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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect about this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Perfectech International Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**CIRCULAR ON  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
AND  
RE-ELECTION OF DIRECTORS**

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A notice convening the annual general meeting of the Company to be held at Falcon Room I, Luk Kwok Hotel, 72 Gloucester Road, Wanchai, Hong Kong, at 3:00 p.m. on 3 June 2009 is contained in the 2008 annual report of the Company.

Whether or not you are able to attend the annual general meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Standard Limited, branch share registrar and transfer office of the Company in Hong Kong at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

28 April 2009

\* *For identification purpose only*

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## DEFINITIONS

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*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 Falcon Room I, Luk Kwok Hotel, 72 Gloucester Road, Wanchai, Hong Kong on 3 June 2009, at 3:00 p.m. for the purpose of considering, and if thought fit, approving the resolutions proposed in the AGM Notice
“AGM Notice”	the notice dated 28 April 2009 for convening the AGM
“Associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors (including independent non-executive Directors)
“Bye-laws”	the bye-laws of the Company as amended from time to time
“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 (stock code: 765)
“Connected Person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	a general mandate to the Directors 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 number of Shares repurchased under the Repurchase Mandate
“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
“Latest Practicable Date”	22 April 2009, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange from time to time
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purposes of this circular
“Repurchase Mandate”	a general mandate to the Directors 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
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeover Code”	The Hong Kong Code on Takeovers and Mergers

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LETTER FROM THE BOARD

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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)

*Executive Directors:*

Poon Siu Chung (*Chairman and Managing Director*)  
Leung Ying Wai, Charles (*Deputy Chairman*)  
Ip Siu On  
Tsui Yan Lee, Benjamin

*Registered office:*

Canon's Court  
22 Victoria Street  
Hamilton HM 12  
Bermuda

*Independent Non-executive Directors:*

Lam Yat Cheong  
Yip Chi Hung  
Choy Wing Keung, David

*Head Office and principal  
place of business:*

7/F., E Tat Factory Building,  
4 Heung Yip Road,  
Wong Chuk Hang, Aberdeen,  
Hong Kong

28 April 2009

*To the Shareholders,*

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
AND  
RE-ELECTION OF DIRECTORS**

**1. INTRODUCTION**

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

- (a) granting to the Directors of the General Mandate;
- (b) granting to the Directors of the Repurchase Mandate;
- (c) granting to the Directors of the General Extension Mandate; and
- (d) re-election of Directors.

\* *For identification purpose only*

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## LETTER FROM THE BOARD

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### 2. VARIOUS MANDATES

On 27 May 2008, resolutions for the General Mandate, Repurchase Mandate and the General Extension Mandate were passed by the Shareholders and all the aforesaid mandates will lapse at the conclusion of the AGM.

#### (a) General Mandate

An ordinary resolution will be proposed at the AGM to approve the granting of the General Mandate. The General Mandate, if granted, will allow the Directors to issue and allot further Shares prevailing up to 20% of the issued share capital of the Company as at the date of passing the relevant resolution.

As at the Latest Practicable Date, the issued share capital of the Company was 294,909,607 fully paid-up Shares. Subject to the passing of the resolution granting the General Mandate and on the basis that no further Shares are allotted and issued or repurchased after the Latest Practicable Date and up to the date of the AGM, exercise in full of the General Mandate could result in up to new issue of 58,981,921 Shares.

#### (b) Repurchase Mandate

An ordinary resolution will be proposed at the AGM to approve the granting of the Repurchase Mandate. The Repurchase Mandate, if granted, will allow the Directors to exercise all the powers of the Company to repurchase its own Shares not exceeding 10% of the issued share capital of the Company as at the date of passing the relevant resolution.

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.

#### (c) 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 the number of 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 to be held; and (iii) its revocation or variation by ordinary resolution of the Shareholders in general meeting.

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## LETTER FROM THE BOARD

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### 3. RE-ELECTION OF DIRECTORS

In accordance with Bye-law 99 of the Bye-laws and the code of corporate governance of the company, every Director shall be subject to retirement by rotation at the annual general meeting at least once every three years.

All retiring Directors shall be eligible for re-election.

Accordingly, the following Directors shall retire from office by rotation at the conclusion of the AGM:

<b>Name</b>	<b>Position</b>
Mr. Leung Ying Wai, Charles	Executive Director
Mr. Ip Siu On	Executive Director
Mr. Tsui Yan Lee, Benjamin	Executive Director

Mr. Leung, Mr. Ip and Mr. Tsui were last elected as executive Directors on 31 May 2007 with no specific term.

