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PERFECTECH INTERNATIONAL HOLDINGS LIMITED
(威發國際集團有限公司)*

(Incorporated in Bermuda with limited liability)
(Stock Code: 0765)

CIRCULAR ON
GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES,
REFRESHMENT OF THE 10% LIMIT ON GRANT
OF OPTIONS UNDER SHARE OPTION SCHEME,
AMENDMENT TO BYE-LAWS
AND
RE-ELECTION OF DIRECTORS

A notice convening the annual general meeting of the Company to be held at Chater Room II, Function Room Level, The Ritz-Carlton Hong Kong, 3 Connaught Road Central, Hong Kong, at 3:30 p.m. on 10 May 2005 for the purpose of considering and, if thought fit, passing the resolutions proposed therein together with a form of proxy for use at such meeting is contained in the 2004 annual report of the Company. Shareholders are advised to read the notice and to complete and return the form of proxy not later than 48 hours before the time appointed for holding such meeting or any adjournment thereof in accordance with the instructions printed thereon.

18 April 2005

* For identification purpose only

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Chater Room II, Function Room Level, The Ritz-Carlton Hong Kong, 3 Connaught Road Central, Hong Kong on Tuesday, 10 May 2005, at 3:30 p.m. for the purpose of considering, and if thought fit, approving the resolutions proposed in the AGM Notice
“AGM Notice”	the notice convening the AGM dated 18 April 2005
“Associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors (including non-executive Directors and independent non-executive Directors)
“Business Day”	a day, other than Saturday, on which banks in Hong Kong are generally open for business
“Bye-laws”	the bye-laws of the Company adopted by the Shareholders by a special resolution passed on 21 May 2004
“Company”	Perfectech International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time
“Connected Person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	a general mandate to allot and issue the Shares with an aggregate nominal value not exceeding 20 per cent. of the aggregate nominal value of the share capital of the Company in issue as at the date of approval of the mandate
“General Extension Mandate”	a general mandate to the Directors to add to the General Mandate any Shares representing the aggregate nominal value of the Shares repurchased under the Repurchase Mandate
“Group”	the Company and its Subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	13 April 2005, 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
“Registrar”	Standard Registrars Limited, branch share registrar and transfer office of the Company in Hong Kong at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong
“Repurchase Mandate”	a general mandate to the Directors to exercise all the powers of the Company to repurchase Shares with an aggregate nominal value not exceeding 10 per cent. of the aggregate nominal value of the share capital of the Company in issue as at the date of approval of the mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and all other share option scheme(s) of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 17 May 2002
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	has the meaning attributed thereto under section 2 of Companies Ordinance
“Takeover Code”	Hong Kong Code on Takeovers and Mergers

The logo for Perfectech, featuring the word "Perfectech" in a bold, sans-serif font inside a black rounded rectangle.

PERFECTECH INTERNATIONAL HOLDINGS LIMITED

(威發國際集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 0765)

Executive Directors:

Poon Siu Chung (*Chairman and Managing Director*)

Leung Ying Wai, Charles (*Deputy Managing Director*)

Ip Siu On

Tsui Yan Lee, Benjamin

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

Non-executive Director:

Tong Wui Tung

*Head Office and principal place
of business:*

3rd Floor, Perfectech Centre

64 Wong Chuk Hang Road

Aberdeen

Hong Kong

Independent Non-executive Directors:

Ng Siu Yu, Larry

Lam Yat Cheong

Yip Chi Hung

18 April 2005

To the Shareholders,

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES,
REFRESHMENT OF THE 10% LIMIT ON GRANT
OF OPTIONS UNDER SHARE OPTION SCHEME,
AMENDMENT TO BYE-LAWS
AND
RE-ELECTION OF DIRECTORS**

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding the following proposals to be put forward to the Shareholders for their consideration and, if thought fit, approval:

- (a) granting to the Directors the General Mandate;

* *For identification purpose only*

LETTER FROM THE CHAIRMAN

- (b) granting to the Directors the Repurchase Mandate;
- (c) granting to the Directors the General Extension Mandate;
- (d) refreshment of the 10% limit on the grant of options under the Share Option Scheme;
- (e) amendment to the Bye-laws; and
- (f) re-election of Directors.

2. GENERAL MANDATE

It is proposed that a new General Mandate be granted to the Directors to issue further Shares prevailing up to 20 per cent. of the aggregate nominal value of share capital of the Company in issue as at the date of passing the relevant resolution. There is however no present intention for any issuance of Shares pursuant to the General Mandate.

