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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: 765)

### **DISCLOSEABLE AND CONNECTED TRANSACTION**

### **ACQUISITION OF 41% EQUITY INTEREST IN PERFECTECH INTERNATIONAL MANUFACTURING LIMITED**

**AND**

### **GRANTING OF CORPORATE GUARANTEES IN RESPECT OF PAYMENT OF CONSIDERATION TO CONNECTED PERSONS**

**Joint financial advisers to the Company**



**INCUB Corporate Finance Limited**



**Phoenix Capital Asia Limited**

The Board announced that Freshwater Trading Limited, a wholly owned subsidiary of the Company, had entered into the Sale and Purchase Agreements with the Vendors on 22 April 2005 for the acquisition of 41% equity interest in PIML. The Consideration of HK\$17,083,000 will be satisfied in cash. The Consideration was determined after arm's length negotiation between the parties to the Sale and Purchase Agreements with reference to its financial performance, the net asset value and future prospect of PIML and synergy effect arising from the Acquisition.

PIML is a company incorporated in the British Virgin Islands and its subsidiaries are principally engaged in (i) the manufacturing and trading of toys and consumer products (such as plastic cup holders used in cars); (ii) the manufacturing of plastic injection moulds for plastic toys; and (iii) provision of technical services involving high precision injection assembly of such moulds (EMS).

As at the date of this announcement, the equity interest of PIML is beneficially held as to 59% by the Purchaser, 22.5% by First View, 13.5% by Glennie and 5% by Great Venture. Upon Completion, PIML will become an indirect wholly owned subsidiary of the Company.

First View and Glennie are substantial shareholders of PIML and accordingly are connected persons of the Company as defined under the Listing Rules. Glennie is 100% beneficially owned by Mr. Lee who is also a director of PIML. Other than being a substantial shareholder of PIML, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, First View and its ultimate beneficial owner, Mr. Lau Kim Hung, Jack, are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules). Upon Completion, First View will cease to be a connected person of the Company and Mr. Lee will resign as a director of PIML. Mr. Lee and his associates including Glennie shall continue to be connected persons of the Company under the Listing Rules in view of his past directorship of PIML within the preceding twelve months. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Great Venture and its ultimate beneficial owner, Mr. Chui Ming Kay, other than its 5% shareholding in PIML, are third parties also independent of and not connected with the Company and its connected persons (as defined in the Listing Rules). Save for being shareholders of PIML, First View, Glennie and Great Venture and their respective ultimate beneficial owners are all independent of each other. However, as the Great Venture Agreement is conditional upon the First View and Glennie Agreement, Great Venture and its ultimate beneficial owner are deemed to be connected persons of the Company under Rule 14A.06 of the Listing Rules. As the Vendors are connected persons of the Company and the applicable Percentage Ratios for the Acquisition are greater than 2.5% but below 25%, the Acquisition constitutes a connected transaction of the Company under the Listing Rules and are subject to the reporting and announcement requirement and the approval of the independent Shareholders set out in the Listing Rules. As no Shareholders or its respective associates has any material interest in the Acquisition, no Shareholder needs to abstain from voting at the general meeting. In addition, as the applicable Percentage Ratios for the Acquisition exceed 5% but are below 25%, the Acquisition also constitutes a discloseable transaction of the Company under the Listing Rules.

The Independent Board Committee comprising Mr. Lam Yat Cheong, Mr. Yip Chi Hung and Mr. Ng Siu Yu, Larry has been appointed by the Board to advise the Shareholders as to the fairness and reasonableness of the terms of the Sale and Purchase Agreements and the granting of Corporate Guarantees. Written approval of the Sale and Purchase Agreements and the granting of Corporate Guarantees has been obtained from Mr. Poon, Mime and Nielsen, a closely allied group of Shareholders. As at the date of this announcement, Mime, Nielsen and Mr. Poon holds respectively 101,757,630, 63,097,200 and 14,984,000 Shares, representing approximately 33.21%, 20.59% and 4.89% respectively and an aggregate of 58.69% of the entire issued share capital of the Company which carry the same voting rights. Mime is 100% beneficially owned by Mr. Poon and his spouse and Nielsen is 100% beneficially owned by Mr. Leung, his spouse and his family members. Mr. Poon and Mr. Leung are co-founders of the Group and have served as Directors since the Shares were first listed on the Stock Exchange in October 1992. In addition, Mr. Poon, Mime, Nielsen, the Company have confirmed that they have voted in the same way in the past on all shareholders' resolutions, including routine resolutions at annual general meetings. Mr. Poon, Mime and Nielsen and their respective associates, as a closely allied group of Shareholders, are not interested in the Acquisition other than Mr. Poon, Mime and Nielsen's indirect interest in the Company as Shareholders. As such, Mr. Poon, Mime and Nielsen are not required to abstain from voting. An application has been made by the Company to the Stock Exchange for a waiver from strict compliance with the Listing Rules regarding the holding of a Shareholders' meeting for the approval of the Sale and Purchase Agreements and the granting of Corporate Guarantees pursuant to Rule 14A.43 of the Listing Rules.

