

---

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

---

**If you are in 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 and proxy form enclosed herein to the purchaser or transferee or to the bank or stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---

**PERFECTECH INTERNATIONAL HOLDINGS LIMITED****威發國際集團有限公司\****(incorporated in Bermuda with limited liability)*

(Stock Code: 00765)

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

---

A notice convening the annual general meeting of Perfectech International Holdings Limited to be held at Falcon Room I, Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong, on 25 May 2011, Wednesday, at 3:00 p.m. is contained in the 2010 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, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, 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.

\* For identification purpose only

19 April 2011

---

## CONTENTS

---

	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	3
<b>APPENDIX I – EXPLANATORY STATEMENT ON REPURCHASE OF SHARES</b> .....	7
<b>APPENDIX II – DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING</b> .....	11

---

## 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 Falcon Room I, Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong, on 25 May 2011, Wednesday, 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 19 April 2011 for convening the AGM
“Associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors (including non-executive Directors and 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: 00765)
“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 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”	12 April 2011, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular

---

## DEFINITIONS

---

“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
“Takeovers Code”	The Hong Kong Codes on Takeovers and Mergers

---

## LETTER FROM THE BOARD

---



### PERFECTECH INTERNATIONAL HOLDINGS LIMITED

威發國際集團有限公司\*

(incorporated in Bermuda with limited liability)

(Stock Code: 00765)

*Executive Directors:*

Poon Siu Chung (*Chairman and Managing Director*)

Ip Siu On

Tsui Yan Lee, Benjamin

Poon Wai Tsun, William

*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 in Hong Kong*

7/F., E Tat Factory Building

4 Heung Yip Road

Wong Chuk Hang, Aberdeen

Hong Kong

19 April 2011

*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 Shareholder's consideration and, if thought fit, approval of:

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

\* For identification purpose only

---

## LETTER FROM THE BOARD

---

### 2. VARIOUS MANDATES

On 9 June 2010, 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 forthcoming 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 per cent 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 271,927,607 fully paid-up Shares. Subject to the passing of the resolution granting the General Mandate and on the basis that no further Shares will be 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 54,385,521 Shares. There is no present intention for any issuance of Shares pursuant to the General Mandate.

#### (b) Repurchase Mandate

An ordinary resolution will be proposed at the AGM to approve the granting of the Repurchase Mandate. The new 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.

Subject to the passing of the proposed resolution granting the Repurchase Mandate to the Directors, and on the basis that there were 271,927,607 fully paid-up Shares as at the Latest Practicable Date and no Shares will be issued or repurchased by the Company between the Latest Practicable Date and the date of AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 27,192,760 Shares.

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 any Shares repurchased pursuant to the Repurchase Mandate.

---

## LETTER FROM THE BOARD

---

The authority conferred on the Directors by the General Mandate, the Repurchase Mandate and the General Extension Mandate would continue in force until the earliest 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.

### 3. RE-ELECTION OF DIRECTORS

Dr. Poon Wai Tsun, William, who was appointed by the Board as an executive Director effective from 6 July 2010, will be subject to re-election by Shareholders at the AGM.

In accordance with bye-law 99 of the Bye-laws and the code on corporate governance of the Company, every Director, including those appointed for a specific term, shall be subject to retirement by rotation at the annual general meeting at least once every 3 years. All retiring Directors shall be eligible for re-election.

Accordingly, the following Director shall retire from office by rotation at the conclusion of the AGM.

<b>Name</b>	<b>Position</b>
Mr. Poon Siu Chung	Executive Director

Mr. Poon, being eligible, will offer himself 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>
(a) Mr. Lam Yat Cheong	Independent Non-executive Director
(b) Mr. Yip Chi Hung	Independent Non-executive Director
(c) Mr. Choy Wing Keung, David	Independent Non-executive Director

Mr. Lam Yat Cheong, Mr. Yip Chi Hung and Mr. Choy Wing Keung, David, being eligible, will offer themselves for re-election at the AGM.

If re-elected at the AGM, Mr. Lam Yat Cheong, Mr. Yip Chi Hung and Mr. Choy Wing Keung, David, 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 under the Listing Rules are set out in Appendix II to this circular.

---

## LETTER FROM THE BOARD

---

### 4. ANNUAL GENERAL MEETING

The AGM Notice is contained in the 2010 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, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar, Tricor Standard Limited, 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the AGM 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 adjournment thereof should you so desire.