3. REPURCHASE MANDATE

On 21 May 2004, a general mandate was given to the Directors to exercise all the powers of the Company to repurchase its own Shares which will lapse at the conclusion of the forthcoming AGM. An ordinary resolution will be proposed at the AGM to approve the grant of a new Repurchase Mandate.

An explanatory statement to provide Shareholders with all the information reasonably necessary for them to make an informed decision in relation to this proposed resolution as required by the Listing Rules concerning the regulation of repurchases by companies of their own securities on the Stock Exchange is set out in the Appendix I to this circular.

4. GENERAL EXTENSION MANDATE

It is recommended that the General Extension Mandate be granted to the Directors permitting them, after the grant of the Repurchase Mandate referred to above, to add to the General Mandate any Shares representing the aggregate nominal value of the Shares repurchased pursuant to the Repurchase Mandate.

The authority conferred on the Directors by the General Mandate, the Repurchase Mandate and the General Extension Mandate would continue in force until the earlier of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the bye-laws of the Company to be held; and (iii) its revocation or variation by ordinary resolution of the Shareholders in general meeting.

5. REFRESHMENT OF THE 10% SHARE OPTION SCHEME LIMIT

The Share Option Scheme was adopted by the Company on 17 May 2002. Apart from the Share Option Scheme, the Company has no other share option scheme currently in force.

LETTER FROM THE CHAIRMAN

Pursuant to the Share Option Scheme, the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme(s) of the Company (i.e. the Scheme Mandate Limit), shall not exceed 10% of the total number of Shares in issue as at the date of adoption of the Share Option Scheme, namely 283,071,607 Shares. The Company may refresh the Scheme Mandate Limit by ordinary resolution of the Shareholders at general meeting provided that:

- (a) the Scheme Mandate Limit so refreshed shall not exceed 10 per cent. of the total number of Shares in issue as at the date of the Shareholders' approval of the refreshment of the Scheme Mandate Limit; and
- (b) options previously granted under the Share Option Scheme and any other share option scheme(s) of the Company (including those outstanding, cancelled, or lapsed in accordance with the relevant scheme rules or exercised options) shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed.

Notwithstanding the foregoing, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company must not in aggregate exceed 30% of the total number of Shares in issue from time to time. As at the Latest Practicable Date, options carrying rights to subscribe for 12,900,000 Shares have been granted but yet to be exercised (representing 4.2% of the issued share capital of the Company as at the Latest Practicable Date).

As at the Latest Practicable Date, options carrying rights to subscribe for 28,300,000 Shares have been granted, of which options carrying rights to subscribe for a total of 15,400,000 Shares were exercised and options carrying rights to subscribe for a total of 12,900,000 Shares remain outstanding. No options have been cancelled up to the Latest Practicable Date.

Since the purpose of the Share Option Scheme is to recognise and motivate the contribution of the participants and to provide incentives and help the Company in retaining its existing employees and recruiting additional employees and to provide them with a direct economic interest in attaining the long term business objectives of the Company, and in view of the number of Shares granted thereunder approaching the Scheme Mandate Limit, the Board proposes to refresh the Scheme Mandate Limit. The Board considers that the refreshment of the Scheme Mandate Limit is in the interests of the Company and its Shareholders as it enables the Company to have more flexibility in providing incentives to those eligible persons by way of granting share options to them.

If the refreshment of the Scheme Mandate Limit is approved at the AGM, based on the 306,401,607 Shares in issue as at the Latest Practicable Date and assuming no further Shares will be allotted and issued and no Shares will be repurchased after the Latest Practicable Date and up to the date of the AGM, the Company may grant options carrying rights to subscribe for up to a total of 30,640,160 Shares under the Share Option Scheme (representing 10% of the issued share capital of the Company as at the date of the AGM).

LETTER FROM THE CHAIRMAN

The refreshment of the Scheme Mandate Limit is conditional on:

- (a) the passing of the necessary resolution to approve the refreshment of the Scheme Mandate Limit by the Shareholders at the AGM; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in such number of Shares representing 10 per cent. of the Shares in issue as at the date of the AGM, which may be issued pursuant to exercise of options to be granted under the refreshed Scheme Mandate Limit.

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued by the Company (representing 10% of the Shares in issue as at the date of the AGM) which may be issued pursuant to exercise of options to be granted under the refreshed Scheme Mandate Limit.