A circular containing, among other things, details on the Sale and Purchase Agreements, a letter from an independent financial adviser containing its advice to the Independent Board Committee and Shareholders on the Sale and Purchase Agreements and the granting of Corporate Guarantees and the recommendation of the Independent Board Committee will be despatched to the Shareholders within 21 days after the publication of this announcement.

As at the date of this announcement, the equity interest of PIML is beneficially held as to 59% by the Purchaser, 22.5% by First View, 13.5% by Glennie and 5% by Great Venture. On 22 April 2005, the Purchaser entered into the Sale and Purchase Agreements with, among others, the Vendors in relation to the acquisition of the Sale Shares for an aggregate consideration of HK\$17,083,000.

## **THE SALE AND PURCHASE AGREEMENTS**

### **1. The First View and Glennie Agreement**

**Date:** 22 April 2005

**Parties:** (1) Vendors:

(a) First View; and

(b) Glennie;

First View and Glennie are substantial shareholders of PIML, a 59% subsidiary of the Company and accordingly are connected persons of the Company as defined under the Listing Rules. Glennie is 100% beneficially owned by Mr. Lee since April 1996 who is also a director of PIML. First View is 100% beneficially owned by Mr. Lau Kim Hung, Jack since May 1997.

(2) Purchaser: Freshwater Trading Limited, a company incorporated in the British Virgin Islands and is an indirect wholly owned subsidiary of the Company

(3) Guarantor: The Company

### **Asset acquired**

The F&G Sale Shares, as to (i) 552,825 F&G Sale Shares (representing 22.5% of the issued share capital of PIML) from First View; and (ii) 331,695 F&G Sale Shares (representing 13.5% of the issued share capital of PIML) from Glennie;

### **Consideration**

HK\$15,000,000. The consideration paid to First View and Glennie was determined after arm's length negotiation between the parties to the First View and Glennie Agreement with reference to its financial performance, the net asset value and future prospect of PIML and synergy effect arising from the Acquisition. The consideration paid to First View and Glennie represents a premium of approximately 83.3% to the audited net asset of PIML as at 31 December 2004 and a P/E ratio of approximately 11.5 times with reference to the audited consolidated net profit after taxation and minority interests of PIML for the year ended 31 December 2004. The Directors have also taken into account the overall consideration for acquiring 100% equity interest in PIML by the Company of HK\$32,423,000 which represents a premium of approximately 42.6% to the audited net asset of PIML as at 31 December 2004. The consideration paid by the Company for acquiring 59% of PIML under the 2003 Acquisition was HK\$15,340,000 which represented a discount of 13% to the audited pro forma net asset value of PIML as at 30 September 2003 as announced on 11 December 2003. Comparing to the consideration paid under the 2003 Acquisition, the Directors consider that the Consideration is fair and reasonable in view of the quality customer base, synergy and streamlining effect arising from the Acquisition, the improvement in the financial performance in 2004 and the future prospects of PIML. The Acquisition of the remaining equity interest in PIML, by the Company will enable the Group to capture 100% of the profit in PIML and to better position the Company for future business development. Further details are disclosed under the section "Reasons for the Acquisition".

The Directors (including the independent non-executive Directors) consider that the terms of the Sale and Purchase Agreements were entered into on normal commercial terms and the Consideration is fair and reasonable as far as the Shareholders are concerned and the Acquisition is in the interest of the Company and the Shareholders as a whole.

