



ASAT Holdings Limited
BOARD OF DIRECTORS CHARTER
(As adopted by the Board of Directors on April 15, 2008)

I. ROLE OF THE BOARD OF DIRECTORS

The Board of Directors of ASAT Holdings Limited (“Board”) represents the interests of ASAT Holdings Limited’s (the “Company”) shareholders in perpetuating a successful business. It is the responsibility of the Board of Directors to provide guidance to management and to monitor the effectiveness of management’s policies and decisions, including the execution of its strategies, with a view towards enhancing shareholder value over the long term. The Board of Directors Charter reflects the Board’s commitment to monitoring policies and decisions at the Board, Committee and management levels, with a view to enhancing the long-term value of the Company.

In the event of a conflict between the Board of Directors Charter and any provisions of the laws of the Cayman Islands or any other applicable law or the Articles of Association or Memorandum of Association of the Company, as amended, modified or supplemented from time to time, the latter shall take precedence. Furthermore, the Board of Directors Charter shall be interpreted and implemented in accordance with any shareholder agreements that are applicable to the functioning of the Board, including without limitation a shareholders agreement (“Shareholders Agreement”) among Chase Asia Investment Partners II (Y) LLC, Asia Opportunity Fund, L.P. (“AOF”), Chase Asia Investment Partners II (Y) LLC (together with AOF, the “Investors”), and QPL International Holdings Limited, The Industrial Investment Company Limited, QPL (US) Inc and any direct or wholly owned subsidiary thereof which has a direct or indirect interest in the equity of the Company (collectively, “QPL”).

II. BOARD AND COMMITTEE MEMBERSHIP

1. COMPOSITION

The Board shall consist of nine (9) members. In accordance with and subject to the Shareholders Agreement, AOF shall have the right to appoint three (3) directors, and QPL shall have the right to appoint three directors. The remaining three directors shall be independent directors. AOF shall select up to three independent directors, and QPL shall nominate such persons, for recommendation to the entire Board for approval and appointment by the Board in accordance with the Articles of Association of the Company, as amended and restated, and the Shareholders Agreement, unless QPL reasonably concludes that such person is not professionally qualified to serve as an independent director, in which case, AOF shall select and QPL shall nominate another person as the independent director on the same basis.

If at any time the equity shareholdings of QPL or the Investors in the Company fall below 20%, then the director nomination rights of the respective group as described above shall be revised, and AOF or QPL (as the case may be) shall cause the relevant number of directors appointed by it to resign, unless a majority of the Board (excluding the resigning director) and a majority of the independent directors determine otherwise. For any director removal or resignation due to such falling below 20% or due to any QPL bankruptcy event, such removed or resigning director shall not be entitled to vote on such

director's successor and shall not be counted as attending the Board meeting at the time of electing such successor.

If a director appointed by AOF or QPL shall cease to be a director as a result of death, disability, retirement, resignation, removal (with or without cause) or otherwise, AOF or QPL, as the case may be, may appoint a replacement so long as such replacement appointment shall not exceed the maximum number of director appointments allotted to each of AOF and QPL as specified above, otherwise, it shall be filled by a majority of directors present at a meeting of the Board and a majority of the independent directors.

2. COMMITTEES

The Board shall establish appropriate committees such as the Audit Committee, Compensation Committee, and Nominating and Governance Committee. These committees will report directly to the Board regarding committee activities, issues and related recommendations. The charters of each committee will be reviewed periodically with a view to delegating committees with the authority of the Board. Such authority will be set forth in Board resolutions pertaining to the charters of the committees.

3. INDEPENDENCE

As a matter of policy, the Board intends to maintain its independent character. All members of the Audit Committee, Compensation Committee and Nominating and Governance Committee will be independent Directors. The Nominating and Governance Committee will review the independence of each Board member annually, and refer its conclusion to the Board for full discussion and approval.

The Board will annually determine the independence of each director and identify them as such in the proxy statement.

4. MEETINGS

The Board shall hold a regularly scheduled meeting at least once every three calendar months, unless otherwise determined by the Board but in no event less often than once every fiscal year. Board meetings shall be held in Hong Kong, unless another location is agreed by a majority of the Board including at least one director appointed from by each of AOF and QPL. Quorum shall consist of a majority for the total directors. For so long as the Investors or QPL (as the case may be) owns at least 10% of the shares outstanding in the Company, such shareholders and the directors appointed by such shareholders shall not take any action at a Board meeting until at least one director appointed by AOF and QPL is present at the meeting. All Board actions require the affirmative vote of a majority of directors in a duly convened Board meeting.

