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HannStar Board (BVI) Holdings Corp.

(Incorporated in the British Virgin Islands with limited liability)



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)

JOINT ANNOUNCEMENT

PROPOSED PRIVATISATION

BY

HANNSTAR BOARD (BVI) HOLDINGS CORP.

OF

HANNSTAR BOARD INTERNATIONAL HOLDINGS LIMITED

**BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 86 OF
THE COMPANIES LAW OF THE CAYMAN ISLANDS**

AND

**PROPOSED WITHDRAWAL OF LISTING OF
HANNSTAR BOARD INTERNATIONAL HOLDINGS LIMITED**

RESUMPTION OF TRADING IN SHARES

Financial Adviser to the Offeror



THE PROPOSAL

Scheme of Arrangement

On 5 August 2011, the Offeror requested the Board to put forward the Proposal to the Independent Shareholders which, if approved and implemented, would result in the cancellation of the Scheme Shares, the Company becoming wholly-owned by the Offeror and the withdrawal of the listing of the Shares on the Stock Exchange.

The Proposal will be implemented by way of a scheme of arrangement under Section 86 of the Companies Law. If the Scheme becomes effective, the Scheme Shares will be cancelled. Further, the New Shares will be issued as fully paid to the Offeror and the listing of the Shares on the Stock Exchange will be withdrawn in accordance with Rule 6.15 of the Listing Rules.

Having reviewed the Proposal, the Board has agreed to put forward the Scheme for consideration by the Independent Shareholders. If the Scheme becomes effective, the Scheme Shareholders will receive from the Offeror the Cancellation Consideration as consideration for the cancellation of the Scheme Shares:

HK\$1.25 in cash for every Scheme Share cancelled

OTHER SECURITIES

As at the date of this announcement, the Company has adopted the Share Option Scheme. No option has been granted under the Share Option Scheme since its adoption. As a result, the Offeror is not required to make any offer with respect to the Share Option Scheme pursuant to Rule 13 of the Takeovers Code.

As at the date of this announcement, the Company does not have any outstanding convertible securities, warrants, options or derivatives in respect of any Shares.

CONDITIONS OF THE PROPOSAL

The Proposal is conditional upon the fulfillment or waiver, as applicable, of the Conditions described in the section headed “Conditions of the Proposal” below (which include, among others, the approval of the Scheme by the Independent Shareholders at the Court Meeting and the sanction of the Scheme by the Grand Court).

If the Conditions are not fulfilled or, if applicable, not waived on or before the Long Stop Date, the Proposal will lapse.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, there are 1,316,250,000 Shares in issue. The Offeror holds an aggregate of 987,050,000 Shares (representing approximately 74.99% of the Shares in issue). The Shares owned by the Offeror will not form part of the Scheme Shares and the Offeror will not vote at the Court Meeting.

As at the date of this announcement, the Scheme Shareholders hold an aggregate of 329,200,000 Shares (representing approximately 25.01% of the Shares in issue), all of which are held by the Independent Shareholders.

All the Independent Shareholders will be entitled to vote at the Court Meeting. All the Shareholders will be entitled to vote at the EGM.

FINANCIAL RESOURCES

ING has been appointed as the financial adviser to the Offeror in respect of the Proposal. ING is satisfied that sufficient financial resources are available to the Offeror for the payment in cash of the aggregate Cancellation Consideration payable by the Offeror under the Scheme.

The Offeror will finance the aggregate Cancellation Consideration under the Proposal by using its internal cash resources and funds to be drawn down under the Facility.

INDEPENDENT BOARD COMMITTEE

The IBC (comprising five independent non-executive Directors and one non-executive Director) has been formed to advise the Independent Shareholders as to what action they should take in respect of the Proposal.

SCHEME DOCUMENT

The Scheme Document will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code.

WITHDRAWAL OF LISTING

The Company will apply for the withdrawal of listing of the Shares on the Stock Exchange, in accordance with Rule 6.15 of the Listing Rules, with effect from the date on which the Scheme becomes effective.