6. AMENDMENT TO THE BYE-LAWS

Under Bye-law 99 of the Bye-laws, apart from the chairman or managing director, one third of the Directors shall retire from office by rotation at each annual general meeting of the Company and shall be eligible for re-election.

The Stock Exchange incorporated the Code on Corporate Governance Practices as a new Appendix 14 in the Listing Rules on 1 January 2005. Code provision A.4.2 of such code requires that every director should be subject to retirement by rotation at least once every three years. In order to enhance the Company's corporate governance practices and reinforce the Shareholders' scrutiny over the entire Board, the Board proposes to pass a special resolution at the AGM to amend Bye-law 99 so that all Directors are subject to retirement by rotation at least once every three years.

7. RE-ELECTION OF DIRECTORS

In accordance with Bye-law 99 of the Bye-laws, Mr. Leung Ying Wai, Charles, Mr. Ip Siu On and Mr. Tsui Yan Lee, Benjamin, the executive Directors, shall retire from office at the AGM and being eligible, will offer themselves for re-election.

Further, Mr. Tong Wui Tung, the non-executive Director, and Mr. Ng Siu Yu, Larry, Mr. Lam Yat Cheong and Mr. Yip Chi Hung will hold office until the conclusion of the AGM and, being eligible, will offer themselves for re-election.

The particulars of the aforesaid Directors required to be disclosed by the Listing Rules are set out in Appendix II to this circular.

LETTER FROM THE CHAIRMAN

8. ANNUAL GENERAL MEETING

A notice convening the AGM to be held on 10 May 2005 for the purpose of considering and, if thought fit, passing the resolutions proposed therein together with a form of proxy for use at the AGM is contained in the 2004 annual report of the Company.

Whether or not you are able to attend the AGM in person, please complete the form of proxy in accordance with the instructions printed thereon and return the same to the Registrar, Standard Registrars Limited, G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding such meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the AGM or any adjourned meeting should you so desire.

9. RESPONSIBILITY OF THE DIRECTORS

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

10. RECOMMENDATION

The Board believes that the resolutions proposed in AGM Notice are in the best interests of the Company and the Shareholders as a whole. The Board recommends that the Shareholders vote in favour of all resolutions to be proposed at the AGM.

11. PROCEDURE TO DEMAND A POLL AT THE AGM

At any general meeting of the company, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (a) by the chairman of the meeting; or
- (b) by at least three Shareholders present in person or by duly authorized corporate representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by any Shareholder or Shareholders present in person or by duly authorized corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or

LETTER FROM THE CHAIRMAN

- (d) by any Shareholder or Shareholders present in person or by duly authorized corporate representative or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

Yours faithfully,
POON SIU CHUNG
Chairman

This explanatory statement contains all the information required pursuant to rule 10.06(1)(b) and other relevant provisions of the Listing Rules.

1. THE SHARE REPURCHASE RULES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their fully-paid up shares on the Stock Exchange subject to certain restrictions. In this regard, the definition of “shares” in Chapter 10 of the Listing Rules would, and where used below in this explanatory statement (including the use of the word “Share(s)”) shall (unless the context otherwise requires) include shares of all classes and securities which carry a right to subscribe or purchase shares of the Company. The most important restrictions contained in the Listing Rules are summarised below: –

1.1. Source of funds

Repurchases must be funded entirely from the Company’s available cash flow or working capital facilities, which will be funds legally available for the purchase in accordance with the bye-laws of the Company and the applicable laws of Hong Kong and Bermuda.

1.2. Exercise of the Repurchase Mandate

Exercise in full of the Repurchase Mandate, on the basis of 306,401,607 Shares in issue as at the Latest Practicable Date and on the basis that no new Shares are issued or repurchased prior to the date of the resolution approving the Repurchase Mandate, could result in up to 30,640,160 Shares (representing 10% of the issued share capital of the Company as at the Latest Practicable Date) being repurchased by the Company during the course of the period from the date of resolution granting the Repurchase Mandate until the earlier of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the bye-laws of the Company to be held; and (iii) its revocation or variation by ordinary resolution of the Shareholders in general meeting.

1.3. Reasons for Repurchases

The Directors believe that it is in the best interests of the Company and its Shareholders to have a general authority from Shareholders to enable the Directors to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or earnings per Share and will only be made if the Directors believe that such repurchases will benefit the Company and its Shareholders.

1.4. Funding of Repurchases

In repurchasing Shares, the Company may only apply funds legally available for such purpose from distributable profit or funds from a new issue in accordance with its memorandum of association and bye-laws and the laws of Bermuda.