5. CONTINUING EDUCATION

Although the Company does not mandate a specific level of continuing education for Board members, the Company is supportive of and will reimburse Directors for any reasonable expenses associated with Director continuing education courses. Each Director shall, from time to time, attend director education programs and shall report attendance at such programs to the Company. In addition, management routinely presents the Board with updates on governance matters, legal requirements, accounting developments and other relevant topics.

6. MULTIPLE BOARD MEMBERSHIPS

Directors are encouraged to limit the number of other public boards on which they serve to a number agreeable and approved by the entire Board, taking into account potential board meeting attendance,

participation and effectiveness of the various boards. Directors also should advise the Chairman of the Board and the Chairman of the Nominating and Governance Committee in advance of accepting an invitation to serve on another public board so that the Board can continue to monitor its ongoing independence. If any member of the Audit Committee simultaneously serves on the audit committees of more than three public companies, such Director will not be permitted to serve on the Company's Audit Committee unless the Board determines annually that such simultaneous service will not impair the ability of such Director to effectively service on the Company's Audit Committee. Any such determinations by the Board will be disclosed in the Company's annual proxy statement.

III. BOARD LEADERSHIP

Whether the roles of the Chairman and Chief Executive Officer should be separated is a matter which the Board intends to address in the way which seems best for the Company under the circumstances at the time. In circumstances in which the Chairman of the Board is an employee of the Company, the non-employee Directors will elect one of their members to act as a Lead Director with such responsibilities as the non-employee Directors as a whole may designate from time to time.

IV. BOARD TERMS AND COMPENSATION

1. TERM LIMITS

In accordance with Article 70 of the Company's Restated Articles of Association, as amended, at each annual general meeting of the shareholders, all Directors shall retire from office. Such retiring Director, if willing to continue to act, may be reappointed. If he or she is not reappointed, he shall retain office until the annual general meeting appoints another in his or her place or, if there is no reappointment, then until the end of such annual general meeting of shareholders.

2. JOB CHANGE

The Board does not believe that independent Directors who retire or change the job responsibilities they held when last elected to the Board should necessarily leave the Board. However, upon such event, the Director shall be required to submit a resignation or seek approval from the Board so that the Nominating and Governance Committee will have the opportunity to review the continued appropriateness of Board membership of the Director. The Board may deny the continued membership of such Director at the Board's sole discretion.

3. COMPENSATION

No director (other than independent directors) shall be entitled to remuneration for service in such capacity except for reimbursement of out-of-pocket expenses and other expenses in connection with the performance of his duties and, if an employee or consultant of the Company, remuneration in such capacity.

The Board believes that compensation of non-employee Directors should be competitive with that paid by other comparable companies and that equity or equity-based components should comprise a portion of Director's compensation to encourage increased alignment with shareholders.

Director compensation will be reviewed to ensure that it remains competitive. Changes in Director's compensation will be made by the Board based on a reasoned determination of the Compensation Committee.

V. BOARD PERFORMANCE ASSESSMENT

The Board will conduct an annual self-evaluation, which will incorporate a self-evaluation by each Board Committee. The Nominating and Governance Committee is responsible for establishing the evaluation criteria and implementing the process for the evaluation. Based on the results of the evaluation, the Nominating and Governance Committee will report annually to the Board on the performance of the Board and each Committee, including areas where a greater contribution to Board and/or Committee effectiveness can be made. These assessments should be of the contributions of the Board and the Committee as a whole and should specifically review areas in which the Board members and/or the management believe a better contribution could be made.

VI. COMMUNICATIONS

Individual Board members may from time to time at the request of management meet or otherwise communicate with various constituencies that are involved with the Company. If public statements from the Board are appropriate, they should, in most circumstances, come from the Chairman.

VII. RESPONSIBILITIES

Specific Board responsibilities are delineated in the Board Responsibilities List as set forth below in Exhibit A. This list will be updated as needed to reflect changes in regulatory requirements, authoritative guidance, and evolving oversight practices. The most recently updated Board Responsibilities List as approved by the Board will be considered to be an addendum to this Charter.

The Board will govern the Company by Board resolutions and formulating policies and objectives with the CEO, Chief Financial Officer (“CFO”) and the Executive Management Team (“EMT”). The Board will be responsible for all matters set forth in the Company’s Memorandum of Association and Articles of Association, as amended, modified or supplemented from time to time. The Board shall also abide by the laws of the Cayman Islands and all other applicable laws and regulations in executing its responsibilities.