If the Scheme is withdrawn, not approved or lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 am on 1 August 2011 pending the issue of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 am on 8 August 2011.

WARNING

Shareholders and potential investors should note that the implementation of the Proposal is subject to the Conditions being fulfilled or waived, as applicable. Therefore, the Proposal may or may not become effective. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

INTRODUCTION

On 5 August 2011, the Offeror requested the Board to put forward the Proposal to the Independent Shareholders which, if approved and implemented, would result in the cancellation of the Scheme Shares, the Company becoming wholly-owned by the Offeror and the withdrawal of the listing of the Shares on the Stock Exchange.

The Proposal will be implemented by way of a scheme of arrangement under Section 86 of the Companies Law. If the Scheme becomes effective, the Scheme Shares will be cancelled. Further, the New Shares will be issued as fully paid to the Offeror and the listing of the Shares on the Stock Exchange will be withdrawn in accordance with Rule 6.15 of the Listing Rules.

Having reviewed the Proposal, the Board has agreed to put forward the Proposal for consideration by the Independent Shareholders.

TERMS OF THE PROPOSAL

Under the Scheme, the Scheme Shareholders will receive from the Offeror the Cancellation Consideration as consideration for the cancellation of the Scheme Shares:

HK\$1.25 in cash for every Scheme Share cancelled

Comparison of Value

The Cancellation Consideration for each Scheme Share under the Proposal represents:

- a premium of approximately 47.1% over the closing price of HK\$0.85 per Share as quoted on the Stock Exchange on the Last Trading Date;
- a premium of approximately 51.8% over the average closing price of approximately HK\$0.82 per Share as quoted on the Stock Exchange over the 30 trading days up to and including the Last Trading Date;
- a premium of approximately 56.8% over the average closing price of approximately HK\$0.80 per Share as quoted on the Stock Exchange over the 60 trading days up to and including the Last Trading Date;
- a premium of approximately 48.0% over the average closing price of approximately HK\$0.84 per Share as quoted on the Stock Exchange over the 90 trading days up to and including the Last Trading Date; and
- a premium of approximately 23.8% over the average closing price of approximately HK\$1.01 per Share as quoted on the Stock Exchange over the 180 trading days up to and including the Last Trading Date.

Highest and Lowest Prices

During the six month period immediately preceding the Last Trading Date, the highest closing price and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$1.18 per Share on 7 February 2011 and HK\$0.69 per Share on 31 May 2011.

OTHER SECURITIES

As at the date of this announcement, the Company has adopted the Share Option Scheme. No option has been granted under the Share Option Scheme since its adoption. As a result, the Offeror is not required to make any offer with respect to the Share Option Scheme pursuant to Rule 13 of the Takeovers Code.

As at the date of this announcement, the Company does not have any outstanding convertible securities, warrants, options or derivatives in respect of any Shares.

CONDITIONS OF THE PROPOSAL

The Proposal will become effective and binding on the Company, the Offeror and all the other Shareholders subject to the fulfillment or waiver, as applicable, of the following Conditions:

- (a) the approval of the Scheme (by way of a poll) by a majority in number of Scheme Shareholders representing not less than three-fourths in value of the Scheme Shares held by the Scheme Shareholders present and voting at the Court Meeting either in person or by proxy, provided that:
 - (i) the Scheme is approved (by way of a poll) by Independent Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by Independent Shareholders that are voted either in person or by proxy at the Court Meeting; and