All of them, being eligible, will offer themselves for re-election at the AGM.

Further, the following Directors will hold office until the conclusion of the AGM.

<b>Name</b>	<b>Position</b>
Mr. Lam Yat Cheong	Independent non-executive Director
Mr. Yip Chi Hung	Independent non-executive Director
Mr. Choy Wing Keung, David	Independent non-executive Director

Mr. Lam, Mr. Yip and Mr. Choy, being eligible, will offer themselves for re-election.

If re-elected at the AGM, Mr. Lam, Mr. Yip and Mr. Choy will hold office until the conclusion of the next annual general meeting of the Company.

If re-elected, all the aforesaid Directors, subject to the terms agreed otherwise which expire earlier, will be subject to rotation, removal, vacation or termination of their offices as Directors as set out in the Bye-laws or the disqualification to act as a Director under the Bye-laws, the laws of Bermuda and the Listing Rules. Their particulars required to be disclosed by the Listing Rules are set out in Appendix II to this circular.

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## **LETTER FROM THE BOARD**

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### **4. ANNUAL GENERAL MEETING**

The AGM Notice is contained in the 2008 annual report of the Company and a form of proxy for use at the AGM is herein enclosed.

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, Tricor Standard Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wan Chai, 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.

### **5. CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from 1 June 2009 to 3 June 2009, for the purpose of determining the entitlements of the Shareholders to attend and vote at the AGM. No transfer of the Shares may be registered during this period. In order to qualify for the aforesaid entitlements, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, by no later than 4:30 p.m. on 29 May 2009.

### **6. VOTING BY POLL**

In accordance with Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the voting on all resolutions at the AGM will be conducted by way of poll.

### **7. RECOMMENDATION**

The Board believes that the resolutions proposed in the 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.

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## LETTER FROM THE BOARD

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### 8. 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.

Yours faithfully,  
By order of the Board  
**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. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company was 294,909,607 fully paid-up Shares.

Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are allotted and issued or repurchased after the Latest Practicable Date and up to the date of the AGM, exercise in full of the Repurchase Mandate could result in up to 29,490,960 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 to be held; and (iii) its revocation or variation by ordinary resolution of the Shareholders in general meeting.

### **2. 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.

### **3. 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 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 2008, 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 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.

**4. EFFECT ON TAKEOVERS CODE**

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 (depending on the level of increase of the Shareholders' interest) 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.

Assuming that no further Shares are allotted and issued or repurchased after the Latest Practicable Date and up to the date of the AGM, on exercise in full of the Repurchase Mandate, the number of issued Shares will decrease from 294,909,607 to 265,418,647.

As at the Latest Practicable Date, Mr. Poon Siu Chung directly or indirectly holds 122,929,430 Shares representing about 41.68% of the entire issued share capital of the Company. The decrease of issued Shares resulted from the full exercise of the Repurchase Mandate will cause the percentage shareholding of Mr. Poon to increase to approximately 46.32%. In the event of such increase, Mr. Poon may be obliged to make a mandatory offer under Rule 26 of the Takeover Code as his percentage shareholding would increase by more than 2% of the voting rights of the Company.

Save as above, the Directors are not aware of any consequences which may arise under the Takeover Code as a result of any repurchases made under the Repurchase Mandate. The Board currently has no intention to exercise the Repurchase Mandate to the extent which will trigger a mandatory offer under Rule 26 of the Takeover Code.

The Company also has no intention to exercise the Repurchase Mandate to the effect that it will result in the public float to fall below 25% or such other minimum percentage prescribed by the Listing Rules from time to time.

**5. SHARE PRICE**

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

	<b>Shares</b>	
	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
2008		
March	0.7200	0.5600
April	0.6900	0.5200
May	0.7500	0.6500
June	0.7300	0.5700
July	0.6700	0.5200
August	0.6000	0.4700
September	0.5600	0.4200
October	0.5100	0.2500
November	0.3900	0.3000
December	0.3800	0.3000
2009		
January	0.3500	0.2900
February	0.3350	0.2950
March	0.3150	0.2700
April (up to and including the Latest Practicable Date)	0.4000	0.2900

**6. REPURCHASE OF SHARES**

During the previous six months ended on the Latest Practicable Date, the Company repurchased its own Shares through the Stock Exchange as follows:

