and
- (ii) a premium of approximately 1.77% over the closing price per ChipMOS Taiwan ADS of US\$16.36 (equivalent to approximately HK\$126.87) as quoted on the NASDAQ Global Select Market on the Latest Practicable Date.

No contractual arrangements have been entered into by the Company with any party in respect to the Possible Disposals of ChipMOS Taiwan ADS, and the Company intends to seek advance Shareholders' approval in order for any disposal to be effected expeditiously when the market conditions are favourable.

The Possible Disposals of all its current holding of ChipMOS Taiwan ADS will constitute a major transaction for the Company under the Listing Rules, for which Shareholders' approval is required. As at the Latest Practicable Date, no Shareholder is required to abstain from voting on the approval of the Possible Disposals.

Manner of the Possible Disposals

The Possible Disposals of ChipMOS Taiwan ADS for which the Shareholders' approval will be sought will only be effected if:

- (i) the selling price of each ChipMOS Taiwan ADS based on the prevailing market price of ChipMOS Taiwan ADS subject to the restrictions approved by the Shareholders but will be not less than the Minimum Disposal Price of US\$16.65 (equivalent to approximately HK\$129.12) per ChipMOS Taiwan ADS which is the book value per ChipMOS Taiwan ADS; and
- (ii) all of the percentage ratios under the Listing Rules for the disposal of the relevant ChipMOS Taiwan ADS are below 75%.

As the Previous Disposed Shares and the Possible Disposed Shares were/will be (as the case maybe) disposed of in the open market through the NASDAQ Global Select Market, the Company is not aware of the identities of the purchasers of the Previous Disposed Shares and accordingly, to the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the purchasers of the Previous Disposed Shares and the Possible Disposed Shares are third parties independent of and not connected with the Company or its connected person(s).

LETTER FROM THE BOARD

Period of the Disposal Mandate

12 months from the date on which the Disposal Mandate is approved by the Shareholders at the SGM.

Given the trading volume of the ChipMOS Taiwan ADS on the NASDAQ Global Select Market, the Board believes that the 12-month period, which is a medium term, could provide sufficient time and flexibility for the Possible Disposals

Monthly reporting of the Possible Disposal(s)

To keep the Shareholders and the investing public informed on the progress of the Possible Disposals, the Company will publish an announcement within five trading days after the end of each month, starting from the month on which the Disposal Mandate is approved by the Shareholders until all of the ChipMOS Taiwan ADS held by the Group have been disposed of or the last day of the 12-month period from the date on which the Disposal Mandate is approved by the Shareholders, whichever is earlier.

Consideration

The Minimum Disposal Price represents:

- (i) a discount of approximately 8.77% to the closing price of US\$18.25 per ChipMOS Taiwan ADS as quoted on the NASDAQ Global Select Market on the Last Trading Day;
- (ii) a discount of approximately 8.77% to the average closing price of US\$18.25 per ChipMOS Taiwan ADS as quoted on the NASDAQ Global Select Market for the last 5 consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 6.83% to the average closing price of US\$17.87 per ChipMOS Taiwan ADS as quoted on the NASDAQ Global Select Market for the last 30 consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 9.26% to the average closing price of US\$18.35 per ChipMOS Taiwan ADS as quoted on the NASDAQ Global Select Market for the last 60 consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 12.00% to the average closing price of US\$18.92 per ChipMOS Taiwan ADS as quoted on the NASDAQ Global Select Market for the last 90 consecutive trading days up to and including the Last Trading Day;
- (vi) a discount of approximately 12.78% to the average closing price of US\$19.09 per ChipMOS Taiwan ADS as quoted on the NASDAQ Global Select Market for the last 180 consecutive trading days up to and including the Last Trading Day; and

LETTER FROM THE BOARD

(vii) a premium of approximately 1.77% over the closing price of US\$16.36 (equivalent to approximately HK\$126.87) per ChipMOS Taiwan ADS as quoted on the NASDAQ Global Select Market as at the Latest Practicable Date.

Upon approval by the Shareholders of the Possible Disposals which may constitute a major transaction for the Company, the Company will closely monitor any disposal of ChipMOS Taiwan ADS by the Group to ensure that the aggregate disposals will not give rise to a very substantial disposal. If such an event occurs, the Company will either discontinue further disposals or adhere to any additional requirements under the Listing Rules, including seeking further approval by the Shareholders, if required, before proceeding with further disposals of ChipMOS Taiwan ADS.