- (ii) the number of votes cast (by way of a poll) against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to the Scheme Shares held by all the Independent Shareholders;
- (b) the passing of a special resolution to approve and give effect to the Reduction by a majority of at least three-fourths of the votes cast by the Shareholders present and voting either in person or by proxy at the EGM and, immediately thereafter, to apply the credit arising in its books of account as a result of the Reduction to pay up in full and issue to the Offeror such number of New Shares as is equal to the number of Scheme Shares cancelled;
- (c) the sanction of the Scheme (with or without modifications) by the Grand Court and, to the extent necessary, the Grand Court's confirmation of the Reduction and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court for registration;
- (d) compliance, to the extent necessary, with the procedural requirements of Section 15 of the Companies Law and compliance with any conditions imposed under Section 16 of the Companies Law, in each case in relation to the Reduction;
- (e) all Authorisations having been obtained from the relevant Authorities in Cayman Islands, Hong Kong, Taiwan and/or any other relevant jurisdictions on terms reasonably satisfactory to the Offeror (including the approval from the Investment Commission of the Ministry of Economic Affairs of Taiwan);
- (f) all Authorisations remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any of the relevant Authorities which is not expressly provided for (or is in addition to requirements expressly provided for) in the relevant laws, rules, regulations or codes in connection with the Proposal (or any matters, documents or things relating to the Proposal), in each case up to the date immediately preceding the Effective Date;
- (g) all necessary third parties' consent (other than, for the avoidance of doubt, any that may be required from any member of the Offeror Group) in relation to the Proposal or the Scheme pursuant to any agreement to which any member of the Group is a party (where any failure to obtain a consent would have a material adverse effect on the business of the Group taken as a whole) having been obtained or waived by the relevant party(ies);
- (h) save as publicly announced prior to the date of this announcement (and except in so far as such event forms part of the Proposal), since 31 December 2010 (being the date to which the latest published audited accounts of the Company were made up):
 - (i) there having been no material adverse change in the business, financial or trading position or prospects of any member of the Group; or
 - (ii) there not having been instituted or remaining outstanding any material litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Group is a party (whether as plaintiff or defendant or otherwise) and no such proceedings having been threatened in writing against any such member and no investigation by any Authority against or in respect of any member of the Group (or the business carried on by any such member) having been threatened in writing, announced, instituted or remaining outstanding by, against or in respect of any such member,

in each case which is material and adverse in the context of the Group taken as a whole;
and

- (i) each member of the Group remaining solvent and not being subject to any insolvency or bankruptcy proceedings or likewise and no liquidator, receiver or other person carrying out any similar function having been appointed anywhere in the world in respect of the whole or any substantial part of the assets or undertakings of any member of the Group up to the date immediately preceding the Effective Date, in each case which is material and adverse in the context of the Group taken as a whole.

The Offeror reserves the right to waive any of the Conditions set out in paragraphs (e), (f), (g), (h) and (i) above, either in whole or in respect of any particular matter. None of the Conditions set out in paragraphs (a) to (d) above is waivable. When the Conditions are fulfilled or waived, as applicable, the Proposal will become effective and binding on the Offeror, the Company and all Scheme Shareholders. Save for the sanction from the Grand Court under the Condition set out in paragraph (c) above and the approval from the Investment Commission of the Ministry of Economic Affairs of Taiwan under the Condition set out in paragraph (e) above, the Offeror and the Company currently are not aware of other specific approvals required in connection with the Proposal.

All of the Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, otherwise the Proposal will lapse.

Assuming that the Conditions are fulfilled (or, as applicable, waived), it is expected that the Proposal will become effective on or before 8 December 2011. A detailed expected timetable will be included in the Scheme Document. Further announcements will also be made in the event of a change of the expected effective date of the Proposal.

SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company as at the date of this announcement and, assuming there will be no other shareholding changes in the meantime, immediately upon completion of the Proposal:

Shareholders	Number of Shares as at the date of this announcement	Approximate percentage of Shares in issue	Number of Shares upon completion of the Proposal	Approximate percentage of Shares in issue
Offeror, the Parent and parties acting in concert with any of them	987,050,000	74.99%	1,316,250,000	100%
Other Shareholders	329,200,000	25.01%	0	0%
Total Shares in issue	1,316,250,000	100%	1,316,250,000	100%

As at the date of this announcement, there are 1,316,250,000 Shares in issue. The Offeror holds an aggregate of 987,050,000 Shares (representing approximately 74.99% of the Shares in issue). The Shares owned by the Offeror will not form part of the Scheme Shares and the Offeror will not vote at the Court Meeting.