The consideration for the First View and Glennie Agreement has been/will be satisfied in cash as follows:

- (a) HK\$7,500,000 has been paid as refundable deposit by the Purchaser to First View and Glennie, on a pro-rata basis, upon signing of the First View and Glennie Agreement; and
- (b) as to the balance of HK\$7,500,000 payable by the Purchaser to First View and Glennie, on a pro-rata basis, on or before 31 July 2005 (the "Post Completion Payments").

The Guarantor irrevocably and unconditionally granted guarantees to First View and Glennie respectively for the due and punctual performance of the Purchaser's obligations to pay the Post Completion Payments. The corporate guarantees constitute a connected transaction of the Company under the Listing Rules.

**Conditions:**

The First View and Glennie Agreement is conditional upon:

- (1) if required, the independent Shareholders passing at a special general meeting of the Company the necessary resolution approving the First View and Glennie Agreement and the transactions contemplated thereunder;
- (2) the warranties provided in the First View and Glennie Agreement remaining true and accurate in all respect(s);
- (3) all necessary approvals, consents, licences and authorisations required to be obtained by the First View and Glennie and the Purchaser in connection with the First View and Glennie Agreement and the transactions contemplated thereunder have been obtained; and
- (4) the Great Venture Agreement becoming unconditional and not terminated;

Conditions (2) and (3) are waivable by the Purchaser while conditions (1) and (4) are not waivable as stated in the First View and Glennie Agreement.

**Long-stop Date:** The First View and Glennie Agreement provides that should the satisfaction of all the above Conditions, if not waived by the Purchaser, not occur on or before 12:00 noon on 31 May 2005 or such later date as the Purchaser may agree, either orally or in writing, the First View and Glennie Agreement shall terminate, and the Vendors shall forthwith, refund the deposit received to the Purchaser.

Further announcement will be made should there be waiver of any of the above conditions or an extension of Long-stop Date or termination of the First View and Glennie Agreement by 12:00 noon on 31 May 2005.

## **2. The Great Venture Agreement**

**Date:** 22 April 2005

**Parties:** (1) Vendor: Great Venture

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, Great Venture and its ultimate beneficial owner, Mr. Chui Ming Kay, are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules), other than its 5% shareholding in PIML.

(2) Purchaser: Freshwater Trading Limited, a company incorporated in the British Virgin Islands and is an indirect wholly owned subsidiary of the Company

(3) Guarantor: The Company

### **Asset acquired**

GV Sale Shares.

### **Consideration**

HK\$2,083,000. The consideration was determined after arm's length negotiation between the parties to the Great Venture Agreement and on the same basis as those under the First View and Glennie Agreement.

The consideration for the Great Venture Agreement has been/will be satisfied in cash as follows:

- (a) HK\$1,041,500 has been paid as refundable deposit by the Purchaser to Great Venture upon signing of the Great Venture Agreement; and
- (b) as to the balance of HK\$1,041,500 to be paid by the Purchaser to Great Venture on or before 31 July 2005 (the "Post Completion Payments").

The Guarantor irrevocably and unconditionally granted a guarantee to Great Venture for the due and punctual performance of the Purchaser's obligations to pay the Post Completion Payments.

### **Conditions:**

The Great Venture Agreement is conditional upon:

- (1) if required, the independent Shareholders passing at a special general meeting of the Company the necessary resolution approving the Great Venture Agreement and the transactions contemplated thereunder;
- (2) the warranties provided in the Great Venture Agreement remaining true and accurate in all respect(s);
- (3) all necessary approvals, consents, licences and authorisations required to be obtained by Great Venture and the Purchaser in connection with the Great Venture Agreement and the transactions contemplated thereunder have been obtained; and
- (4) the First View and Glennie Agreement becoming unconditional and not terminated.

Conditions (2) and (3) are waivable by the Purchaser while conditions (1) and (4) are not waivable as stated in the Great Venture Agreement.

Long-stop Date: The Great Venture Agreement provides that should the satisfaction of all the above Conditions, if not waived by the Purchaser, not occur on or before 12:00 noon on 31 May 2005 or such later date as the Purchaser may agree, either orally or in writing, the Great Venture Agreement shall terminate, and the Vendors shall forthwith, refund the deposit received to the Purchaser.

