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

If you have sold or transferred all your shares in **HannStar Board International Holdings Limited** 瀚宇博德國際控股有限公司 (the “**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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HannStar Board International Holdings Limited
瀚宇博德國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 00667)

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS,
RE-ELECTION OF DIRECTOR
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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

ALTUS CAPITAL LIMITED

A notice convening the extraordinary general meeting (the “**EGM**”) of the Company to be held at Empire Room 1, 1/F., Empire Hotel Hong Kong Wan Chai, 33 Hennessy Road, Wanchai, Hong Kong on Thursday, 25 November 2010 at 10:00 a.m. is set out on pages 29 to 31 of this circular.

Shareholders, whose names appear on the register of members maintained by Computershare Hong Kong Investor Services Limited at 4:30 p.m. on Friday, 19 November 2010, are entitled to attend and vote at the EGM. The register of members of the Company will be closed from Monday, 22 November 2010 to Thursday, 25 November 2010 (both days inclusive), during which period no transfer of Shares will be effected in order to determine the Shareholders eligible to attend the EGM. Shareholders who wish to attend the EGM must lodge all share transfer forms accompanied by the relevant share certificates with the branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by 4:30 p.m. on Friday, 19 November 2010.

A proxy form for use at the EGM is also enclosed with this circular. Whether or not you intend to attend and vote at the EGM in person, you are requested to complete, sign and return the enclosed proxy form in accordance with the instructions stated thereon to the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the EGM or any adjournment thereof should you so wish.

4 November 2010

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DEFINITIONS

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

“Annual Caps”	the annual caps in respect of the New Sub-contracting Agreement for each of the three years ending 31 December 2013
“Articles”	the existing articles of association of the Company
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	HannStar Board International Holdings Limited (瀚宇博德國際控股有限公司), a company listed on the main board of the Stock Exchange
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Continuing Connected Transactions”	the transactions contemplated under the New Sub-contracting Agreement
“Directors”	the directors of the Company
“EGM”	extraordinary general meeting of the Company
“Existing Sub-contracting Agreement”	the existing framework sub-contracting agreement entered into between the Company and HannStar Taiwan on 23 November 2007
“Group”	the Company and its subsidiaries from time to time
“HannStar BVI”	HannStar Board (BVI) Holdings Corp., a company incorporated in the British Virgin Islands with limited liability on 31 December 2001, the immediate holding company of the Company and a wholly owned subsidiary of HannStar Taiwan

DEFINITIONS

“HannStar Taiwan”	HannStar Board Corporation (瀚宇博德股份有限公司), a company incorporated in Taiwan with limited liability on 22 March 1989 and whose shares are listed on Taiwan Stock Exchange. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, HannStar Taiwan is owned as to approximately 20% by Walsin Technology and its associate, as to approximately 29.85% by Walsin Lihwa and its wholly owned subsidiary, as to approximately 4.49% by Mr. Chiao and his relatives, as to approximately 0.02% by Mr. Lai, as to approximately 0.02% by Mr. Shu, as to approximately 0.05% by Mr. Yeh and as to approximately 0.02% by Mr. Zhong
“Independent Board Committee”	an independent committee of the Board established to consider the terms of the New Sub-Contracting Agreement
“Independent Shareholders”	Shareholders other than HannStar Taiwan and its associates
“Independent Financial Adviser”	Altus Capital Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Continuing Connected Transactions
“Latest Practicable Date”	29 October 2010, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Migrated Orders”	the purchase orders placed by HannStar Taiwan’s customers involving delivery of products outside Taiwan and migrated to the Group subject to the terms of the deed of non-competition dated 22 September 2006 between HannStar Taiwan and the Company

DEFINITIONS

“Mr. Chang”	Mr. Chang Chia-ning (張家寧先生), a non-executive Director of the Company and is therefore a connected person of the Company
“Mr. Chiao”	Mr. Chiao Yu-heng (焦佑衡先生), a director of HannStar Board (SAMOA) Holdings Corp., HannStar Board Precision (SAMOA) Holdings Corp., Walsin Board Corporation, HannStar Board Holdings (Hong Kong) Limited, HannStar Board International (Singapore) Private Ltd., HannStar Board Technology (Jiangyin) Corp. and HannStar Precision Technology (Jiangyin) Corporation, which are wholly owned subsidiaries of the Company. Mr. Chiao was also a non-executive Director of the Company prior to 30 September 2010. Mr. Chiao is therefore a connected person of the Company
“Mr. Lai”	Mr. Lai Wei-chen (賴偉珍先生), a director of HannStar Board (SAMOA) Holdings Corp. and Walsin Board Corporation which are wholly owned subsidiaries of the Company. Mr. Lai is therefore a connected person of the Company at subsidiary level
“Mr. Shu”	Mr. Norman Shu (東耀先先生), a director of HannStar Board Precision (SAMOA) Holdings Corp., HannStar Board International (Singapore) Private Ltd., HannStar Board Technology (Jiangyin) Corp. and HannStar Precision Technology (Jiangyin) Corporation, which are wholly owned subsidiaries of the Company. Mr. Shu is therefore a connected person of the Company at subsidiary level
“Mr. Yeh”	Mr. Yeh Shin-jiin (葉新錦先生), an executive Director of the Company and a director of HannStar Board Technology (Jiangyin) Corp. and HannStar Precision Technology (Jiangyin) Corporation, which are wholly owned subsidiaries of the Company. Mr. Yeh is therefore a connected person of the Company
“Mr. Zhong”	Mr. Zhong Qiang (鍾強先生), a director of HannStar Precision Technology (Jiangyin) Corporation which is a wholly owned subsidiary of the Company. Mr. Zhong is therefore a connected person of the Company at subsidiary level
“New Sub-contracting Agreement”	the framework sub-contracting agreement entered into between the Company and HannStar Taiwan on 8 October 2010