The summary table of the Previous Disposals, the Fifth Disposal and the Possible Disposals

First Batch Disposed Shares

	8-Nov-17	9-Nov-17	Subtotal
Date of the transaction	8-Nov-17	9-Nov-17	
First Batch Disposed Shares	13,000	50,000	63,000
The ratio of the disposed shares to the outstanding shares of ChipMOS Taiwan ADS ^{Note 1}	0.03%	0.12%	0.15%
Share price for disposal (in US\$)	USD19.9	USD19.8	
Share price for disposal (in HK\$)	HK\$154.71	HK\$153.58	
Consideration received (in US\$)	USD259,345	USD990,195	USD1,249,540
Consideration received (in HK\$)	HK\$2,011,219	HK\$7,678,962	HK\$9,690,181

Second Batch Disposed Shares

	10-Nov-17	11-Nov-17	16-Nov-17	Subtotal
Date of the transaction	10-Nov-17	11-Nov-17	16-Nov-17	
Second Batch Disposed Shares	50,000	12,124	15,257	77,381
The ratio of the disposed shares to the outstanding shares of ChipMOS Taiwan ADS	0.12%	0.03%	0.04%	0.18%
Share price for disposal (in US\$)	USD17.5	USD18.6	USD18.4	
Share price for disposal (in HK\$)	HK\$135.82	HK\$144.59	HK\$142.83	
Consideration received (in US\$)	USD875,700	USD226,046	USD281,008	USD1,382,754
Consideration received (in HK\$)	HK\$6,791,054	HK\$1,752,986	HK\$2,179,217	HK\$10,723,257

Third Batch Disposed Shares

	17-Nov-17	18-Nov-17	21-Nov-17	22-Nov-17	23-Nov-17	28-Nov-17	Subtotal
Date of the transaction	17-Nov-17	18-Nov-17	21-Nov-17	22-Nov-17	23-Nov-17	28-Nov-17	
Third Batch Disposed Shares	19,800	20,000	300	20,000	249	20,000	80,349
The ratio of the disposed shares to the outstanding shares of ChipMOS Taiwan ADS	0.05%	0.05%	0.00%	0.05%	0.00%	0.05%	0.19%
Share price for disposal (in US\$)	USD18.5	USD18.3	USD18.3	USD18.1	USD18.2	USD18.5	
Share price for disposal (in HK\$)	HK\$143.48	HK\$141.99	HK\$141.58	HK\$140.74	HK\$141.15	HK\$143.40	
Consideration received (in US\$)	USD366,330	USD366,186	USD5,477	USD362,960	USD4,532	USD369,822	USD1,475,307
Consideration received (in HK\$)	HK\$2,840,887	HK\$2,839,772	HK\$42,474	HK\$2,814,755	HK\$35,148	HK\$2,867,970	HK\$11,441,006

Fourth Batch Disposed Shares

	29-Nov-17	30-Nov-17	1-Dec-17	2-Dec-17	5-Dec-17	6-Dec-17	7-Dec-17	Subtotal
Date of the transaction	29-Nov-17	30-Nov-17	1-Dec-17	2-Dec-17	5-Dec-17	6-Dec-17	7-Dec-17	
Fourth Batch Disposed Shares	20,000	300	1,200	20,000	1,100	20,000	1,350	63,950
The ratio of the disposed shares to the outstanding shares of ChipMOS Taiwan ADS	0.05%	0.00%	0.00%	0.05%	0.00%	0.05%	0.00%	0.15%
Share price for disposal (in US\$)	USD18.3	USD18.3	USD18.1	USD18.5	USD18.5	USD18.5	USD18.0	
Share price for disposal (in HK\$)	HK\$142.06	HK\$141.67	HK\$140.37	HK\$143.32	HK\$143.55	HK\$143.67	HK\$139.63	
Consideration received (in US\$)	USD366,368	USD5,480	USD21,720	USD369,614	USD20,361	USD370,526	USD24,308	USD1,178,377
Consideration received (in HK\$)	HK\$2,841,184	HK\$42,500	HK\$168,439	HK\$2,866,357	HK\$157,900	HK\$2,873,429	HK\$188,505	HK\$9,138,314