As at the date of this announcement, the Scheme Shareholders hold an aggregate of 329,200,000 Shares (representing approximately 25.01% of the Shares in issue), all of which are held by the Independent Shareholders.

Save as disclosed above, neither the Offeror, the Parent nor persons acting in concert with any of them owns or has control or direction over any Shares or holds convertible securities, warrants or options (or other outstanding derivatives) in respect of Shares.

There are no dealings in the securities of the Company by the Offeror, the Parent and any of their respective parties acting in concert during the past six months preceding the date of this announcement.

All the Independent Shareholders will be entitled to vote at the Court Meeting. All the Shareholders will be entitled to vote at the EGM.

As at the date of this announcement, ING Investments LLC, an affiliate of ING, holds 238,000 Shares as a discretionary fund manager.

REASONS FOR THE PROPOSAL

The Proposal will facilitate business integration between the Offeror and the Company and will provide the Offeror with greater flexibility to support the future business development of the Company. The Offeror currently holds approximately 74.99% of the total issued Shares and the Listing Rules require a minimum public float of 25%. The privatisation of the Company will simplify the shareholding structure of the Company.

The Directors (other than members of the IBC who will express their view after receiving advice from the IFA) are of the view that the terms of the Proposal are attractive to the Independent Shareholders and that the proposed privatisation of the Company will be beneficial to the Independent Shareholders in a number of ways.

The Directors (other than members of the IBC) consider that the Scheme provides an opportunity for the Independent Shareholders to realise their Shares (which have a relatively low degree of market liquidity) in return for cash. In this regard, the Board noted that the trading volume of the Shares on the Stock Exchange has been generally low. The average daily trading volume of the Shares between commencement of their listing on 6 October 2006 to the Last Trading Day was less than 3,200,000 Shares (representing approximately 0.24% of the Shares in issue as at the date of this announcement). During the period between the commencement of the listing of the Shares on 6 October 2006 and the Latest Trading Date, the Shares have underperformed by the Hang Seng Index for a margin of 39.0%.

Given the low liquidity and the weak performance of the Shares traded on the Stock Exchange, the directors of the Offeror believe that there is currently limited opportunity for the Independent Shareholders to divest their investment in the Company. The Directors (other than members of the IBC) consider that the Proposal provides an opportunity for the Scheme Shareholders to dispose of their Shares and receive cash at a price above the prevailing market price of the Shares.

The Directors (other than members of the IBC) believe that, in view of the relatively thin trading liquidity and persistently weak performance of the Shares since their listing on 6 October 2006, access to the equity capital markets does not provide the Company with an attractive fund raising avenue, and that the costs and management resources associated with the maintenance of the Company's listing status are not warranted.

In addition, the Proposal allows the Independent Shareholders a chance to redeploy capital from accepting the Proposal into other investment opportunities that they may consider more attractive in the current market environment.

FINANCIAL RESOURCES

The aggregate Cancellation Consideration payable by the Offeror in cash under the Proposal will be approximately HK\$412 million. This is calculated by multiplying the Cancellation Consideration of HK\$1.25 per Share by the number of the issued Shares which are not held by the Offeror as at the date of this announcement (i.e. 329.2 million).

ING has been appointed as the financial adviser to the Offeror in respect of the Proposal. ING is satisfied that sufficient financial resources are available to the Offeror for the payment in cash of the aggregate Cancellation Consideration under the Proposal.

The Offeror will finance the aggregate Cancellation Consideration under the Proposal by using its internal cash resources and funds to be drawn down under the Facility.

INFORMATION OF THE GROUP

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 communications industries for the use in game consoles, STBs, servers and mobile phones.