DEFINITIONS

“PCB”	printed circuit board, the board that the electronics is mounted on, usually made from a copper-coated insulator that has the circuit chemically etched onto one or both sides. The board is then drilled and the components are fitted into the holes and then soldered to the remaining copper
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	the registered holders of the Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder”	has the meaning ascribed to it under the Listing Rules
“Taiwan Stock Exchange”	the Taiwan Stock Exchange Corporation
“Walsin Lihwa”	Walsin Lihwa Corporation (華新麗華股份有限公司), a company incorporated in Taiwan with limited liability on 2 December 1966, the shares of which are listed on the Taiwan Stock Exchange and to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, Walsin Lihwa is owned as to approximately 11.45% by Mr. Chiao and his relatives
“Walsin Technology”	Walsin Technology Corporation (華新科技股份有限公司), a company incorporated in Taiwan with limited liability on 29 July 1970, the shares of which are listed on the Taiwan Stock Exchange and to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, Walsin Technology is owned as to approximately 21.92% by Walsin Lihwa and its wholly owned subsidiary, as to approximately 1.97% by Mr. Chiao and his relatives, as to approximately 2.63% by HannStar Taiwan and as to approximately 0.03% by Mr. Chang and his family
“%”	per cent.



HannStar Board International Holdings Limited
瀚宇博德國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 00667)

Executive Director:

Mr. Yeh Shin-jiin (葉新錦)
(Chief Executive Officer)

Non-executive Directors:

Mr. Chang Chia-ning (張家寧) *(Chairman)*
Ms. Cao Jianhua (曹建華)

Independent non-executive Directors:

Mr. Chao Yuan-san (趙元山)
Ms. Chen Shun Zu, Deborah (陳淳如)
Mr. Yeh Yu-an (葉育恩)
Ms. Chang Pi-lan (張碧蘭)
Mr. Yen Chin-chang (嚴金章)

Registered Office:

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Hutchins Drive
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Grand Cayman KY1-1111
Cayman Islands

*Principal Place of Business
in Hong Kong:*

Level 28, Three Pacific Place
1 Queen's Road East
Hong Kong

*Princial Place of Business in
the People's Republic of China:*

No. 97, Chengjiang Dong Road
Jiangyin City
Jiangsu Province
PRC

4 November 2010

To the Shareholders,

Dear Sir or Madam,

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS,
RE-ELECTION OF DIRECTOR
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcements of the Company dated 23 November 2007, 30 September 2010 and 11 October 2010.

LETTER FROM THE BOARD

The purpose of this circular is to provide the Shareholders, among other things, (1) the information regarding the Continuing Connected Transactions; (2) the advice of the Independent Financial Adviser on the terms of the Continuing Connected Transactions; (3) the recommendations of the Independent Board Committee on the terms of the Continuing Connected Transactions; (4) the information in relation to Mr. Chang who offered himself for re-election as a non-executive Director at the EGM, and (5) the notice of the EGM.

CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcements of the Company dated 23 November 2007 and 11 October 2010 in relation to the Existing Sub-contracting Agreement, pursuant to which the Company agreed to engage HannStar Taiwan as a sub-contractor for the production and processing of PCBs. The Existing Sub-contracting Agreement will expire on 31 December 2010. On 8 October 2010, the Company has entered into the New Sub-contracting Agreement with HannStar Taiwan whereby the Company conditionally agreed to renew the term of the Existing Sub-contracting Agreement and continue to engage HannStar Taiwan as a sub-contractor for the production and processing of PCBs for three years from 1 January 2011 to 31 December 2013 (both days inclusive) on and subject to the terms and conditions of the New Sub-contracting Agreement set out below.

THE NEW SUB-CONTRACTING AGREEMENT

Date

8 October 2010

Parties involved

- (1) The Company
- (2) HannStar Taiwan

HannStar Taiwan, a company incorporated in Taiwan and whose shares are listed on Taiwan Stock Exchange, is the Controlling Shareholder holding approximately 74.99% of the issued share capital of the Company as at the Latest Practicable Date. HannStar Taiwan is therefore a connected person of the Company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, HannStar Taiwan is owned as to approximately 20% by Walsin Technology and its associate, as to approximately 29.85% by Walsin Lihwa and its wholly owned subsidiary, as to approximately 4.49% by Mr. Chiao and his relatives, as to approximately 0.02% by Mr. Lai, as to approximately 0.02% by Mr. Shu, as to approximately 0.05% by Mr. Yeh and as to approximately 0.02% by Mr. Zhong.

LETTER FROM THE BOARD

Term

Three years commencing on 1 January 2011 and ending on 31 December 2013 (both days inclusive).

Scope

Pursuant to the New Sub-contracting Agreement, the Company agreed to engage HannStar Taiwan to act as a sub-contractor for the production and processing of PCBs on and subject to the terms and condition of the New Sub-contracting Agreement.

Pricing basis, sub-contracting fee, payment terms and other terms

The basis of determining the prices for the transactions under the New Sub-contracting Agreement will be determined with reference to the prevailing market price in respect of similar services provided by comparable sub-contractors in the PCB manufacturing industry in Taiwan. Please refer to the Annual Caps for the three years ending 31 December 2013 in the paragraph headed "Annual Caps under the New Sub-contracting Agreement" of this circular.

Under the New Sub-contracting Agreement, the Group will pay 97% of the contracted sum as sub-contracting fee to HannStar Taiwan and will retain the 3% balance as its profits. HannStar Taiwan will be responsible for all production and delivery costs of the products, as well as any claims relating to product liabilities. In other words, the 3% retained by the Group represents pure profit for the Group as it needs not incur any production, logistical and transportation costs. The Group will also not be liable for any claims as a result of delay in delivery or defective products. The basis of the 3% profits is determined with reference to (a) the market price payable to a subcontractor in the PCB manufacturing industry in Taiwan; (b) the commission rate of approximately 2% to 5% payable by HannStar Taiwan to its sales agents; (c) any potential claim relating to product liability as may be borne by HannStar Taiwan; and (d) the delivery costs of the products as may be borne by HannStar Taiwan.

Payments for the transactions under the New Sub-contracting Agreement will be made by the Group to HannStar Taiwan after the Group has received payment from the customers who have placed orders to the Group. It is agreed that HannStar Taiwan will grant to the Group a credit period of 60 to 120 days which is consistent with both the credit periods granted by other creditors of the Company and HannStar Taiwan granting to its clients. Other terms of the transactions under the New Sub-contracting Agreement will be determined on an individual order basis on normal commercial terms and on terms no less favourable to the Company than the terms available from independent third parties.