LETTER FROM THE BOARD

Fifth Batch Disposed Shares

			Subtotal
Date of the transaction	9-Dec-17	12-Dec-17	
Fifth Batch Disposed Shares	4,985	10,000	14,985
The ratio of the disposed shares to the outstanding shares of ChipMOS Taiwan ADS	0.01%	0.02%	0.03%
Share price for disposal (in US\$)	USD18.0	USD18.4	
Share price for disposal (in HK\$)	HK\$139.67	HK\$142.41	
Consideration received (in US\$)	USD89,780	USD183,631	USD273,411
Consideration received (in HK\$)	HK\$696,243	HK\$1,424,058	HK\$2,120,301

The Possible Disposed Shares

	Subtotal
Date of the transaction	N/A
The Possible Disposed Shares	130,362
The ratio of the disposed shares to the outstanding shares of ChipMOS Taiwan ADS	0.30%
The Minimal Disposal Price for the Possible Disposal (in US\$)	USD16.7
Share price for disposal (in HK\$)	HK\$129.12
Consideration received (in US\$)	USD2,170,527
Consideration received (in HK\$)	HK\$16,832,439

Notes:

1. As at the Latest Practicable Date, the number of issued ChipMOS Taiwan ADS was 42,830,000 as listed on the NASDAQ Global Select Market under the ticker symbol "IMOS".
2. For the purpose of the circular, amounts in US\$ are converted into HK\$ at the rate of US\$1 = HK\$7.755, the conversion rates are for illustration purpose only and should not be taken as a representation that US\$ has been, could in the future, be converted into HK\$ at this or any other rate of exchange.

FINANCIAL EFFECTS OF THE POSSIBLE DISPOSALS

All the ChipMOS Taiwan ADS held by the Company (including the First Batch Disposed Shares, the Second Batch Disposed Shares, the Third Batch Disposed Shares, the Fourth Batch Disposed Shares, the Fifth Batch Disposed Shares and the Possible Disposed Shares) had/have been classified as available-for-sale financial assets of the Company in its financial statements. Since the Possible Disposed Shares had been accounted for as available-for-sale investment and the fair value gain due to valuation of such ChipMOS Taiwan ADS held was credited to an investment reserve account, instead of being recognised through the profit and loss of the Group's consolidated income statement for the six months ended 30 June 2017, therefore the Possible Disposed Shares have been stated at its market value for the six months ended 30 June 2017.

The Possible Disposals will increase the amount of cash of the Group and decrease in investment. For the year ended 31 December 2016, the Company had received dividend of approximately US\$133,882, in respect of the Possible Disposed Shares. As the Minimum Disposal Price equals to the acquisition cost of each Possible Disposed Share, the Company expects to recognise a gain for the Possible Disposals if the disposal price exceeds the acquisition cost of the Possible Disposed Shares, which is calculated on the basis of the difference between the initial cost and the disposal price (exclusive of transaction costs).

LETTER FROM THE BOARD

REASONS FOR THE POSSIBLE DISPOSALS AND USE OF PROCEEDS

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

Having regard to the then share market conditions and the trading price of ChipMOS Taiwan ADS, the management of the Company considers that the Possible Disposals represent good opportunities for the Company to realize a gain in its investment in ChipMOS Taiwan. It is expected that the net proceeds of the Possible Disposals will be used as (i) the payment for the Acquisition of the remaining balance of HK\$10,000,000 (subject to adjustments) by the Company to Fortune Favour International Limited (the “**Vendor**”) (or its nominee(s)), subject to the fulfilment of the conditions precedent to the sale and purchase agreement; and/or (ii) its additional working capital for the expenditure of and funding for any future acquisition or investment in the business operation of Wit Sky Limited (together with its subsidiaries, the “**Target Group**”) as and when suitable opportunities arise. However as at the Latest Practicable Date, save as the above mentioned, the Company has not identified other acquisitions of investment targets. As at the Latest Practicable Date, the Company is still in the due diligence review on the assets, liabilities, operations and affairs of the Target Group. The Company is negotiating in good faith with the Vendor and the completion of the Acquisition is targeted to be on or before 28 February 2018 or such later date as the Vendor and the Company may agree in writing.

Given the Possible Disposals will be made in the open market through the NASDAQ Global Select Market, the Directors consider that the Possible Disposed Shares will be sold at the then prevailing market prices and the terms of the Possible Disposals are on normal commercial terms and are fair and reasonable. The Directors also consider that the Possible Disposals are in the interests of the Company and Shareholders as a whole.

FINANCIAL INFORMATION OF CHIPMOS TAIWAN

ChipMOS Taiwan is incorporated in Taiwan with limited liability and listed on the Taiwan Stock Exchange. Its American depositary shares listed on the NASDAQ Global Select Market.