Further announcement will be made should there be waiver of any of the above conditions or an extension of Long-stop Date or termination of the Great Venture Agreement by 12:00 noon on 31 May 2005.

### **Information on PIML**

PIML is a company incorporated in the British Virgin Islands and its subsidiaries are principally engaged in (i) the manufacturing and trading of toys and consumer products (such as plastic cup holders used in cars); (ii) the manufacturing of plastic injection moulds for plastic toys; and (iii) provision of technical services involving high precision injection assembly of such moulds (EMS).

The Company acquired 59% of PIML, which was formerly named as Rich Success Profits Limited, on 9 December 2003. The announcement for the acquisition of 59% equity interest in PIML by the Company was made on 11 December 2003. As stated in the announcement, the vendors were First View (3%), Glennie (7%) and Dynamic Champion Inc. (49%) who and whose ultimate beneficial owners were, to the best knowledge, information and belief of the Directors after having made all reasonable enquiries, third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules). The total consideration was HK\$15,340,000. Since then, the results of PIML have been consolidated into the Group.

According to the audited consolidated financial statements of PIML (which accounted for only 23 days of the results of PIML from 9 December to 31 December 2003, both dates inclusive), the audited consolidated turnover, net profit before taxation and minority interests and net profit after taxation and minority interests for the year ended 31 December 2003 were approximately HK\$9,442,000, HK\$231,000 and HK\$139,000 respectively while the audited total assets and audited net assets of PIML at as 31 December 2003 were approximately HK\$71,209,000 and HK\$19,124,000 respectively. Based on the management accounts of PIML (which accounted for a full-year result from 1 January to 31 December 2003), the unaudited consolidated turnover of PIML, net profit before taxation and minority interests and net profit after taxation and minority interests for the year ended 31 December 2003 were approximately HK\$159,903,000, HK\$3,558,000 and HK\$2,771,000 respectively.

According to the audited consolidated financial statements of PIML, the audited consolidated turnover, net profit before taxation and minority interests and net profit after taxation and minority interests for the year ended 31 December 2004 were approximately HK\$142,214,000, HK\$4,971,000 and HK\$3,608,000 respectively while the audited total assets and audited net assets of PIML at as 31 December 2004 were approximately HK\$60,117,000 and HK\$22,732,000 respectively.

### **Reasons for the Acquisition**

The Group is principally engaged in the sale and manufacture of novelties, festival decorations, packaging products, toy products and PVC film trading and plastic materials.

The Company will acquire the remaining 41% equity interest of PIML through the Acquisition. Upon Completion, PIML will become an indirect wholly owned subsidiary of the Company.

Further to the Company's prior acquisition of 59% equity interest in PIML in December 2003, the Company has been leveraging on PIML's quality customer base and strong capabilities in mould making and tooling and capitalizing on the resulting synergy effect. As PIML is expected to complete the final stage of the streamlining progress shortly, together with the anticipated expansion in injection mould manufacturing division, PIML is expected to attain solid growth and have a positive contribution to the Group as from the current financial year and in the long run.

The Directors believe that the Acquisition allows the Group to fully integrate the operation of PIML within the Group and also provides the Company with a stable income source to the Group with promising business potential while further enjoys the cost benefits, operating efficiency and other synergy effect. In addition, the Acquisition will not only provide operating efficiency to the Group but will also better position the Company for solid expansion in the toys and mould-making sector to grasp business opportunities in the future. The Directors would like to further tap into the benefits of PIML, and the Acquisition accordingly enables the Group to capture 100% of the profit in PIML.

The Consideration will be fully financed by the internal resources of the Group.