LETTER FROM THE BOARD

ANNUAL CAPS UNDER THE NEW SUB-CONTRACTING AGREEMENT

The table below sets out (i) the historical amount under the Existing Sub-contracting Agreement for the two years ended 31 December 2009 and the nine months ended 30 September 2010; (ii) the approved annual caps for each of the three years ending 31 December 2010 in respect of the transactions under the Existing Sub-contracting Agreement; (iii) the utilisation rate of the approved annual caps for the two years ended 31 December 2009 and the nine months ended 30 September 2010; and (iv) the Annual Caps for the three years ending 31 December 2013.

	For the year ended 31		Nine months ended 30	For the year ending 31 December		
	December	September	September	2011	2012	2013
	2008	2009	2010	2011	2012	2013
	(Unaudited)					
	(US\$ million)	(US\$ million)	(US\$ million)	(US\$ million)	(US\$ million)	(US\$ million)
Historical amount	47.5	43.9	36.0			
Approved Caps	63.4	63.4	47.6			
Utilisation rate	74.9%	69.2%	75.6%			
Annual Caps				63.4	63.4	63.4

Note: The approved annual cap for the year ending 31 December 2010 amounted to US\$63.4 million. The amount of US\$47.6 million represents such approved annual cap pro-rated on the 9-month basis and was based on the unaudited management accounts of the Group for the nine months ended 30 September 2010.

Basis of the Annual Caps

As shown above, the Group had utilised approximately 75% and 69% of the approved annual caps for the two years ended 31 December 2009 despite the slowdown in business as a result of the global economic downturn during those periods. During the 9-month period ended 30 September 2010, utilisation of the approved annual caps recovered to approximately 76% on an annualised basis. Given the seasonality where the last quarter of a calendar year is typically a busy period for manufacturers, the management of the Group expects utilisation rate to increase for the remaining year. Based on the above, the historical utilisation rates have been at around 70% to 76% level despite the fact that business in 2008 and 2009 had been adversely affected by the global economic downturn. The Company is of the view that with the continued recovery of the global markets and demand for the Group's products, it is beneficial to the Company and is reasonable to have a buffer to the Annual Caps in anticipation of higher sales in the coming three years. Based on the estimated utilisation for the year ending 31 December 2010, i.e. US\$50,720,000, the buffer to the Annual Caps for each of the three years ending 31 December 2013 will be US\$12,680,000.

LETTER FROM THE BOARD

The Directors (including independent non-executive Directors) are of the view that the Annual Caps are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

REASONS AND BENEFITS FOR THE NEW SUB-CONTRACTING AGREEMENT

Since the listing of the Company in October 2006, the Group has been continuously obtaining certifications from those customers placing the Migrated Orders of whom the Group was yet to become an approved vendor. As of the Latest Practicable Date, the Group is in the process of obtaining certifications from new customers and certain existing customers who are yet to certify the Group as an approved vendor. Since HannStar Taiwan was an approved vendor of those customers, the Company considered that it would be in the interest of the Company and its Shareholders to continue the sub-contracting arrangement with HannStar Taiwan in order to retain the orders from those customers. The Company considered that the arrangement under the New Sub-contracting Agreement is important for the Group to retain these customers pending the certification having been obtained by the Group.

Furthermore, in view of the increasing customers demand and the utilisation rate of the Group's production capacity which may fluctuate on a seasonal basis due to the seasonality of the PCB industry, the renewal of the sub-contracting arrangement with HannStar Taiwan will afford the Group with more flexibility in planning its production schedules and also allow the Group to capture and/or retain purchase orders which the Group would otherwise fail to meet in the event of insufficient production capacity. Given that the Group will enter into such sub-contracting arrangement only when its production capacity is insufficient or when certain customers' requirement can only be met by HannStar Taiwan, the Company considered that it would be more efficient to engage HannStar Taiwan to process these orders in these circumstances. Further, this will also ensure that the Group's resources will first be considered and achieve optimal utilisation of its production capacity before it enters into any sub-contracting arrangement with HannStar Taiwan.

On the basis of the foregoing, the Directors (including independent non-executive Directors) are of the view that the New Sub-contracting Agreement and the transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Company and that the terms of the New Sub-contracting Agreement and the Annual Caps set out above are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

HannStar Taiwan is the Controlling Shareholder holding approximately 74.99% of the issued share capital of the Company as at the Latest Practicable Date. HannStar Taiwan is therefore a connected person of the Company. The transactions under the New Sub-contracting Agreement will accordingly constitute continuing connected

LETTER FROM THE BOARD

transactions for the Company. As the applicable percentage ratios in respect of the Annual Caps calculated on an annual basis exceed 5%, the transactions under the New Sub-contracting Agreement will constitute non-exempt continuing connected transactions under Rule 14A.35 of the Listing Rules and thus will be subject to reporting, announcement and Independent Shareholders' approval requirements under Rules 14A.45 to 14A.47 and 14A.48 of the Listing Rules.

RE-ELECTION OF DIRECTOR

The Board has appointed Mr. Chang as a non-executive Director, the Chairman of the Board, a member and the Chairman of the Remuneration Committee and one of the authorised representatives (pursuant to Rule 3.05 of the Listing Rules) of the Company with effect from 30 September 2010.

In accordance with Article 86(3) of the Articles and pursuant to the Code Provision A.4.2 of the Code on Corporate Governance Practices of the Listing Rules, any Director appointed by the Board to fill a casual vacancy on the Board shall hold office until the first general meeting of the Company after such appointment and shall then be eligible for re-election at that meeting. Accordingly, Mr. Chang, who was appointed by the Board as a non-executive Director with effect from 30 September 2010, will retire at the EGM and will offer himself for re-election at the EGM.