Based on its latest 2016 annual results, the ChipMOS Taiwan group is a leading provider of total semiconductor testing and packaging solutions to fabless companies, integrated device manufacturers and foundries. Further information on ChipMOS Taiwan can be found on the website of ChipMOS Taiwan at www.chipmos.com.

LETTER FROM THE BOARD

Set out below is the summary financial information of ChipMOS Taiwan for the two years ended 31 December 2015 and 2016 and the period from 1 January 2017 to 30 September 2017:

	For the year ended 31 December		For the nine months ended 30 September
	2015	2016	2017
	<i>Approximately</i>	<i>Approximately</i>	<i>Approximately</i>
	<i>NT\$'000</i>	<i>NT\$'000</i>	<i>NT\$'000</i>
Profit before income tax for the year/period	2,846,056	1,700,435	1,303,605
Profit for the year/period	1,976,113	1,226,280	2,863,491

Based on the latest 2017 nine months results of ChipMOS Taiwan, as at 30 September 2017, the unaudited consolidated net asset value of ChipMOS Taiwan was approximately NT\$18,167 million (equivalent to approximately HK\$4,869 million).

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio calculated under Rule 14.07 of the Listing Rules in respect of the Possible Disposals aggregated with the Previous Disposals is more than 25% but less than 75%, the Aggregate Disposals constitutes a major transaction for the Company, which is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Possible Disposals of all its current holding of ChipMOS Taiwan ADS will constitute a major transaction for the Company under the Listing Rules, for which Shareholders' approval is required. As at the Latest Practicable Date, no Shareholder is required to abstain from voting on the approval of the Possible Disposals.

SPECIAL GENERAL MEETING

The notice convening the SGM for the purpose of considering and, if thought fit, passing the ordinary resolution(s) is set out on pages 20 to 21 of this circular. In order to determine the Shareholders who are entitled to attend and vote at the SGM, the register of members of the Company will be closed from Wednesday, 7 March 2018 to Monday, 12 March 2018, both days inclusive, during which period no transfer of Shares will be registered.

A form of proxy for us at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete and return the enclosed proxy form for the SGM in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 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 SGM or any adjournment thereof.

LETTER FROM THE BOARD

Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjournment thereof should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholders or any of their associates have any material interest in the transaction. Accordingly, no Shareholder is required to abstain from voting at the SGM on the relevant resolution(s) to approve the Possible Disposals.

RECOMMENDATION

The Directors are of the opinion that the Disposal Mandate are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution(s) to be proposed at the SGM.

ADDITIONAL INFORMATION

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

Yours faithfully,
By order of the Board
PacRay International Holdings Limited
Liew Fui Kiang
Chairman

1. FINANCIAL SUMMARY OF THE GROUP

Details of the audited consolidated financial statements of the Group for the years ended 31 December 2014, 2015 and 2016 and the unaudited consolidated financial statements of the Group for the six months ended 30 June 2017 are disclosed in the following documents which have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (<http://pacray.com.hk>).

- (i) the financial information of the Group for the year ended 31 December 2014 is disclosed in the annual report of the Company for the year ended 31 December 2014 published on 22 April 2015, from pages 35 to 86;

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0422/LTN20150422692.pdf>

- (ii) the financial information of the Group for the year ended 31 December 2015 is disclosed in the annual report of the Company for the year ended 31 December 2015 published on 28 April 2016, from pages 32 to 80;

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0428/LTN201604282018.pdf>

- (iii) the financial information of the Group for the year ended 31 December 2016 is disclosed in the annual report of the Company for the year ended 31 December 2016 published on 20 April 2017, from pages 39 to 88;

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0420/LTN201704201379.pdf>

- (iv) the financial information of the Group for the six months ended 30 June 2017 is disclosed in the interim report of the Company for the six months ended 30 June 2017 published on 26 September 2017, from pages 2 to 21;

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0926/LTN20170926003.pdf>

2. STATEMENT OF INDEBTEDNESS

Borrowings

At the close of business on 31 January 2018, the Group had HK\$nil aggregate outstanding borrowings.

Contingent Liabilities

As at 31 January 2018, the Group had no significant contingent liabilities.

Capital Commitments and Other Commitments

As at 31 January 2018, the Group did not have any capital commitments for the acquisition of property, plant and equipment.

As at 31 January 2018, the Group had operating lease commitments of approximately \$1,604,000 in respect of office premises and staff quarters under non-cancellable operating lease agreements. The lease terms are between one to three years with fixed rental.