A summary of the audited consolidated results of the Company for each of the two financial years ended 31 December 2009 and 31 December 2010 is set out below:

	Year ended 31 December	
	2009	2010
	<i>US\$'000</i>	<i>US\$'000</i>
Revenue	569,125	677,445
Profit before income tax	63,548	31,710
Profit for the period	61,350	24,941
	<hr/>	<hr/>
Basic Earnings per Share	US\$0.047	US\$0.019
	<hr/> <hr/>	<hr/> <hr/>
Dividend per Share	HK\$0.055	HK\$0.022
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The Adjusted NTA per Share is calculated as follows:

	As at 31 December 2010	
	<i>US\$'000</i>	<i>HK\$'000</i>
Audited consolidated net tangible assets	370,320	2,888,496
Less: 2010 Final Dividend	3,726	28,958
Adjusted consolidated net tangible assets	366,594	2,859,538
	<hr/>	<hr/>
Adjusted NTA per Share	US\$0.278	HK\$2.172
	<hr/> <hr/>	<hr/> <hr/>

The audited consolidated net tangible assets of the Company attributable to Shareholders as at 31 December 2009 and 2010 were approximately US\$342,738,000 and US\$370,320,000 respectively (equivalent to approximately HK\$2,673,356,400 and HK\$2,888,496,000 respectively).

INFORMATION ON THE OFFEROR GROUP

The Offeror is an investment holding company incorporated in the British Virgin Island and a wholly-owned subsidiary of the Parent. It is the immediate holding company of the Company.

The Parent 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 the Parent has been the production and sale of PCBs since its establishment. As at the date of this announcement, the Parent has two PCB production plants in Taiwan with an aggregate monthly production capacity of 350,000 sq.ft. of PCBs.

FUTURE PLANS FOR THE GROUP

It is the intention of the Offeror to continue the existing businesses of the Group in all material respects upon the successful privatisation of the Company. The Offeror has no plan for any material changes to the existing businesses of the Group (including any material redeployment of the fixed assets of the Group), nor does it have any plan for any material changes to the continued employment of the employees of the Group, as a result of the Proposal.

On the other hand, the Offeror will continue to assess any business opportunity that may arise from time to time involving the business and/or assets of the Group and formulate strategic corporate planning as and when appropriate (including the possible listing of all or part of the business or assets of the Group in an appropriate securities exchange at an appropriate time).

OVERSEAS SHAREHOLDERS

The making of the Proposal to those Scheme Shareholders who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions where such Scheme Shareholders are located. Such Scheme Shareholders should inform themselves and observe any applicable legal and regulatory requirements of their own jurisdictions.

It is the responsibility of any overseas Scheme Shareholders wishing to accept the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdictions in connection with their status (including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in any such jurisdiction).

INDEPENDENT BOARD COMMITTEE

The Directors (other than members of the IBC) believe that the terms of the Proposal are fair and reasonable and in the interest of the Shareholders as a whole.

The IBC (comprising Mr. Chao Yuan-san, Ms. Chen Shun Zu, Deborah, Mr. Yeh Yu-an, Ms. Chang Pi-lan and Mr. Yen Chin-chang, all being the independent non-executive Director and Ms. Cao Jianhua, being the non-executive Director) has been formed to advise the Independent Shareholders as to what action they should take in respect of the Proposal, whether the Proposal is, or is not, fair and reasonable and in the interest of the Independent Shareholders and as to voting for or against the resolutions in the Court Meeting and in the EGM.

Mr. Chang Chia-ning (being another non-executive Director) is interested in certain shares in Walsin Technology Corporation, which beneficially owns approximately 19.97% of the issued

share capital of the Parent. In order to avoid any perceived conflict of interest, it was decided that Mr. Chang Chia-ning should not become a member of the IBC.

The recommendations of the IBC (as to whether the Proposal is or is not fair and reasonable, as to voting by the Independent Shareholders at the Court Meeting and the EGM) will be set out in the Scheme Document.

The Company, with the approval of the IBC, will appoint an IFA to advise the IBC on such matters. A further announcement will be made by the Company upon the appointment of the IFA as soon as possible.