The biography of Mr. Chang is set out below:

Mr. Chang, aged 53, is the Board Supervisor of Global Brands Manufacture Limited (精成科技股份有限公司), a company listed on the Taiwan Stock Exchange, of which HannStar Taiwan, the Company's Controlling and Substantial Shareholder, is a Substantial Shareholder. He is also currently a Vice President and the Chief Strategy Officer of Walsin Technology, a company listed on the Taiwan Stock Exchange and the the Company's Controlling and Substantial Shareholder as it controls the composition of a majority of the board of directors of HannStar Taiwan. He was the Chairman of Kamaya Electric Company, Ltd. (日本釜屋電機株式會社), an indirect subsidiary of Walsin Technology from May 2006 to June 2010. Prior to that, Mr. Chang was a Vice President and the Chief Financial Officer of Walsin Technology since 2000. He was formerly a director of ING Barings Group and the General Manager of ING Bank N.V., Shanghai Branch. Before that, Mr. Chang was with JP Morgan Chase for over 13 years in charge of both investment banking and corporate banking in Taiwan.

Mr. Chang has over 25 years of top-level experience in finance, strategy, operations and business growth in various fields including information technologies, electronics, emerging technologies, investment, and financial services and banking. Mr. Chang received an MBA from the Graduate School of National Sun Yat-Sen University, Taiwan and a Bachelor of Science degree from the National Taiwan University.

LETTER FROM THE BOARD

Mr. Chang has entered into a service contract with the Company for a term of one year which can be terminated by either party giving three months' written notice. He is also subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles. Mr. Chang is entitled to a director's fee of HK\$84,000 per annum as determined by the Remuneration Committee of the Company with reference to the market practice.

Mr. Chang has interest of 223,304 shares in Walsin Technology which is an associated corporation of the Company pursuant to Part XV of the SFO. Save as disclosed herein, he does not have any other relationships with any Directors or senior management or Substantial Shareholders or Controlling Shareholders of the Company nor does he hold any positions in the Company or its subsidiaries.

Save as disclosed above, there is no other information which is discloseable pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters relating to the re-election of Mr. Chang that need to be brought to the attention of the Shareholders.

During the period between 30 September 2010 and the Latest Practicable Date, two meetings were held by the Board and Mr. Chang had attended both meetings.

GENERAL INFORMATION

The Group is one of the leading manufacturers of PCBs for the notebook computer industry worldwide. The Group produces a wide range of double-sided PCBs and multi-layer PCBs of up to 12 layers, which are principally used in notebook computers. The Group also supplies PCBs for the consumer electronics and communication industries for the use in game consoles, set-top boxes, servers and mobile phones.

HannStar Taiwan was incorporated as a limited liability company in Taiwan on 22 March 1989. It is currently listed on the Taiwan Stock Exchange. The principal business of HannStar Taiwan has been the production and sale of PCBs since its establishment. At present, HannStar Taiwan has two PCB production plants in Taiwan with an aggregate monthly production capacity of 350,000 sq.ft. of PCBs. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, HannStar Taiwan is owned as to approximately 20% by Walsin Technology and its associate, as to approximately 29.85% by Walsin Lihwa and its wholly owned subsidiary, as to approximately 4.49% by Mr. Chiao and his relatives, as to approximately 0.02% by Mr. Lai, as to approximately 0.02% by Mr. Shu, as to approximately 0.05% by Mr. Yeh and as to approximately 0.02% by Mr. Zhong.

LETTER FROM THE BOARD

The Directors (including the independent non-executive Directors) consider that the terms of the Continuing Connected Transactions were negotiated on arm's length basis and the transactions contemplated thereunder will be conducted in the usual and ordinary course of businesses of the Group and on normal commercial terms. The Directors (including the independent non-executive Directors) are of the view that the terms of the Continuing Connected Transactions are fair and reasonable and in the interest of the Group and the Independent Shareholders as a whole.

The Company will seek the approval by the Independent Shareholders of the New Sub-contracting Agreement and the Annual Caps in compliance with Rule 14A.48 of the Listing Rules.

HannStar Taiwan and its associates, which are interested in 987,050,000 shares of the Company, representing approximately 74.99% in the issued share capital of the Company as at the Latest Practicable Date, will abstain from voting on the relevant resolution in respect of the Continuing Connected Transactions to be proposed at the EGM.

EGM

A notice convening the EGM to be held at Empire Room 1, 1/F., Empire Hotel Hong Kong Wan Chai, 33 Hennessy Road, Wanchai, Hong Kong on Thursday, 25 November 2010 at 10:00 a.m. is set out on pages 29 to 31 of this circular.

Shareholders, whose names appear on the register of members maintained by Computershare Hong Kong Investor Services Limited at 4:30 p.m. on Friday, 19 November 2010, are entitled to attend and vote at the EGM. The register of members of the Company will be closed from Monday, 22 November 2010 to Thursday, 25 November 2010 (both days inclusive), during which period no transfer of Shares will be effected in order to determine the Shareholders eligible to attend the EGM. Shareholders who wish to attend the EGM must lodge all share transfer forms accompanied by the relevant share certificates with the branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. on Friday, 19 November 2010.

A proxy form for use at the EGM is enclosed with this circular. Whether or not you intend to attend and vote at the EGM in person, you are requested to complete, sign and return the enclosed proxy form in accordance with the instructions stated thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the proxy will not preclude you from attending and voting at the EGM or any adjournment thereof should you so wish.

LETTER FROM THE BOARD

If a “black” rainstorm warning signal or a tropical cyclone warning signal number 8 or above is in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, 25 November 2010, the EGM will not be held on that day. An announcement will be made in such event.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at a general meeting of a listed issuer must be taken by poll. An announcement on the results of the poll will be published by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the Continuing Connected Transactions are in the interests of the Group and the Shareholders as a whole and accordingly recommend the Independent Shareholders to vote in favour of the relevant resolution in respect of the Continuing Connected Transactions to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to (1) the letter from the Independent Board Committee as set out in appendix I to this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders regarding the Continuing Connected Transactions; (2) the letter from the Independent Financial Adviser as set out in appendix II to this circular which contains, among other things, its advice to the Independent Board Committee and the Independent Shareholders in respect of the Continuing Connected Transactions; and (3) additional general information as set out in appendix III to this circular.