Apart from as disclosed above, the Group did not have at the close of business on 31 January 2018 any debt securities authorised or created but unissued, issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases, hire purchase commitments, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

After taking into account the financial resources available to the Group, including the estimated net proceeds from the Possible Disposals and the internally generated funds, the Directors, after due and careful enquiry, are of the opinion that the working capital available to the Group is sufficient for the Group's requirements for at least 12 months from the date of publication of this circular in the absence of unforeseen circumstances.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

As mentioned in the interim report of the Company for the six months ended 30 June 2017, the Group will continue with its prudent business approach under the current economic uncertainties and cost inflation, and will further enhance its existing business in the design and trading of integrated circuit products in China.

In addition, the Group will continue to do its best to deploy the strengths and capabilities and to diversify and increase the top-line growth with the aim of improving the Group's value in order to benefit the Shareholders.

Furthermore, with reference to the announcement of the Company dated 10 July 2017, the offeror will conduct a review on the existing principal businesses and the financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group upon the close of the offer which was on 31 August 2017. In this regard, the offeror may look into business opportunities and consider whether any asset disposals, asset acquisitions, business rationalization, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Company.

Regarding business of the design and distribution of integrated circuit and semi-conductor parts, with reference to the annual report of the Company for the year ended 31 December 2016, the Group will carry on its effort to improve the existing products over the competitors both in terms of the performance as well as the price. The Group is also diligently diversifying into other product lines in order to diversify the revenue source.

1. 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.

2. DISCLOSURE OF INTERESTS

(a) Directors and chief executive's interests and short positions in the Shares, underlying Shares and debentures of the Company and any of its associated corporations

As at the Latest Practicable Date, none of the Directors or chief executive of the Company and/or any of their respective associates had any interest or short position 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) (a) 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 or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange.

(b) Substantial shareholders' and other persons' interests and short positions in the Shares and underlying Shares of the Company

As at the Latest Practicable Date, the interest and short positions in the Shares and underlying Shares of the Company (within the meaning of Part XV of the SFO) of the substantial shareholders (other than the Directors and chief executives of the Company) as recorded in the register required to be kept under Section 336 of Part XV of the SFO, or as otherwise notified to the Company and the Stock Exchange, were as set out below:

Long positions in the Shares

Name of Shareholders	Capacity	Number of ordinary shares/Percentage of total issued shares as at the Latest Practicable Date (Note 1)						
		<i>Long positions</i>	<i>%</i>	<i>Short positions</i>	<i>%</i>	<i>Lending pool</i>	<i>%</i>	<i>Note</i>
Glory Genius International Holdings Limited	Beneficial owner	146,392,770	43.49	-	-	-	-	(2)
Mr. Tong Liang	Interest of controlled corporation	146,392,770	43.49	-	-	-	-	(2)

Name of Shareholders	Capacity	Number of ordinary shares/Percentage of total issued shares as at the Latest Practicable Date (<i>Note 1</i>)						
		<i>Long</i> <i>positions</i>		<i>Short</i> <i>positions</i>		<i>Lending</i> <i>pool</i>		<i>Note</i>
			%		%		%	
Vision2000 Venture Ltd.	Beneficial owner	106,043,142	31.51	-	-	-	-	(3)
Mosel Vitelic Inc.	Interest of controlled corporation	106,043,142	31.51	-	-	-	-	(3)

Notes:

- (1) Based on 336,587,142 ordinary shares of the Company in issue as at the Latest Practicable Date.
- (2) As at the Latest Practicable Date, Glory Genius International Holdings Limited is owned as to 95% by Mr. Tong Liang and Mr. Tong Liang is therefore deemed to be interested in the Shares held by Glory Genius International Holdings Limited.
- (3) The 106,043,142 shares relate to the same batch of Shares. According to the form of disclosure of interests submitted by Mosel Vitelic Inc. on 27 June 1997, Vision2000 Venture Ltd. is the controlled corporation of Mosel Vitelic Inc. and accordingly, Mosel Vitelic Inc. is deemed to be interested in the 106,043,142 Shares held by Vision2000 Venture Ltd.

Save for those disclosed above, as at the Latest Practicable Date, no other persons had any interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

3. DIRECTORS' SERVICE CONTRACTS

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

4. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective associates had any personal interests in companies engaged in businesses, which compete or may compete with the Group.