The Board shall have access to such independent counsel or advisors as it determines is necessary and appropriate from time to time. The Company will provide such funding as the Board determines is necessary and reasonable for payment of compensation to any counsel or other advisors employed by the Board.

VIII. MANAGEMENT AUTHORITIES

The Board is the ultimate decision making body of the Company except for matters reserved for the shareholders of the Company. Consistent with the Board’s power to delegate management of the day-to-day operations of the Company’s business, the Board shall exercise business judgment in establishing and revising guidelines for authorization of expenditures and other corporate actions. In addition, Board members shall have complete access to the Company’s senior management. The Board shall delegate, by Board resolution, certain authorities to the CEO, CFO and EMT, which shall be revised or updated as needed from time to time.

IX. MANAGEMENT ASSESSMENT

1. CEO EVALUATION

The non-employee Directors should participate in a periodic evaluation of the performance of the Chief Executive Officer based on established criteria. The process for conducting such evaluation will be

developed and implemented by the Compensation Committee. The evaluation will be used by the Compensation Committee when considering the compensation of the Chief Executive Officer.

2. MANAGEMENT SUCCESSION AND DEVELOPMENT

There will be an annual report from the Chief Executive Officer to the Board on succession planning for all officers of the Company and management development.

In addition to a long-term succession plan and report on management development, the annual succession planning report from the Chief Executive Officer will include a short-term succession plan outlining a temporary delegation of authority to certain officers of the Company in case the Chief Executive Officer should unexpectedly become unable to perform the duties of that office. The short-term succession plan will be in effect until the Board has the opportunity to consider the situation and take action. The short-term succession plan will be updated as needed and provided to the Board.

EXHIBIT A**Board Responsibilities List**

		WHEN PERFORMED				
		Q1	Q2	Q3	Q4	A/N
1.	Determine/update the Company's mission and purpose. The Board will determine the Company's purpose and values, determine the strategy to achieve its purpose and to implement values.					X
2.	Ensure effective organizational planning. The Board should exercise leadership, enterprise, integrity and judgment in directing the Company so as to achieve continuing prosperity for the Company.					X
3.	Determine and monitor the Company's programs and services. The Board will monitor and evaluate the implementation of strategies, policies, management performance criteria and business plans.	X	X	X	X	X
4.	Approve annual objectives. The Board is responsible for approving the annual objectives of the Company.					X
5.	Ensure that management has identified and prioritized the principal risks the Company faces, indicate the likelihood that they will actually occur, and estimate their potential cost versus the cost of preventing them. The Board should meet with management on a regular basis to discuss and evaluate such risks.	X	X	X	X	X
6.	Ensure that management has developed processes to identify major risks and has developed plans to deal with such risks. Such processes should be reviewed and approved by the Board. The Board should monitor the implementation of the risk reducing processes and evaluate them on a regular basis.					X
7.	Succession planning for the CEO. The Board is responsible for the succession planning, selection and where appropriate replacement of the CEO.					X
8.	Support the executive and review his or her performance. The Board is responsible for evaluating the CEO and CFO on his or her performance.	X	X	X	X	X
9.	Review and approve senior executives' compensation plan, including salary, bonuses, stock compensation and fringe benefits.	X	X	X	X	X
10.	Approve 1, 3 & 5 year budgets.					X
11.	Periodically review actual results vs. budget.	X	X	X	X	X
12.	Approve guidelines for authorization of expenditures established by management					X
13.	Approve major expenditures outside authorized budget and investigate unusual items. The Board shall exercise its business judgment in establishing and revising guidelines for authorization of expenditures or other corporate actions, and management will periodically review this.	X	X	X	X	X
14.	Review results of audit committee, compensation committee, and nominating and governance committee periodically concerning matters specific to each committee.	X	X	X	X	X
15.	In preparation for meetings of the Board and its committees, the Chairman of the Board will consult with the CEO regarding the agenda and content.	X	X	X	X	X
16.	Board members will be alert to potential Board candidates with appropriate skills and characteristics and communicate information regarding Board selection matters to the appropriate committee.	X	X	X	X	X
17.	Review and update the Board of Directors Authorization Charter checklist annually.					X
18.	Review policies and procedures with respect to transactions between the Company and officers and directors, or affiliates of officers or directors, or affiliates of officers or directors, or transactions that are not a normal part of the Company's business.	X	X	X	X	X