You are advised to read the letter from the Independent Board Committee and the letter from the Independent Financial Adviser mentioned above before deciding as to how to vote at the EGM in respect of the Continuing Connected Transactions.

Yours faithfully,

For and on behalf of

HannStar Board International Holdings Limited

瀚宇博德國際控股有限公司

Chang Chia-ning

Chairman

**HannStar Board International Holdings Limited****瀚宇博德國際控股有限公司***(Incorporated in the Cayman Islands with limited liability)***(Stock Code: 00667)**

4 November 2010

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular of the Company dated 4 November 2010 (the “**Circular**”). Capitalised terms used herein have the same meaning as those defined in the Circular, unless otherwise defined.

We have been appointed as members of the Independent Board Committee to advise you in connection with the terms of the Continuing Connected Transactions and the Annual Caps, details of which are set out in the “Letter from the Board” in the Circular of which this letter forms part.

We, being the independent non-executive Directors constituting the Independent Board Committee, are writing to you to set out our opinion in respect of the Continuing Connected Transactions and the Annual Caps. The Independent Board Committee was set up to advise you whether in its view the terms of the Continuing Connected Transactions and the Annual Caps are in the interests of the Company and the Shareholders as a whole and are fair and reasonable so far as the Company and the Shareholders are concerned.

Altus Capital Limited has been appointed by the Company to advise us and the Independent Shareholders as to whether the Continuing Connected Transactions and the Annual Caps are fair and reasonable so far as the Company and Shareholders are concerned. Details of its advice, together with the principal factors taken into consideration in arriving at such advice, are set out on pages 16 to 23 of the Circular.

Your attention is also drawn to the “Letter from the Board” set out on pages 5 to 13 of the Circular and the additional information set out in the appendices to the Circular.

Having considered the terms of the Continuing Connected Transactions and the Annual Caps, we consider that the terms of the Continuing Connected Transactions and the Annual Caps are in the interests of the Company and the Shareholders as a whole

and are fair and reasonable as far as the Company and the Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the proposed resolution as set out in the notice of the EGM attached to the Circular to approve the terms of the Continuing Connected Transactions and the Annual Caps.

Yours faithfully,

For and on behalf of

Independent Board Committee

Mr. Chao Yuan-san

Independent Non-executive Director

Ms. Chen Shun Zu, Deborah

Independent Non-executive Director

Mr. Yeh Yu-an

Independent Non-executive Director

Ms. Chang Pi-lan

Independent Non-executive Director

Mr. Yen Chin-chang

Independent Non-executive Director

The following is the text of a letter of advice from Altus Capital Limited to the Independent Board Committee and the Independent Shareholders in respect of the Continuing Connected Transactions which has been prepared for the purpose of inclusion in this circular.

ALTUS CAPITAL LIMITED

8/F., Hong Kong Diamond Exchange Building
8 Duddell Street, Central
Hong Kong

4 November 2010

The Independent Board Committee and Independent Shareholders
HannStar Board International Holdings Limited

Level 28, Three Pacific Place
1 Queen's Road East
Hong Kong

Dear Sirs,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Continuing Connected Transactions and the annual caps relating thereto. Details of the Continuing Connected Transactions and the terms of the New Sub-contracting Agreement are set out in the Letter from the Board ("Letter") contained in the circular of the Company dated 4 November 2010 (the "Circular") to the Shareholders, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

The Independent Board Committee has been established to give advice and recommendation to the Independent Shareholders in relation to the Continuing Connected Transactions and the annual caps relating thereto. The Independent Board Committee comprises Mr. Chao Yuan-san, Ms. Chen Shun Zu, Deborah, Mr. Yeh Yu-an, Ms. Chang Pi-lan and Mr. Yen Chin-chang, all being independent non-executive Directors. We have been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the New Sub-contracting Agreement are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole.

BASIS OF OUR OPINION

In formulating our opinion and recommendation with regard to the Continuing Connected Transactions, we have relied to a considerable extent on the information, statements, opinions and representations supplied to us by the Company and the Directors and we have assumed that all such information, statements, opinions and representations contained or referred to in the Circular were true, accurate and complete at the time they were made and continue to be true, accurate and complete at the date of the Circular. We have assumed that all statements of belief, opinion and intention of the Directors as set out in the Letter were reasonably made after due and careful inquiry. We have also sought and obtained confirmation from the Company that no material facts have been omitted from the information provided and referred to in the Circular. We have also relied on certain publicly available information and we have assumed such information to be accurate and reliable, and we have not carried out any independent verification on the accuracy of such information.

The Directors confirmed that they have provided us with all currently available information and documents which are available under present circumstances to enable us to reach an informed view and we have relied on the accuracy of such information and the information contained in the Circular to provide a reasonable basis of our opinions. We have no reason to suspect that any material facts or information (which is known to the Company, its representatives and the Directors) have been omitted or withheld from the information supplied or opinions expressed in the Circular nor to doubt the truth and accuracy of the information, facts, and representations provided, or the reasonableness of the opinions expressed by the Company, its representatives and the Directors. We consider that we have reviewed sufficient information which enables us to form a reasonable basis for our opinion. We also consider that we have performed all reasonable steps as required under Rule 13.80 of the Listing Rules to ascertain the reliability of the information provided to us and to form our opinion. We have not, however, carried out any independent verification on the information provided to us by the Company, its representatives and the Directors, nor have we conducted an independent in-depth investigation into the business affairs, assets and liabilities, and the prospects of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation with regard to the Continuing Connected Transactions, we have considered the following principal factors and reasons:

1. Background

On 8 October 2010, the Company has entered into the New Sub-contracting Agreement with HannStar Taiwan whereby the Company conditionally agreed to renew the term of the Existing Sub-contracting Agreement and continue to engage HannStar Taiwan as a sub-contractor for the production and processing of PCBs for three years from 1 January 2011 to 31 December 2013.