That is to say, any repurchase of Shares may be purchased out of capital paid up on the repurchased Shares or the profits of the Company which would otherwise be available for dividend and, in the case of any premium payable on such repurchase, out of profits of the Company which would otherwise be available for dividend or from the Company's share premium account or its contributed surplus account.

On the basis of the combined net tangible assets of the Group as at 31 December 2004, and taking into account the current working capital position of the Group, the Directors consider that no material adverse effect on the working capital and gearing position of the Group (as compared with the position disclosed in its most recent published audited accounts as at 31 December 2004) may result in the event that the Repurchase Mandate was to be exercised in full at any time during the proposed purchase period. The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

2. GENERAL

None of the Directors, and to the best of their knowledge having made all reasonable enquiries, any Associates of any Director, have any present intention in the event that the Repurchase Mandate is approved by the Shareholders to sell any Shares to the Company.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

If, as the result of a Share repurchase, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeover Code. In certain circumstances, a Shareholder or a group of Shareholders acting in concert could as a result of increase of its or their interest, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code.

As at the Latest Practicable Date, Mr. Poon Siu Chung directly or indirectly holds 116,741,630 Shares representing about 38.1% of the entire issued share capital of the Company. On exercise in full of Repurchase Mandate, the number of issued Shares will be decreased from 306,401,607 to 275,761,447 and Mr. Poon's shareholding therein will increase to 42.33%. Therefore, as far as is known to the Directors in the event that the Directors exercise the power to repurchase share pursuant to the Repurchase Mandate, Mr. Poon will become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code. However, the Board currently has no intention to exercise the Repurchase Mandate.

No Connected Person has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by Shareholders.

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during the previous twelve months were as follows:–

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April 2004	0.82	0.73
May 2004	0.80	0.66
June 2004	0.82	0.75
July 2004	0.80	0.76
August 2004	0.79	0.71
September 2004	0.78	0.72
October 2004	0.78	0.74
November 2004	0.73	0.65
December 2004	0.69	0.61
January 2005	0.68	0.60
February 2005	0.68	0.58
March 2005	0.72	0.64

No purchases of Shares have been made by the Company in the previous six months, whether on the Stock Exchange or otherwise.

Set out below are details of the Directors who will be proposed to be re-elected at the AGM.

1. Mr. Leung Ying Wai, Charles

Mr. Leung, aged 55, an executive Director and the deputy managing Director is the co-founder of the Group. Mr. Leung joined the Group in 1978 and advises on the Group's overall corporate policies and development plans. He holds a Bachelor of Business Administration Degree from the Chinese University of Hong Kong and has over 30 years' experience in the manufacturing field.

As at the Latest Practicable Date, Mr. Leung was deemed to be interested in 63,097,200 Shares (representing about 20.6% of the entire issued share capital of the Company) held by Nielsen Limited, a company which is beneficially owned by Mr. Leung, his spouse and his family members. Save as disclosed herein and in the annual report of the Company for the year ended 31 December 2004, Mr. Leung does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

There is no service contract entered into between the Company and Mr. Leung. Mr. Leung will hold office until he retires from the Board and will be eligible for re-election at the AGM in accordance with the Bye-laws. In the financial year ended 31 December 2004, Mr. Leung did not receive any emoluments from the Group.

2. Mr. Ip Siu On

Mr. Ip, aged 51, an executive Director, is primarily responsible for the sales and marketing of the Group's packaging products. Before joining the Group in 1984, Mr. Ip had over 10 years' experience in the field of dye mixing and packaging products.

As at the Latest Practicable Date, Mr. Ip was interested in 6,803,600 Shares (representing about 2.2% of the entire issued share capital of the Company) and such number of options carrying right to subscribe for 3,000,000 Shares granted under the Share Option Scheme (representing about 1% of the entire issued share capital of the Company). Mr. Ip does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

There is no service contract entered into between the Company and Mr. Ip. Mr. Ip will hold office until he retires from the Board and will be eligible for re-election at the AGM in accordance with the Bye-laws. In the financial year ended 31 December 2004, he received a total emolument of HK\$1,635,823. The emoluments of Mr. Ip are determined with reference to his qualification and experience, responsibilities undertaken, contribution to the Group, and the prevailing market level of remuneration of similar position.

3. Mr. Tsui Yan Lee, Benjamin

Mr. Tsui, aged 45, an executive Director, is responsible for the sales and marketing of the Group's novelties and festival decorations. Prior to joining the Group in 1983, he worked in a manufacturing company as a sales executive for over three years.