SCHEME DOCUMENT

The Scheme Document (including, among other things, further details of the Proposal, the Scheme, an explanatory memorandum for the Scheme, the expected timetable relating to the Scheme, the Record Date, the recommendations of the IBC, the letter of advice from the IFA and notices of the Court Meeting and the EGM) will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code.

WITHDRAWAL OF LISTING OF THE SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as document or evidence of title.

The Company will apply for the withdrawal of listing of the Shares on the Stock Exchange, in accordance with Rule 6.15 of the Listing Rules, with effect from the date on which the Scheme becomes effective. The Scheme will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date. If the Scheme is withdrawn, not approved or lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

The holders of the Scheme Shares will be notified by way of an announcement of the dates of the last day for dealing in the Shares and on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed timetable of the Scheme will be included in the Scheme Document.

GENERAL

As at the date of this announcement,

- (i) the Offeror, the Parent and parties acting in concert with any of them have not received any irrevocable commitment to vote in favour of the Proposal;
- (ii) the Offeror, the Parent or parties acting in concert with any of them do not hold any convertible securities, warrants or options in the Company;
- (iii) there is no outstanding derivative in respect of the securities in the Company which has been entered into by the Offeror, the Parent or parties acting in concert with any of them;

- (iv) save for the Proposal and the Scheme itself, there are no arrangements (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares of the Company or the Offeror which might be material to the Proposal and which the Offeror or the Parent is party;
- (v) there is no agreement or arrangement to which the Offeror or the Parent is party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Proposal; and
- (vi) there are no relevant securities in the Company which the Offeror, the Parent or any person acting in concert with any of them has borrowed or lent.

WARNING

Shareholders and potential investors should note that the implementation of the Proposal is subject to the Conditions being fulfilled or waived, as applicable. Therefore, the Proposal may or may not become effective. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DISCLOSURE OF DEALINGS

All Associates (including a person who owns or controls 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company or the Offeror) of the Company and the Offeror are reminded to disclose their dealings in any relevant securities of the Company.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved. Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 am on 1 August 2011 pending the issue of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 am on 8 August 2011.

Trading of the Shares on the Stock Exchange is expected to be suspended on the day of the Court Meeting and the EGM. Trading of the Shares on the Stock Exchange is also expected to be suspended on the day of the hearing of the Grand Court to sanction the Scheme and, if the Scheme is sanctioned by the Grand Court, will continue to be suspended until listing on the Stock Exchange is withdrawn. Further suspension of trading of Shares on the Stock Exchange as may be required will be further announced.

DEFINITIONS

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

“2010 Final Dividend”	the amount of HK\$0.022 per Share, being the final dividend for the year ended 31 December 2010 which was paid on 16 June 2011
“acting in concert”	has the meaning given to it in the Takeovers Code, and “persons acting in concert” and “concert parties” shall be construed accordingly
“Adjusted NTA per Share”	the value per Share as derived from dividing the audited consolidated net tangible asset value of the Company as at 31 December 2010 (adjusted to take into account the 2010 Final Dividend) by the number of the issued Shares
“Associate”	has the meaning given to it in the Takeovers Code
“Authorisations”	all necessary approvals, licenses, consents, registrations, filing, rulings, permits and authorisations which may be required in connection with the Proposal
“Authority”	any relevant government, quasi-governmental, supranational, regulatory, administrative or investigative body, court, tribunal, arbitrator, agency, authority or department in any jurisdiction
“Board”	the board of Directors of the Company
“Cancellation Consideration”	the consideration of HK\$1.25 in cash for every Scheme Share cancelled
“Companies Law”	the Companies Law (2010 Revision) of the Cayman Islands as amended