HannStar Taiwan, which is interested in approximately 74.99% of the issued share capital of the Company, is the Controlling Shareholder and hence a connected person of the Company. The transactions under the New Sub-contracting Agreement will accordingly constitute a continuing connected transaction for the Company. As the applicable percentage ratios in respect of the Annual Caps calculated on an annual basis exceed 5%, the transactions under the New Sub-contracting Agreement will constitute non-exempt continuing connected transactions under Rule 14A.35 of the Listing Rules and thus will be subject to reporting, announcement and Independent Shareholders' approval requirements under Rules 14A.45 to 14A.47 and 14A.48 of the Listing Rules.

2. The Group's production facilities and capacity

We have reviewed the Group's production capacity and its utilisation rate during the FY2008, FY2009 and the nine-month period ended 30 September 2010. Despite the adverse impact of the global economic downturn, the Group recorded production capacity's average utilisation rate of 87% and 78% in FY2008 and FY2009 respectively. In line with market recovery, production capacity's utilisation rate increased to an average of 93% in the nine-month period ended 30 September 2010.

The management of the Group expects its production capacity utilisation to further increase in the coming months as the last quarter of a calendar year is typically a busy period for manufacturers. In view of this, contingency plans are necessary in case the Group's production capacity is not able to cope with the customers' demand.

The Existing Sub-contracting Agreement will expire on 31 December 2010. The Company has entered into the New Sub-contracting Agreement with HannStar Taiwan with a term of another three years. The New Sub-contracting Agreement will allow the Group to capture businesses which otherwise it will have to forego at times when there are orders which cannot be handled by its production capacity.

The New Sub-contracting Agreement will allow the Group to manage its production schedules and customer orders more efficiently.

In view of the above, we believe it is fair and reasonable that the Group engages HannStar Taiwan as a sub-contractor under the above circumstances.

3. The Group's qualification as an approved vendor and choice of customers

Since the listing of the Company in October 2006, the Group has progressively been obtaining certifications so as to be qualified as approved vendor for customers of the Migrated Orders. Notwithstanding, there remains customers who have yet to qualify the Group, or new customers who are in the process of qualifying the Group as an approved vendor. In the case where HannStar Taiwan is an approved vendor of those customers, the arrangement under the New Sub-contracting Agreement is important in retaining these customers while the qualification process is ongoing. We are therefore of the view that it is fair and reasonable that the Company engages HannStar Taiwan as a sub-contractor under such circumstances.

4. Terms of the New Sub-contracting Agreement

Tenure

The New Sub-contracting Agreement is for three years commencing 1 January 2011 and ending on 31 December 2013 where the Company agreed to engage HannStar Taiwan to act as a sub-contractor for the production and processing of PCBs for the Migrated Orders.

During this period, the Group shall only enter into such arrangement when its production capacity is insufficient or when certain customers' requirements can only be met by HannStar Taiwan. This will ensure that the Group's resources will first be considered and it achieves optimal utilisation of its production capacity before it sub-contracts to HannStar Taiwan.

Sub-contracting fee and other terms

Under the New Sub-contracting Agreement, the Group will pay 97% of the contracted sum as sub-contracting fee to HannStar Taiwan and will retain the balance 3% as its profits. HannStar Taiwan will be responsible for all production and delivery costs of the products, as well as any claims relating to product liabilities. In other words, the 3% retained by the Group represents pure profit for the Group as it needs not incur any production, logistical and transportation costs. The Group will also not be liable for any claims as a result of delay in deliveries or defective products. We have considered the overall profit margin of the companies (including sub-contractors) in the PCB manufacturing industry in Taiwan and believe the 3% profit margin retained by the Group, given the above limited responsibilities and liabilities of the Group, is fair and reasonable.

As the nature of the aforesaid 3% profit to be retained by the Group is also similar to that of commission payable to sales agents who source businesses on behalf of PCB manufacturers, we have compared this 3% profit margin with the sales agent commission rates. Based on information provided by the Group, HannStar Taiwan are paying commissions at rates between 2% and 5% to independent third party sales agents in various geographical locations for introducing businesses to HannStar Taiwan. We have reviewed sample of agreements among the Company, HannStar Taiwan and several independent third party sales agents containing details of scope of services and commission rates. Generally, the sales agents are responsible for, among other things, (i) promoting and selling of products; (ii) after-sales customer services; (iii) trade receivables collections; and (iv) providing market study of the relevant local markets. The Group has minimal responsibilities and liabilities in the arrangement under the New Sub-contracting Agreement. On this basis, we are of the view that the 3% profit margin retained by the Group is fair and reasonable.

Payments for the transactions under the New Sub-contracting Agreement will be made by the Group to HannStar Taiwan after the Group has received payment from the customers who have placed orders to the Group. It is agreed that HannStar Taiwan will grant to the Group a credit period of 60 to 120 days. According to the management of the Company, the above is consistent with the credit periods typically granted by HannStar Taiwan to its other debtors. Based on the above, we are of the view that such credit term is fair and reasonable.

All outsourcing will be conducted in the ordinary and usual course of business of the Group and on normal commercial terms. Other terms of the transactions under the New Sub-contracting Agreement will be determined on an individual basis on normal commercial terms and on terms no less favourable to the Company than the terms available from independent third parties.

Importantly, pursuant to the New Sub-contracting Agreement, the Group is neither obligated nor committed to sub-contract to HannStar Taiwan. The Group is free to engage other independent third party service providers if the prices of HannStar Taiwan are not competitive or its services are not satisfactory. The management of the Group will assess the client's product specifications before deciding to produce them internally, sub-contract to HannStar Taiwan or to other independent third party service providers.

Based on the above, we are of the view that the terms of transactions contemplated under the New Sub-contracting Agreement are fair and reasonable.

5. The Group's recent operating performance

As reported in the Group's interim financial results for the six months ended 30 June 2010, the Group recorded about 38.5% increase in revenue to US\$332.3 million compared to the corresponding period in the previous year. Meanwhile, the net profit before tax of the Group increased from approximately US\$18.9 million for the six months ended 30 June 2009 to approximately US\$21.6 million for the six months ended 30 June 2010, representing an increase of approximately 14.3%. The net profit margin before tax was approximately 6.5% during the six months ended 30 June 2010 compared with approximately 7.9% during the previous corresponding period.