### 5. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 24 May 2011, Tuesday to 25 May 2011, Wednesday (both dates inclusive), for the purposes of determining the entitlements of the Shareholders to attend and vote at the AGM. No transfer of the Shares may be registered on those dates. In order to qualify to attend and vote at the AGM, 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 23 May 2011, Monday.

### 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.

### 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 to enable the Shareholders to make an informed decision on whether to vote for or against the ordinary resolutions to be proposed at the AGM in relation to the new Repurchase Mandate.

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company was 271,927,607 fully paid-up Shares.

Subject to the passing of the resolution granting the new Repurchase Mandate and on the basis that no further Shares will be 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 27,192,760 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 earliest 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 the 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 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.

On the basis of the combined net tangible assets of the Group as at 31 December 2010, 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 is to be exercised in full at any time during the proposed purchase period. The Directors will 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.

**4. EFFECT ON THE 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 Takeovers 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 Takeovers Code.

Assuming that no further Shares will be 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 271,927,607 to 244,734,847.

As at the Latest Practicable Date, Mr. Poon Siu Chung directly or indirectly, held 118,303,430 Shares representing approximately 43.51% of the 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 48.34%. In the event of such increase, Mr. Poon may be obliged to make a mandatory offer under Rule 26 of the Takeovers Code as the aggregate percentage shareholding of them 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 Takeovers Code.

The Company 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 have been traded on the Stock Exchange during the previous twelve months are as follows:

	Shares	
	Highest (HK\$)	Lowest (HK\$)
<i>2010</i>		
April	1.03	0.83
May	0.96	0.82
June	0.96	0.71
July	0.79	0.68
August	0.86	0.67
September	0.76	0.68
October	0.76	0.71
November	0.81	0.70
December	0.77	0.71
<i>2011</i>		
January	0.73	0.64
February	0.72	0.65
March	0.76	0.67
April (up to the Latest Practicable Date)	0.74	0.71

**6. REPURCHASE OF SHARES**

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

Date of repurchase	No. of shares purchased	Purchase price per share		Aggregate consideration paid (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
5 November 2010	1,200,000	0.73	0.72	872,500
10 November 2010	630,000	0.74	0.74	466,200
12 November 2010	500,000	0.76	0.76	380,000
18 November 2010	500,000	0.77	0.77	385,000
23 November 2010	500,000	0.78	0.78	390,000
1 April 2011	1,980,000	0.72	0.71	1,415,800
11 April 2011	1,300,000	0.72	0.72	936,000
Total:	<u>6,610,000</u>			<u>4,845,500</u>

Save as disclosed herein, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities during the year and up to the date of this circular.

#### **7. GENERAL**

None of the Directors, and to the best of their knowledge having made all reasonable enquiries, nor 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 the 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 are proposed to be re-elected at the AGM.

**1. DR. POON WAI TSUN, WILLIAM**

Dr. Poon Wai Tsun, William, aged 33, is currently an executive Director of the Company. He graduated from University of Bristol in the United Kingdom with a Bachelor degree in Mechanical Engineering and a Doctor of Philosophy degree in Engineering. Dr. Poon is a founding member of the Hong Kong Institute of Patent Attorneys. Dr. Poon is responsible for research and development of the Group's products. He joined the Group in 2009 and has more than 5 years' experience in manufacturing industry. Save as disclosed herein, Dr. Poon does not at present, and in the past three years did not, hold any directorship in any listed public company.

Dr. Poon is a son of Mr. Poon Siu Chung, chairman and managing director of the Company and his mother, Ms. Lau Kwai Ngor, is a substantial shareholder of the Company.

Dr. Poon has entered into a service contract with the Company which shall continue to be effective unless terminated by one month's notice in writing served by either party on the other or payment in lieu.

**2. MR. POON SIU CHUNG**

Mr. Poon, aged 61, is the Chairman, executive Director and Managing Director of the Company. Mr. Poon is the co-founder of the Group and has over 30 years' experience in the plastic industry and toy business. He oversees the Group's operations and is responsible for formulating the Group's overall corporate policies and development plans.

Mr. Poon holds 118,303,430 Shares.

Mr. Poon has not entered into any service contract with the Company.

On 24 April 2001, Mr. Poon was convicted at the Western Magistracy of twelve offences under the then applicable Securities (Disclosure of Interests) Ordinance (the "Ordinance") for (i) failing to report to the Stock Exchange of certain share transactions which took place on various occasions during the period from 16 July 1999 to 25 May 2000; and (ii) making a false statement to the Stock Exchange on 18 May 2000 in respect of his shareholding position in the Company. He paid a fine of HK\$63,000 and the costs of HK\$39,531 to the Securities and Futures Commission as the penalty for such convictions.