Date of repurchase	No. of shares purchased	Purchase price per share		Aggregate consideration paid (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
20 Mar 2009	606,000	0.3050	0.3000	184,630
17 Mar 2009	500,000	0.3050	0.2950	151,200
12 Mar 2009	570,000	0.2900	0.2800	162,950
3 Mar 2009	600,000	0.3050	0.3050	183,000
6 Feb 2009	510,000	0.3250	0.3200	164,200
7 Jan 2009	530,000	0.3000	0.3000	159,000
5 Jan 2009	470,000	0.3000	0.3000	141,000
18 Dec 2008	778,000	0.3550	0.3400	271,760
15 Dec 2008	2,014,000	0.3500	0.3250	690,350
10 Nov 2008	1,152,000	0.3400	0.3300	385,720
5 Nov 2008	994,000	0.3300	0.3150	320,550
20 Oct 2008	490,000	0.3500	0.3400	168,950
17 Oct 2008	796,000	0.3550	0.3500	279,600
15 Oct 2008	674,000	0.3850	0.3350	247,110
Total	<u>10,684,000</u>			<u>3,510,020</u>

**7. 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.

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 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.

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 59, an executive Director and the deputy Chairman, 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.

Mr. Leung was interested in 63,097,200.

There is no service contract entered into between the Company and Mr. Leung.

**2. MR. IP SIU ON**

Mr. Ip, aged 55, 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.

Mr. Ip and Mr. Poon Siu Chung are both shareholders and directors of a company incorporated in Hong Kong engaging in property investment, which is owned as to 50% by Mr. Poon, as to 25% by Mr. Poon's spouse, Ms. Lau Kwai Ngor and as to 25% by Mr. Ip.

Mr. Ip owned 5,803,600 Shares and options carrying right to subscribe for 1,000,000 Shares.

There is no service contract entered into between the Company and Mr. Ip.

**3. MR. TSUI YAN LEE, BENJAMIN**

Mr. Tsui, aged 49, 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 5 years.

Mr. Tsui owned 2,111,000 Shares and options carrying right to subscribe for 2,000,000 Shares.

There is no service contract entered into between the Company and Mr. Tsui.

**4. MR. LAM YAT CHEONG**

Mr. Lam, aged 48, 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 20 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 and Wuyi International Pharmaceutical Company Limited, companies listed in Hong Kong.

Mr. Lam had options carrying right to subscribe for 300,000 Shares.

There is no service contract entered into between the Company and Mr. Lam.

If re-elected at the AGM, Mr. Lam will hold office until the conclusion of the next annual general meeting of the Company.

## **5. MR. YIP CHI HUNG**

Mr. Yip, aged 50, 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 the chairman and executive director of PacMOS Technologies Holdings Limited ("PacMOS"), a company listed in Hong Kong (Stock Code: 1010).

As at the Latest Practicable Date, Mr. Yip was interested in 2,200,000 Shares and options carrying right to subscribe for 300,000 Shares.

There is no service contract entered into between the Company and Mr. Yip.

If re-elected at the AGM, Mr. Yip will hold office until the conclusion of the next annual general meeting of the Company.

In about September 2004, legal proceedings (the "First Legal Action") were instituted in the High Court of the Hong Kong Special Administrative Region (the "High Court") by Pacific Electric Wire and Cable Company Limited (the "Plaintiff") claiming, amongst others, title to the approximately 43.3% ordinary shares of PacMOS held by Texan Management Limited ("Texan") (Details concerning the First Legal Action are disclosed in the announcements of PacMOS dated 21 March 2006, 18 April 2006, 25 January 2008, 20 October 2008 and 3 March 2009). Amongst others, Mr. Yip is a director of PCL Holdings Limited ("PCL") and each of its wholly owned subsidiaries (the "PCL Subsidiaries"), being China Dragon International Limited ("China Dragon"), Ever Dragon Investments Limited ("Ever Dragon"), PCL Development Limited ("PCL Development"), Pacific Capital (Asia) Limited ("PC Asia") and Marina Square Property Management Limited ("Marina Management"), but Mr. Yip does not hold any shares in PCL or any of the PCL Subsidiaries and is not named as a defendant in the First Legal Action. PCL and PC Asia are named as defendants in the First Legal Action;