The decline in net profit margin before tax was mainly attributable to the substantial increase in price of raw materials such as copper. There have also been increases in labour costs in the PRC where the Group's manufacturing facilities are located.

The profit margin of 3% under the New Sub-contracting Agreement is fixed regardless of changes in cost of sales such as raw materials and labour costs. In the operating environment mentioned above, having a fixed profit margin for a proportion of the Group's sales will help reduce the impact of profit margin fluctuations of the Group's sales of self-manufactured products. This will help stabilise the Group's overall profit margin.

6. Annual Caps

The table below sets out (i) the historical amount of annual caps used for the two years ended 31 December 2009 and the nine months ended 30 September 2010; (ii) the approved annual caps for FY2008, FY2009 and FY2010 in respect of the transactions under the Existing Sub-contracting Agreement; (iii) the utilisation rate of the approved annual caps for the two years ended 31 December 2009 and the nine months ended 30 September 2010; and (iv) the Annual Caps for FY2011, FY2012 and FY2013.

	For the year ended		Nine months	For the year ending		
	31 December		ended 30	31 December		
	2008	2009	September	2011	2012	2013
			(Unaudited)			
	(US\$ million)	(US\$ million)	(US\$ million)	(US\$ million)	(US\$ million)	(US\$ million)
Historical amount	47.5	43.9	36.0			
Approved Caps	63.4	63.4	47.6*			
Utilisation rate	74.9%	69.2%	75.6%			
Annual Caps				63.4	63.4	63.4

*Note**: The approved annual cap for the year ending 31 December 2010 amounted to US\$63.4 million. The amount of US\$47.6 million represents such approved annual cap pro-rated on a nine-month basis and was based on the unaudited management accounts of the Group for the nine months ended 30 September 2010.

As shown above, the Group had utilised approximately 75% and 69% of the approved annual caps in each of FY2008 and FY2009 despite the slowdown in business as a result of the global economic downturn during those periods. During the nine-month period ended 30 September 2010, utilisation of the approved annual caps recovered to about 76% on an annualised basis. Given the seasonality where the last quarter of a calendar year is typically a busy period for manufacturers, the management of the Group expects utilisation rate to increase for the remaining year.

Based on the above, the historical utilisation rates of the approved annual caps have been at around 70% to 76% level despite the fact that business in FY2008 and FY2009 had been adversely affected by the global economic downturn. The Company expects demand for the Group's products to increase in the coming three years in line with the continued recovery of the global markets. On this basis, we believe it is reasonable to have a buffer to the Annual Caps in anticipation of higher sales in the coming three years and the amount of buffer included in the Annual Caps is fair and reasonable. Overall, we are of the view that the assumptions in arriving at the Annual Caps under the New Sub-contracting Agreement for FY2011, FY2012 and FY2013 are fair and reasonable.

CONCLUSION AND RECOMMENDATION

Having considered the above principal factors, we are of the opinion that terms and conditions of the New Sub-contracting Agreement are on normal commercial terms, are in the ordinary and usual course of business, and are fair and reasonable so far as the Independent Shareholders are concerned. The aforesaid agreement is also in the interests of the Company and Shareholders as a whole. We are of the view that the Annual Caps have been fairly and reasonably arrived at. We would therefore advise the Independent Shareholders, as well as the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Continuing Connected Transactions and the Annual Caps.

Yours faithfully,
For and on behalf of
Altus Capital Limited
Arnold Ip
Executive Director

1. DIRECTORS' 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) Interest and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company and the shares, underlying shares and debentures of its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or the shares, underlying shares and debentures of any 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 were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange were as follows:

Long positions:

Ordinary shares of the associated corporation of the Company:

Name of directors	Capacity	Name of associated corporation	Number of issued ordinary shares held	Shareholding percentage
Mr. Yeh	Beneficial owner	HannStar Taiwan	189,102	0.05%
Mr. Chang	Beneficial owner and interest of spouse (<i>Note</i>)	Walsin Technology	223,304	0.03%

Note: Mr. Chang holds as to 148,663 shares of Walsin Technology as beneficial owner and 74,641 in the capacity of interest of his spouse.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their associates has any interests or short positions in any Shares, underlying Shares and debentures of the Company or any shares, underlying shares and debentures of any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange.

(b) Interest and short positions of Substantial Shareholders in Shares, underlying Shares and debentures of the Company

As at the Latest Practicable Date, so far as is known to any Directors, the following persons (other than a Director) have interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholders	Capacity	Number of Shares held	Shareholding percentage
HannStar BVI	Beneficial owner	987,050,000	74.99%
HannStar Taiwan	Held by controlled corporation (Note)	987,050,000	74.99%
Walsin Technology	Held by controlled corporation (Note)	987,050,000	74.99%

Note: HannStar BVI is wholly-owned by HannStar Taiwan. Walsin Technology and its associate beneficially owns approximately 20% of the issued share capital of HannStar Taiwan and have the power to appoint or remove the majority of the members of its board of directors. HannStar Taiwan and Walsin Technology are deemed to be interested in 987,050,000 shares in the Company which are held by HannStar BVI.

Save as disclosed above, the Directors were not aware that there was any person (other than a Director) who, as at the Latest Practicable Date, had an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or in any options, in respect of such capital.

3. NO MATERIAL ADVERSE CHANGES

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2009, the date to which the latest published audited accounts of the Group were made up.

4. DIRECTORS' INTEREST IN POTENTIALLY COMPETING BUSINESS

As at the Latest Practicable Date, save as disclosed herein and so far as the Directors were aware, none of the Directors nor their respective associates had any interest in any business which competed or was likely to compete with the businesses of the Group.

5. DIRECTORS' INTEREST IN ASSETS

As at the Latest Practicable Date, to the best knowledge of the Directors, none of the Directors had any direct or indirect interest in any asset which had been, since 31 December 2009, being the date to which the latest published audited consolidated accounts of the Company were made up, acquired or disposed of, by leased to any member of the Group or were proposed to be acquired of, by or leased to any member of the Group.

6. DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

The Company has entered into the following connected transactions involving HannStar Taiwan:

- (a) The Company and HannStar Taiwan entered into the Existing Sub-contracting Agreement on 23 November 2007 pursuant to which the Company agreed to engage HannStar Taiwan to act as a sub-contractor for the production and processing of PCBs. During the nine months ended 30 September 2010, the sub-contracting fee paid and payable was approximately US\$36 million.
- (b) The Company and HannStar Taiwan entered into the New Sub-contracting Agreement to renew the term of the Existing Sub-contracting Agreement for a term of three years ending 31 December 2013, the terms of which are set out in the Letter from the Board of which this circular forms part.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, HannStar Taiwan is owned as to approximately 20% by Walsin Technology and its associate and as to approximately 0.05% by Mr. Yeh. Walsin Technology is owned as to approximately 0.03% by Mr. Chang. Save as the interests of Mr. Yeh and Mr. Chang in HannStar Taiwan and Walsin Technology respectively disclosed above, none of the Directors is interested in any contract or arrangement entered into by the Company or any of its subsidiaries which contract or arrangement is subsisting at the Latest Practicable Date and which is significant in relation to the business of the Company.

7. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

8. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

9. EXPERT'S QUALIFICATION AND CONSENT

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears.

The following is the qualification of the expert who has given its opinion or advice which is contained in this circular:

Name	Qualification
Altus Capital Limited	a corporation licensed to carry out Types 4, 6 and 9 (advising on securities, corporate finance and asset management) regulated activities under the SFO

10. EXPERT'S INTERESTS

As at the Latest Practicable Date, the Independent Financial Adviser did not have any direct or indirect interest in any asset which had been acquired, or 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 2009, the date to which the latest audited financial statements of the Group were made up; and was not beneficially interested in the share capital of any member of the Group and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

11. GENERAL

- (a) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (b) The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited of Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (c) The secretary of the Company is Ms. Cheng Pik Yuk.
- (d) The auditors of the Company is Deloitte Touche Tohmatsu of 35/F, One Pacific Place, 88 Queensway, Hong Kong.
- (e) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the principal place of business of the Company in Hong Kong at Level 28, Three Pacific Place, 1 Queen's Road East, Hong Kong during normal business hours on any business day from the date of this circular up to and including the date of EGM:

- (a) the memorandum of association and the articles of association of the Company;
- (b) the annual reports of the Company for the two years ended 31 December 2008 and 31 December 2009 and the interim report of the Company for the six months ended 30 June 2010;
- (c) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 14 to 15 of this circular;
- (d) the letter from the Independent Financial Adviser, the text of which is set out on pages 16 to 23 of this circular;
- (e) the written consent from the Independent Financial Adviser referred to in the paragraph headed "Expert's Qualification and Consent" in this appendix;
- (f) Existing Sub-contracting Agreement; and
- (g) New Sub-contracting Agreement.



HannStar Board International Holdings Limited

瀚宇博德國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00667)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of HannStar Board International Holdings Limited (瀚宇博德國際控股有限公司) (the “**Company**”) will be held at Empire Room 1, 1/F., Empire Hotel Hong Kong Wan Chai, 33 Hennessy Road, Wanchai, Hong Kong on Thursday, 25 November 2010 at 10:00 a.m., to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

1. “**THAT**

- (a) the framework sub-contracting agreement (the “**New Sub-contracting Agreement**”) dated 8 October 2010 entered into between the Company and HannStar Board Corporation (瀚宇博德股份有限公司) (“**HannStar Taiwan**”) whereby the Company conditionally agreed to engage HannStar Taiwan as the sub-contractor for production and processing of printed circuit board, a copy of which is tabled before the meeting and marked “A” and initialled by the chairman of the meeting for identification purpose, and the terms of the transactions contemplated under the New Sub-contracting Agreement be and are hereby approved, confirmed and ratified;
- (b) the respective annual cap amounts in relation to the transactions contemplated under the New Sub-contracting Agreement for the three years ending 31 December 2013 be and are hereby approved; and
- (c) any one director of the Company be and is hereby authorised to do all such things and take all other steps which, in his or her opinion, may be necessary or desirable for the purpose of giving effect to the New Sub-contracting Agreement and the transactions contemplated thereunder.”

NOTICE OF THE EGM

2. “**THAT** Mr. Chang Chia-ning be re-elected as a non-executive director of the Company and that the board of directors of the Company be and is hereby authorised to fix his remuneration.”

On behalf of the Board
HannStar Board International Holdings Limited
瀚宇博德國際控股有限公司
Chang Chia-ning
Chairman

4 November 2010

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

*Principal Place of Business
in Hong Kong:*

Level 28, Three Pacific Place
1 Queen’s Road East
Hong Kong

Notes:

1. Every Shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.
2. Shareholders, whose names appear on the register of members of the Company maintained by Computershare Hong Kong Investor Services Limited at 4:30 p.m. on Friday, 19 November 2010, are entitled to attend and vote at the EGM. The register of members of the Company will be closed from Monday, 22 November 2010 to Thursday, 25 November 2010 (both days inclusive), during which period no transfer of Shares will be effected in order to determine the Shareholders eligible to attend the EGM. Shareholders who wish to attend the EGM must lodge all share transfer forms accompanied by the relevant share certificates with the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by 4:30 p.m. on Friday, 19 November 2010.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(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.
4. The instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof, must be deposited at the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by not less than 48 hours before the time appointed for the holding of the EGM or any adjournment of it (as the case may be).
5. If a “black” rainstorm warning signal or a tropical cyclone warning signal number 8 or above is in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, 25 November 2010, the EGM will not be held on that day. An announcement will be made in such event.
6. Delivery of an instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the EGM convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.

NOTICE OF THE EGM

As at the date of this notice, Mr. Yeh Shin-jiin is the executive Director; Mr. Chang Chia-ning and Ms. Cao Jianhua are non-executive Directors; and Mr. Chao Yuan-san, Ms. Chen Shun Zu Deborah, Mr. Yeh Yu-an, Ms. Chang Pi-lan and Mr. Yen Chin-chang are independent non-executive Directors.