Further, Mr. Poon disposed of 790,000 shares of the Company on 6 September 1999 which was only 2 days before the Company published its preliminary announcement of its interim results for the 6 months ended 30 June 1999. At a disciplinary hearing held on 18 February 2003, the Listing Committee of the Stock Exchange (the "Listing Committee") concluded that Mr. Poon was in breach of:

1. the Director's Undertaking to comply to the best of his ability with the Ordinance; and
2. Rule 3.13 of the Listing Rules, the then Paragraph A3 of the Model Code and the Director's Undertaking to comply to the best of his ability with the Listing Rules from time to time in force.

Accordingly, the Listing Committee publicly censured Mr. Poon for the breaches abovementioned on 31 March 2003.

Mr. Poon confirmed to the Board that his breaches were totally unintentional and no element of fraud or dishonesty was identified or alleged on his part in the relevant hearings. Mr. Poon further assured the Board that he has no intention whatsoever to prejudice the interest of the Company and/or its Shareholders in any way. In view of the aforesaid and Mr. Poon's profound experience and thorough knowledge in the business engaged by the Group, the Board is satisfied that Mr. Poon has the necessary experience, qualification and standard of competence to be an executive Director and considers that it is in the interest of the Company and its Shareholders that Mr. Poon remains as the chairman of the Company.

### **3. MR. LAM YAT CHEONG**

Mr. Lam, aged 49, is currently an independent non-executive Director. He 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 holds option to subscribe for 300,000 Shares.

Mr. Lam has not entered into any service contract with the Company.

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

### **4. MR. YIP CHI HUNG**

Mr. Yip, aged 52, is currently an independent non-executive Director. He 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 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).

Mr. Yip holds 2,800,000 Shares.

Mr. Yip has not entered into any service contract with the Company.

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 and 20 October 2008). 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). On or about 2 October 2009, the summary judgments given in favour of the Plaintiff against, amongst others, Texan and PC Asia had been set aside, and the receivers appointed to PCL and PC Asia had been discharged, on appeal by, among others, Texan and PC Asia. The 145,609,998 Shares and 1 Share previously transferred by Texan and PC Asia respectively to PAH had been re-transferred to them. Further details are also set out in the announcements of PacMOS dated 5 March and 25 August 2009.

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 principal 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 the announcement of PacMOS dated 21 January 2009, 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. On or about 2 October 2009, the summary judgments given in favour of the Plaintiff against, amongst others, the Second Action Defendant Companies had been set aside, and the receivers appointed to Casparson, Haddowe, PCL and the PCL Subsidiaries had been discharged, on appeal by, among others, the Second Action Defendant Companies. The Second Legal Action Costs had been set aside and the Plaintiff was further ordered to pay the costs of, among other, Mr. Yip.

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 the announcement of PacMOS dated 21 January 2009, 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. On or about 2 October 2009, the summary judgments given in favour of the Plaintiff against, amongst others, the Third Action Defendant Companies had been set aside, and the receivers appointed to Greateam had been discharged, on appeal by, among others, the Third Action Defendant Companies. The Third Legal Action Costs had been set aside and the Plaintiff was further ordered to pay the costs of, among other, Mr. Yip.

#### 5. MR. CHOY WING KEUNG, DAVID

Mr. Choy, aged 45, is currently an independent non-executive Director. He 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 20 years of experience in the areas of auditing, accounting, secretarial services and taxation.

Mr. Choy holds option to subscribe for 300,000 Shares.

Mr. Choy has not entered into any service contract with the Company.

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 2010 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\$)
Dr. Poon Wai Tsun, William	-	175,161	-	6,000	181,161
Mr. Poon Siu Chung	-	1,775,000	-	32,500	1,807,500
Mr. Lam Yat Cheong	50,000	-	-	-	50,000
Mr. Yip Chi Hung	50,000	-	-	-	50,000
Mr. Choy Wing Keung, David	50,000	-	-	-	50,000

The emoluments to be received in 2011 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 under the Bye-laws, the laws of Bermuda and the Listing Rules. Save as disclosed herein, the above Directors did not in the past three years up to the Latest Practicable Date hold any directorship in any listed public company in Hong Kong or overseas, did not as at the Latest Practicable Date have other major appointments and professional qualifications, any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance and 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 or 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.