According to information provided by Mr. Yip, with respect to PCL and PC Asia, the First Legal Action relate to, amongst others, accounting of certain previous dealings of the shares of PacMOS by PCL and the dispute on the ownership of 1 share of PacMOS registered in the name of PC Asia. PCL and PC Asia are investment holding and/or inactive companies and incorporated in Hong Kong on 6 August 1991 and 27 August 1991 respectively. On or about 18 January 2008, summary judgments

were given in favour of the Plaintiff against, amongst others, Texan and PC Asia and receivers were appointed to PCL and PC Asia. On or about 23 June 2008, the High Court, amongst others, also ordered (“First Action Order”) Texan and PC Asia to transfer the 145,609,998 shares of PacMOS and 1 share of PacMOS respectively to a wholly owned subsidiary of the Plaintiff (“PAH”). The Plaintiff and PAH had undertaken to the High Court that they would not (a) dispose, transfer, encumber, pledge, charge or otherwise deal with the said shares of PacMOS transferred to PAH without leave of the High Court; and/or (b) exercise any shareholders’ rights in respect of the said shares of PacMOS without prior approval of the High Court, until all appeals had been concluded or further order of the High Court (Further details are set out in the announcements of PacMOS dated 25 January and 20 October 2008). Texan and PC Asia had filed appeal notices against the said judgments and the First Action Order, which was set down for hearing in March 2009. Texan and PC Asia, amongst others, had successfully appealed against the First Action Order in the Court of Appeal of the Hong Kong Special Administrative Region (the “Court of Appeal”) on 2 and 3 March 2009. The Court of Appeal ordered on 3 March 2009 that the First Action Order be discharged and the Court of Appeal’s order has yet to be drawn up and finalized;

In about December 2004, legal proceedings (the “Second Legal Action”) were instituted in the High Court against, amongst others, Mr. Yip, All Dragon International Limited (“All Dragon”), Casparson Properties Limited (“Casparson”), Haddowe Limited (“Haddowe”) and Harmutty Limited (“Harmutty”), companies (the “Second Action Defendant Companies”) of which Mr. Yip is a director. According to information provided by Mr. Yip, the Second Legal Action relates to, amongst others, disputes on the ownership of the shares of the Second Action Defendant Companies, but Mr. Yip does not hold any shares of any of the Second Action Defendant Companies. All Dragon, Casparson, Haddowe and Harmutty are investment holding companies and incorporated in the British Virgin Islands on 20 November 1996, 23 September 1992, 13 October 1992 and 29 September 1992 respectively. The principle assets of the Second Action Defendant Companies and their subsidiaries include approximately 43.3% shares of PacMOS held by Texan (which is a subsidiary of All Dragon); various commercial properties and car parking spaces in the Marina Square of the South Horizons (the “South Horizon Properties”); and various residential houses in Shouson Hill Road (the “Shouson Hill Properties”). On or about 18 January 2008, summary judgments were given in favour of the plaintiff against, amongst others, the Second Action Defendant Companies and receivers to Casparson, Haddowe, PCL and the PCL Subsidiaries were appointed. Mr. Yip is a director of PCL and each of the PCL Subsidiaries, but does not hold any shares in any of them. China Dragon, Ever Dragon, PCL Development, PC Asia and Marina Management are investment holding and/or inactive companies and incorporated in Hong Kong on 7 February 1992, 28 July 1992, 23 January 1992, 27 August 1991 and 9 February 1993 respectively. On or about 23 June 2008, the High Court, amongst others, also ordered (“Second Action Order”) the shares of Casparson and Haddowe be transferred to PAH. The plaintiff and PAH had undertaken to the High Court that they would not (a) dispose, transfer, encumber, pledge, charge or otherwise deal with the said shares without leave of the High Court; and/or (b) exercise any shareholders’ rights in respect of the said shares without prior approval of the High Court, until all appeals had been concluded or further order of the High Court. Mr. Yip was also ordered to pay the costs of certain defendants in the Second Legal Action, to be taxed if not agreed (“Second Legal Action Costs”). As at the date of this announcement, the amount of the Second Legal Action Costs have not been agreed or taxed. The Second Action Defendant Companies had filed appeal notices against the said judgments and the Second Action Order, which was set down for hearing in March

2009. The Second Action Defendant Companies, amongst others, had successfully appealed against the Second Action Order in the Court of Appeal on 2 and 3 March 2009. The Court of Appeal ordered on 3 March 2009 that the Second Action Order be discharged and the Court of Appeal's order has yet to be drawn up and finalized. Mr. Yip has also filed an appeal notice against the Second Legal Action Costs, but no date has been fixed for the hearing of the appeal; and