## **IMPLICATIONS UNDER THE LISTING RULES**

### **Shareholders' approval**

First View and Glennie are substantial shareholders of PIML and accordingly are connected persons of the Company as defined under the Listing Rules. Glennie is 100% beneficially owned by Mr. Lee who is also a director of PIML. Other than being a substantial shareholder of PIML, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, First View and its ultimate beneficial owner, Mr. Lau Kim Hung, Jack, are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules). Upon Completion, First View will cease to be a connected person of the Company and Mr. Lee will resign as a director of PIML. Mr. Lee and his associates including Glennie shall continue to be connected persons of the Company under the Listing Rules in view of his past directorship of PIML within the preceding twelve months. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Great Venture and its ultimate beneficial owner, Mr. Chui Ming Kay, other than its 5% shareholding in PIML, are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules). Save for being shareholders of PIML, First View, Glennie and Great Venture and their respective ultimate beneficial owners are all independent of each other. However, as the Great Venture Agreement is conditional upon the First View and Glennie Agreement, Great Venture and its ultimate beneficial owner are deemed to be connected persons of the Company under Rule 14A.06 of the Listing Rules. As the Vendors are connected persons of the Company and the applicable Percentage Ratios for the Acquisition are greater than 2.5% but below 25%, the Acquisition constitutes a connected transaction of the Company under the Listing Rules and are subject to the reporting and announcement requirement and the approval of the independent Shareholders set out in the Listing Rules. As none of the Vendors and their respective associates has any shareholding in the Company, no Shareholder and its respective associates has any interest in the Acquisition which is different from the other Shareholders. As no Shareholder or its respective associates has any material interest in the Acquisition, no Shareholder or its respective associates needs to abstain from voting at the general meeting. In addition, as the applicable Percentage Ratios for the Acquisition exceed 5% but are below 25%, the Acquisition also constitutes a discloseable transaction of the Company under the Listing Rules.

The Independent Board Committee comprising Mr. Lam Yat Cheong, Mr. Yip Chi Hung and Mr. Ng Siu Yu, Larry has been appointed by the Board to advise the Shareholders as to the fairness and reasonableness of the terms of the Sale and Purchase Agreements and the granting of Corporate Guarantees. Written approval of the Sale and Purchase Agreement and the granting of Corporate Guarantees has been obtained from Mr. Poon, Mime and Nielsen, a closely allied group of Shareholders. As at the date of this announcement, Mime, Nielsen and Mr. Poon holds respectively 101,757,630, 63,097,200 and 14,984,000 Shares, representing approximately 33.21%, 20.59% and 4.89% respectively and an aggregate of 58.69% of the entire issued share capital of the Company which carry the same voting rights. Mime is 100% beneficially owned by Mr. Poon and his spouse and Nielsen is 100% beneficially owned by Mr. Leung, his spouse and his family members. Mr. Poon and Mr. Leung are co-founders of the Group and have served as Directors since the Shares were first listed on the Stock Exchange in October 1992. In addition, Mr. Poon, Mime, Nielsen and the Company have confirmed that they have voted in the same way in the past on all shareholders' resolutions, including

routine resolutions at annual general meetings. Mr. Poon, Mime and Nielsen and their respective associates, as a closely allied group of Shareholders, are not interested in the Acquisition other than Mr. Poon, Mime and Nielsen's indirect interest in the Company as Shareholders. As such, Mr. Poon, Mime and Nielsen are not required to abstain from voting. In view of the aforesaid and to avoid unnecessary expenses of convening a Shareholders' meeting, Shareholders' approval by way of a resolution passed at a special general meeting would not be in the interest of the Company and its Shareholders as a whole. An application has been made by the Company to the Stock Exchange for a waiver from strict compliance with the Listing Rules regarding the holding of a Shareholders' meeting for the approval of the Sale and Purchase Agreements and the granting of Corporate Guarantees pursuant to Rule 14A.43 of the Listing Rules.

## **JOINT FINANCIAL ADVISERS**

Joint financial advisers have been appointed to advise the Company on the Acquisition. Save and except that Ms. Lau Kwai Ngor, spouse of Mr. Poon, is interested in approximately 2% of the entire issued share capital of Phoenix Capital Holdings Limited, the holding company of Phoenix Capital Asia Limited and to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the joint financial advisers are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

## **GENERAL**

A circular containing, among other things, details on the Sale and Purchase Agreements, a letter from an independent financial adviser containing its advice to the Independent Board Committee and Shareholders on the Sale and Purchase Agreements and the granting of Corporate Guarantees and the recommendation of the Independent Board Committee will be despatched to the Shareholders within 21 days after the publication of this announcement.