5. DIRECTORS' INTERESTS IN CONTRACT OF SIGNIFICANCE

There was no contract of significance in relation to the Company's business to which the Company, its holding company or any of its subsidiaries or fellow subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisting as at the Latest Practicable Date.

6. DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets acquired or disposed of by or leased to any member of the Group or is proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2016, being the date to which the latest published audited accounts of the Company were made up.

7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries were engaged in any litigation or claims of material importance and, so far as the Directors are aware, there was no litigation or claim of material importance pending or threatened by or against the Company or any of its subsidiaries.

8. MATERIAL CONTRACTS

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

- (i) the memorandum of understanding dated 27 October 2017 entered into between Wit Sky Limited, as vendor (the "**Vendor**") and Sunny Fast International Investment Limited, a wholly-owned subsidiary of the Company, as potential purchaser (the "**Purchaser**") relating to the sale and purchase of the entire shareholding interest in Wit Sky Limited (the "**Target Company**"), details of which are disclosed in the announcement of the Company dated 27 October 2017; and
- (ii) the sale and purchase agreement dated 13 November 2017 entered into between the Purchaser and the Vendor in relation to the acquisition of the entire equity interest in the Target Company at a total consideration of HK\$40,000,000 (subject to adjustments), details of which are disclosed in the announcement of the Company dated 13 November 2017.

9. GENERAL

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

- (ii) The company secretary of the Company is Ms. Wong Po Ling, Pauline who is a member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales.
- (iii) The registered office and principal place of business of the Company is Canon's Court, 22 Victoria Street, Hamilton HM12 and Unit 902, Unicorn Trade Centre 127-131 Des Voeux Road Central, Hong Kong respectively.
- (iv) The Company's share registrar is Tricor Tengis Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the Company's principal place of business in Hong Kong at Unit 902, Unicorn Trade Centre, 127-131 Des Voeux Road Central, Hong Kong up to and including the date of the SGM:

- (i) the memorandum of association and bye-laws of the Company;
- (ii) the annual reports of the Company for each of the three years ended 31 December 2014, 2015 and 2016 and the interim report of the Company for the six months ended 30 June 2017;
- (iii) the material contract(s) referred to in the paragraph headed "8. Material contracts" in this appendix; and
- (iv) this circular.

NOTICE OF SGM



太 睿 國 際 控 股 有 限 公 司

PacRay International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 1010)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting (“SGM”) of PacRay International Holdings Limited (“Company”) will be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong Hotel, 238 Jaffe Road, Wanchai, Hong Kong on Monday, 12 March 2018 at 11:00 a.m. to consider and, if thought fit, pass the following ordinary resolutions of the Company.

ORDINARY RESOLUTIONS

“**THAT:**

1. (a) the Possible Disposals of ChipMOS Taiwan ADS (as defined in the circular of the Company dated 14 February 2018) within a period of twelve months from the date of passing of this resolution be and are hereby approved, confirmed and ratified; and
- (b) any one director of the Company be and is hereby authorised for and on behalf of the Company to execute all such documents, instruments and agreements and do all such acts, matters and things as he/she may in his/her absolute discretion consider necessary, desirable or expedient for the purposes of or in connection with implementing, completing and giving effect to the Possible Disposals and the transactions contemplated thereunder and to agree to such variations of the terms of the Possible Disposals (provided that such terms shall not be inconsistent with the terms set out in the circular of the Company dated 14 February 2018) as he/she may in his/her absolute discretion consider necessary or desirable.”

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from Wednesday, 7 March 2018 to Monday, 12 March 2018, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the SGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 6 March 2018, being the last registration date.

Yours faithfully,
By order of the Board
PacRay International Holdings Limited
Liew Fui Kiang
Chairman

Hong Kong, 14 February 2018

NOTICE OF SGM

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

***Principal place of business
in Hong Kong:***

Unit 902, Unicorn Trade Centre
127-131 Des Voeux Road Central
Hong Kong

Notes:

- (1) A form of proxy for use at the SGM is enclosed herewith.
- (2) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer or attorney duly authorised.
- (3) Any shareholder of the Company entitled to attend and vote at the SGM convened by the above notice shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company.
- (4) In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding of the above SGM.
- (5) Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the SGM convened and in such event, the form of proxy will be deemed to be revoked.
- (6) Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the SGM, whether in person or by proxy, the most senior shall alone be entitled to vote. For this purpose, seniority shall be determined by the order in which the names stand on the register of members of the Company in respect of the joint holding.