In about December 2004, legal proceedings (the "Third Legal Action") were instituted in the High Court against, amongst others, Mr. Yip, Greateam Limited ("Greateam"), Gold Global Limited ("Gold Global") and Harmutty, companies (the "Third Action Defendant Companies") of which Mr. Yip is a director. According to information provided by Mr. Yip, the Third Legal Action relates to, amongst others, disputes on the ownership of the shares of the Third Action Defendant Companies, but Mr. Yip does not hold any shares of any of the Third Action Defendant Companies. Greateam is an investment holding company and incorporated in Hong Kong on 5 March 1997. Gold Global and Harmutty are investment holding companies and incorporated in the British Virgin Islands on 28 July 1997 and 29 September 1992 respectively. The principle assets of the Third Action Defendant Companies and their subsidiaries include the South Horizons Properties and the Shouson Hill Properties. On or about 18 January 2008, summary judgments were given in favour of the plaintiff against, amongst others, the Third Action Defendant Companies and receivers to Greateam were appointed. On or about 23 June 2008, the High Court, amongst others, also ordered ("Third Action Order") the shares of Gold Global and Greateam be transferred to PAH. The plaintiff and PAH had undertaken to the High Court that they would not (a) dispose, transfer, encumber, pledge, charge or otherwise deal with the said shares without leave of the High Court; and/or (b) exercise any shareholders' rights in respect of the said shares without prior approval of the High Court, until all appeals had been concluded or further order of the High Court. Mr. Yip was also ordered to pay the costs of certain defendants in the Third Legal Action, to be taxed if not agreed ("Third Legal Action Costs"). As at the date of this announcement, the amount of the Third Legal Action Costs have not been agreed or taxed. The Third Action Defendant Companies had filed appeal notices against the said judgments and the Third Action Order, which was set down for hearing in March 2009. The Third Action Defendant Companies, amongst others, had successfully appealed against the Third Action Order in the Court of Appeal on 2 and 3 March 2009. The Court of Appeal ordered on 3 March 2009 that the Third Action Order be discharged and the Court of Appeal's order has yet to be drawn up and finalized. Mr. Yip has also filed an appeal notice against the Third Legal Action Costs, but no date has been fixed for the hearing of the appeal.

## **6. MR. CHOY WING KEUNG DAVID**

Mr. Choy, aged 43, graduated from the Hong Kong Shue Yan University and is the sole proprietor of David Choy & Co., Certified Public Accountants (Practising). He is a member of the Hong Kong Institute of Certified Public Accountants and the Association of Certified Chartered Accountants. He has over 19 years of experience in the areas of auditing, accounting, secretarial services and taxation.

As at the Latest Practicable Date, Mr. Choy had options carrying right to subscribe for 300,000 Shares.

There is no service contract entered into between the Company and Mr. Choy.

If re-elected at the AGM, Mr. Choy will hold office until the conclusion of the next annual general meeting of the Company.

### DIRECTORS' EMOLUMENTS

The amounts of emoluments received in 2008 by the above Directors to be re-elected at the AGM are set out in the table below:

Directors	Fees (HK\$)	Salaries, allowances and benefits in kind (HK\$)	Employee share option benefits (HK\$)	Pension scheme contributions (HK\$)	Total remuneration (HK\$)
Leung Ying Wai, Charles	-	-	-	-	-
Ip Siu On	-	2,100,000	-	30,000	2,130,000
Tsui Yan Lee, Benjamin	-	2,100,000	160,000	30,000	2,290,000
Lam Yat Cheong	50,000	-	-	-	50,000
Yip Chi Hung	50,000	-	-	-	50,000
Choy Wing Keung, David	50,000	-	-	-	50,000

The emoluments to be received in 2009 by the above Directors to be re-elected at the AGM will be determined by the Board based on the adopted remuneration policy reviewed by the Remuneration Committee of the Company, with reference to the Directors' qualification and experience, responsibilities undertaken, contribution to the Group, and the prevailing market level of remuneration of similar position.

### OTHER INFORMATION

If re-elected at the AGM, all the aforesaid Directors, subject to the terms agreed otherwise which expire earlier, will be subject to the rotation, removal, vacation or termination of such offices as set out in the Bye-laws or the disqualification to act as a director of the Company under the Bye-laws, the laws of Bermuda and the Listing Rules. Save as disclosed herein, the above Directors do not at present, and in the past three years did not, hold any directorship in any listed public company in Hong Kong, do not have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance, do not have any relationship with any other directors, senior management or any substantial or controlling shareholders of the Company, and there is no information which is discloseable nor are/were the above Directors to be re-elected involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and the Board is not aware of any other matters which need to be brought to the attention of the Shareholders.