“Company”	HannStar Board International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Conditions”	the conditions of the Scheme
“Court Meeting”	a meeting of the Independent Shareholders to be convened at the direction of the Grand Court for the purpose of approving the Scheme
“Directors”	directors of the Company
“Effective Date”	the date on which the Scheme becomes effective
“EGM”	an extraordinary general meeting of the Company to be convened immediately following the close of the Court Meeting for the purpose of approving the Reduction
“Executive”	the Executive Director of the Corporate Finance Division of the SFC (or any delegate of the Executive Director)
“Facility”	the bank facility which the Offeror has obtained for the purpose of financing the Proposal
“Grand Court”	the Grand Court of the Cayman Islands
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IBC”	the independent committee of the Board formed for the purpose of advising the Independent Shareholders as to what action they should take in relation to the Proposal
“IFA”	the independent financial adviser to be appointed to advise the IBC on the Proposal
“Independent Shareholders”	the Shareholders (other than the Offeror, the Parent and any persons acting in concert with any of them)
“ING”	ING Bank, N.V., a registered institution under the SFO, registered to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities, being the financial adviser to the Offeror in connection with the Proposal

“Last Trading Date”	29 July 2011, being the last full trading day prior to the suspension of trading in the Shares pending the issue of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 April 2012 (or such later date as the Offeror and the Company may agree in writing)
“New Shares”	the new Shares to be issued to the Offeror pursuant to the Scheme, the number of which is equal to the number of Scheme Shares to be cancelled
“Offeror”	HannStar Board (BVI) Holdings Corp., a company incorporated in the British Virgin Islands on 31 December 2001, the immediate holding company of the Company and a direct wholly-owned subsidiary of the Parent
“Offeror Group”	the Offeror, the Parent and the subsidiaries of the Parent (other than the Group)
“Parent”	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
“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
“PRC”	the People’s Republic of China
“Proposal”	the proposed privatisation of the Company by the Offeror by way of the Scheme
“Record Date”	the record date for determining entitlements under the Scheme
“Reduction”	the proposed reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares
“Registrar of Companies”	the registrar of companies appointed under the Companies Law
“Scheme”	a scheme of arrangement under Section 86 of the Companies Law for the implementation of the Proposal
“Scheme Document”	the scheme document to be issued by the Company to the Shareholders in relation to the Scheme
“Scheme Shareholders”	Shareholders other than the Offeror

“Scheme Shares”	Shares held by the Scheme Shareholders
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Shareholders”	registered holders of Shares
“Shares”	ordinary shares of HK\$0.10 each in the capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 21 September 2006
“sq.ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“STB”	acronym for set-top box, a device that connects to a television and some external source of signal, and turns the signal into content, which is then displayed on the screen
“Taiwan Stock Exchange”	the Taiwan Stock Exchange Corporation
“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong
“US”	the United States of America
“US\$”	United States dollars, the lawful currency of the US

Unless other specified in this announcement, translations of US\$ into HK\$ are made in this announcement, for illustration only, at the rate of US\$1.00 to HK\$7.80. No representation is made that any amounts in US\$ or HK\$ could have been or could be converted at that rate or at any other rate.

By order of the board of
HannStar Board (BVI) Holdings Corp.
Chiao Yu-heng
Director

By order of the board of
HannStar Board International Holdings Limited
Chang Chia-ning
Chairman

8 August 2011

As at the date of this announcement, the directors of the Offeror are Mr. Chiao Yu-heng, Mr. Shu Yao-shien and Hannstar Board Corporation (瀚宇博德股份有限公司). Mr. Chiao Yu-heng also acts as the chairman of the Parent and Mr. Shu Yao-shen is the president of the Parent.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Group), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

*As at the date of this announcement, the Board of the Company comprises the following Directors:
Executive Director: Mr. Yeh Shin-jiin, Mr. Lai Wei-chen and Mr. Chen Kuen-hwang
Non-executive Directors: Mr. Chang Chia-ning and Ms. Cao Jianhua
Independent Non-executive Directors: Mr. Chao Yuan-san, Ms. Chen Shun Zu, Deborah, Mr. Yeh Yu-an, Ms. Chang Pi-lan and Mr. Yen Chin-chang*

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Offeror Group), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Offeror Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.