## **DEFINITION**

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“2003 Acquisition”	the acquisition by the Purchaser of 59% equity interest in PIML pursuant to the sale and purchase agreement dated 9 December 2003
“Acquisition”	the acquisition by the Purchaser of the Sale Shares subject to and upon the terms and conditions of the Sale and Purchase Agreements, including but not limited to the granting of Corporate Guarantees
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Perfectech International Holdings Limited, a company incorporated in Bermuda and the Shares of which are listed on the Stock Exchange
“Completion”	completion of the Acquisition pursuant to the Sale and Purchase Agreements
“Consideration”	the aggregate consideration in the sum of HK\$17,083,000 payable by the Purchaser to the Vendors for the sale and purchase of the Sale Shares
“Corporate Guarantees”	The corporate guarantees granted by the Company to the Vendors in respect of the Post Completion Payments pursuant to the Acquisition
“Directors”	directors of the Company

“F&G Sale Shares”	an aggregate of 884,520 shares representing 36.0% of the issued share capital of PIML
“First View”	First View Holdings Limited, a company incorporated in the British Virgin Islands and was beneficially interested in 22.5% of the issued share capital of PIML immediately prior to Completion
“First View and Glennie Agreement”	the agreement for the sale and purchase of the F&G Sale Shares entered into between the Purchaser, First View and Glennie on 22 April 2005
“GV Sale Shares”	an aggregate of 122,850 shares representing 5.0% of the issued share capital of PIML
“Glennie”	Glennie Profits Limited, a company incorporated in the British Virgin Islands and was beneficially interested in 13.5% of the issued share capital of PIML immediately prior to Completion
“Great Venture”	Great Venture Co., Ltd., a company incorporated in the Republic of Mauritius and was beneficially interested in 5% of the issued share capital of PIML immediately prior to Completion
“Great Venture Agreement”	the agreement for the sale and purchase of the GV Sale Shares entered into between the Purchaser and Great Venture on 22 April 2005
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of Hong Kong of the People’s Republic of China
“Independent Board Committee”	an independent board committee, comprising Mr. Lam Yat Cheong, Mr. Yip Chi Hung and Mr. Ng Siu Yu, Larry, appointed by the Board to advise the Independent Shareholders as to the fairness and reasonableness of terms of the Sale and Purchase Agreements and the granting of Corporate Guarantees
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mime”	Mime Limited, a company incorporated in Hong Kong and a substantial Shareholder which is interested in approximately 33.21% of the entire issued share capital of the Company, which is controlled by Mr. Poon
“Mr. Lee”	Mr. Lee Chun Kit, 100% beneficial owner of Glennie
“Mr. Leung”	Mr. Leung Ying Wai, Charles, a Director of the Company
“Mr. Poon”	Mr. Poon Siu Chung, a Director, the Chairman and a substantial Shareholder of the Company who is beneficially interested in approximately 38.10% of the entire issued share capital of the Company
“Nielsen”	Nielsen Limited, a company incorporated in Hong Kong and substantial Shareholder which is interested in approximately 20.59% of the entire issued share capital of the Company, which is controlled by Mr. Leung

“Percentage Ratios”	has the meaning as ascribed to it under the Listing Rules
“PIML”	Perfectech International Manufacturing Limited, a limited liability company incorporated in the British Virgin Islands
“Post Completion Payments”	the deferred payment of Consideration to be made by the Purchaser to the Vendors on or before 31 July 2005 under the Sale and Purchase Agreements
“Purchaser”	Freshwater Trading Limited, a company incorporated in the British Virgin Islands and is an indirect wholly owned subsidiary of the Company
“Sale and Purchase Agreements”	the First View and Glennie Agreement and the Great Venture Agreement
“Sale Shares”	F&G Sale Shares and GV Sale Shares, representing an aggregate of 1,007,370 shares representing 41% of the issued share capital of PIML, and “Sale Share” shall be construed accordingly
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	First View, Glennie and Great Venture
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the board of directors of  
**Perfectech International Holdings Limited**  
**Poon Siu Chung**  
*Chairman*

Hong Kong, 6 May 2005

\* *for identification purpose only*

*As at the date of this announcement, the Board of Directors of the Company are Mr. Poon Siu Chung, Mr. Leung Ying Wai, Charles, Mr. Ip Siu On and Mr. Tsui Yan Lee, Benjamin as executive Directors; and Mr. Ng Siu Yu, Larry, Mr. Lam Yat Cheong and Mr. Yip Chi Hung as independent non-executive Directors, and Mr. Tong Wui Tung as non-executive Director.*

Please also refer to the published version of this announcement in The Standard.