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PERFECTECH INTERNATIONAL HOLDINGS LIMITED

(威發國際集團有限公司)*

(the "Company")

(Incorporated in Bermuda with limited liability)

(Stock Code: 765)

**DISCLOSEABLE TRANSACTION:
ACQUISITION OF REAL PROPERTIES**

The Board announces that on 6 August 2014, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Vendor for the acquisition of the Properties at a consideration of HK\$30,380,000.

Pursuant to the terms of the Provisional Agreement, the Formal Agreement shall be entered into between the Purchaser and the Vendor on or before 20 August 2014.

The Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

THE PROVISIONAL AGREEMENT

Date:

6 August 2014

Parties:

Vendor: Project Circle Limited

Purchaser: Sunflower Garland Manufactory Limited, an indirect wholly-owned subsidiary of the Company

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are Independent Third Parties.

Assets to be acquired:

Properties: Whole Floor of the Fifteenth Floor, Sun Hing Industrial Building, No. 46 Wong Chuk Hang Road, Aberdeen, Hong Kong.

The total gross floor area of the Properties is approximately 4,694 square feet and are currently leased by the Vendor to an Independent Third Parties for industrial purpose under an existing tenancy agreement, which will be expired before Completion.

Consideration

The consideration for the Acquisition is HK\$30,380,000, which will be satisfied in the following manner:

- (i) an initial deposit of HK\$1,519,000 was paid in cash by the Purchaser to the Vendor upon signing of the Provisional Agreement;
- (ii) a further deposit of HK\$1,519,000 shall be paid in cash by the Purchaser to the Vendor on or before 20 August 2014; and
- (iii) the balance of HK\$27,342,000 shall be paid in cash by the Purchaser to the Vendor upon completion of the Acquisition.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor with reference to the prevailing market value such as the price of similar properties in the proximity of the Properties. The Consideration will be satisfied by the Group's internal resources and/or banking facility.

Completion

Completion of the Acquisition shall take place on or before 5 November 2014.

Upon the completion of the Acquisition, the Properties will be delivered vacant possession to the Purchaser on "as is" basis.

REASONS FOR AND BENEFITS OF THE ACQUISITION

It is currently the intention of the Directors that the Group shall use the Property for investment purpose to strengthen its income base. With the improving economic conditions of Hong Kong and its current low interest environment, the Directors believe that the property market in Hong Kong will continue to boom and consider that it is an opportune time to acquire the Properties for investment purpose.

The Directors consider that the terms of the Provisional Agreement, including the Consideration are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

As the applicable percentage ratios defined under Rule 14.07 of the Listing Rules in relation to the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

INFORMATION OF THE GROUP AND THE VENDOR

The Company and its subsidiaries are principally engaged in the manufacture and sale of novelties, decorations and toys products.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor is a company incorporated in Hong Kong with limited liability.

DEFINITIONS

“Acquisition”	the acquisition of the Properties by the Purchaser from the Vendor as provided in the Provisional Agreement
“Board”	the board of Directors
“Company”	Perfectech International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it by the Listing Rules
“Consideration”	the consideration of HK\$30,380,000 for the Acquisition
“Directors”	directors of the Company
“Formal Agreement”	the final and formal contract to be entered into between the Purchaser and the Vendor in relation to the Acquisition
“Group”	the Company and its subsidiaries
“Independent Third Parties”	Party(ies) who are third parties independent of the Company and connected person of the Company (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Properties”	Whole Floor of the Fifteenth Floor, Sun Hing Industrial Building, No. 46 Wong Chuk Hang Road, Aberdeen, Hong Kong

“Provisional Agreement”	the provisional agreement for sale and purchase dated 6 August 2014 entered into between the Purchaser and the Vendor in relation to the Acquisition
“Purchaser”	Sunflower Garland Manufactory Limited, a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Project Circle Limited, a company incorporated in Hong Kong with limited liability
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong

By order of the Board
Perfectech International Holdings Limited
Poon Siu Chung
Chairman

Hong Kong, 6 August 2014

As at the date of this announcement, the Board is composed of Mr. Poon Siu Chung, Mr. Tsui Yan Lee, Benjamin, Dr. Poon Wai Tsun, William and Mr. Poon Wai Yip, Albert as executive Directors, Mr. Lam Yat Cheong, Mr. Yip Chi Hung and Mr. Choy Wing Keung, David as independent non-executive Directors.

** for identification purpose only*