As at the Latest Practicable Date, Mr. Tsui was interested in 3,411,000 Shares (representing about 1.1% of the entire issued share capital of the Company) and such number of options carrying right to subscribe for 3,000,000 Shares granted under the Share Option Scheme (representing about 1% of the entire issued share capital of the Company). Mr. Tsui does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

There is no service contract entered into between the Company and Mr. Tsui. Mr. Tsui will hold office until he retires from the Board and will be eligible for re-election at the AGM in accordance with the Bye-laws. In the financial year ended 31 December 2004, he received a total emolument of HK\$1,632,154. The emoluments of Mr. Tsui are determined with reference to his qualification and experience, responsibilities undertaken, contribution to the Group, and the prevailing market level of remuneration of similar position.

4. Mr. Tong Wui Tung

Mr. Tong, aged 54, a non-executive Director, is a solicitor of the High Court of Hong Kong and has over 19 years' experience in the legal field. He is currently a partner of Messrs. Cheung, Tong & Rosa. He was an independent non-executive director of Gorient (Holdings) Limited (formerly known as Innovative International (Holdings) Limited) (August 1995 to December 2002), Beauforte Investors Corporation Limited (November 2000 to March 2004) and Multifield International Holdings Limited (September 1997 to September 2004), and is currently a non-executive director of Yip's Chemical Holdings Limited and Wonson International Holdings Limited, all being companies listed on the Stock Exchange.

As at the Latest Practicable Date, Mr. Tong had no interest in the Shares which is required to be disclosed under Part XV of the SFO or any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company.

There is no service contract entered into between the Company and Mr. Tong. Mr. Tong will hold office until the conclusion of the AGM and will be eligible for re-election at the AGM. In the financial year ended 31 December 2004, he received a total emolument of HK\$100,000. The emoluments of Mr. Tong are determined with reference to his qualification and experience, responsibilities undertaken, contribution to the Group, and the prevailing market level of remuneration of similar position.

5. Mr. Ng Siu Yu, Larry

Mr. Ng, aged 49, an independent non-executive Director, is a member of the Hong Kong Institute of Certified Public Accountants and the Chartered Association of Certified Accountants. He has over 10 years' experience in the field of finance and accounting and is currently the managing director of a private company engaged in financial printing.

As at the Latest Practicable Date, Mr. Ng was interested in 880,000 Shares (representing about 0.3% of the entire issued share capital of the Company). Mr. Ng does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

There is no service contract entered into between the Company and Mr. Ng. Mr. Ng will hold office until the conclusion of the AGM and will be eligible for re-election at the AGM. In the financial year ended 31 December 2004, he received a total emolument of HK\$100,000. The emoluments of Mr. Ng are determined with reference to his qualification and experience, responsibilities undertaken, contribution to the Group, and the prevailing market level of remuneration of similar position.

6. Lam Yat Cheong

Mr. Lam, aged 43, an independent non-executive Director, graduated from the Hong Kong Baptist University. He is a certified public accountant and a sole proprietor of an audit firm and has over 18 years of auditing and accounting experience. He is a member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He is also an independent non-executive director of Lee's Pharmaceutical Holdings Limited, a company listed in Hong Kong.

As at the Latest Practicable Date, Mr. Lam had no interest in the Shares which is required to be disclosed under Part XV of the SFO or any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company.

There is no service contract entered into between the Company and Mr. Lam. Mr. Lam will hold office until the conclusion of the AGM and will be eligible for re-election at the AGM. In the financial year ended 31 December 2004, he did not receive any emolument from the Group.

7. Yip Chi Hung

Mr. Yip, aged 46, an independent non-executive Director, is experienced in the construction industry. He is a director of Fong Wing Shing Construction Company Limited. He has over 20 years of experience on a variety of building and maintenance projects for both the public and private sectors and is also well versed in the development of properties in Hong Kong and Singapore. He is also an executive director of PacMOS Technologies Holdings Limited, a company listed in Hong Kong.

As at the Latest Practicable Date, Mr. Yip was deemed to be interested in 306,000 Shares (representing about 0.1% of the entire issued share capital of the Company) held by Asia Dynamic Assets Management Limited, a company which is 75% beneficially owned by Mr. Yip. He does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company.

There is no service contract entered into between the Company and Mr. Yip. Mr. Yip will hold office until the conclusion of the AGM and will be eligible for re-election at the AGM. In the financial year ended 31 December 2004, he did not receive any emolument from the Group.