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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:
DISPOSAL OF PROPERTY**

The Board announces that on 21 May 2015, the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Purchaser for the disposal of the Property at a consideration of HK\$14,500,000.

Pursuant to the terms of the Provisional Agreement, the Formal Agreement shall be entered into between the Vendor and the Purchaser on or before 8 June 2015.

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

THE PROVISIONAL AGREEMENT

Date:

21 May 2015

Parties:

Vendor: Perfectech Rigid (PVC) Pipe Manufacturing Limited, an indirect wholly-owned subsidiary of the Company

Purchaser: Equine Consultant Limited

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

Assets to be disposed of:

Property: Unit 2 on the 8th Floor, Sun Hing Industrial Building, No. 46 Wong Chuk Hang Road, Aberdeen, Hong Kong.

The total gross floor area of the Property is approximately 2,176 square feet and is currently vacant.

The Property has been used by the Vendor as investment properties for the purpose as generating rental income. The book value of the Property was approximately HK\$13,700,000 as at 31 December 2014. For the two financial years immediately preceding the Disposal, the revenue and net profits attributable to the Property are as follows:

	For the year ended 31 December	
	2014	2013
	HK\$'000	HK\$'000
Rental income	131	178
Increase in fair value of Property	2,300	1,200
Net profit before tax	2,385	1,331
Net profit after tax	2,385	1,331

Consideration

The consideration for the Disposal is HK\$14,500,000, which will be satisfied in the following manner:

- i) an initial deposit of HK\$710,000 was paid in cash by the Purchaser to the Vendor upon signing of the Provisional Agreement;
- ii) a further deposit of HK\$1,010,000 shall be paid in cash by the Purchaser to the Vendor on or before 8 June 2015; and
- iii) the balance of HK\$12,780,000 shall be paid in cash by the Purchaser to the Vendor upon completion of the Disposal.

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 Property.

Completion

Completion of the Disposal shall take place on or before 18 August 2015.

Upon the completion of the Disposal, the Vendor will deliver the vacant possession of the Property to the Purchaser on “as is” basis.

REASONS FOR AND BENEFITS OF THE DISPOSAL

In view of the recent development of the properties market in Hong Kong, the Board considers that it is a good opportunity to dispose the Property and realize its investment. The Directors are of the view that the terms of the Provisional Agreement are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

It is estimated that upon Completion, the net gain arising from the Disposal, before deduction of costs and expenses, is expected to be approximately HK\$800,000, being the difference between the Consideration receivable from the Disposal, i.e. HK\$14,500,000, and the book value of the Property of approximately HK\$13,700,000 as at 31 December 2014.

The Board intends to use the net proceeds arising from the Disposal to repay the bank borrowing secured by the Property to release the related legal charge/mortgage on the Property and the remaining balance as general working capital.

LISTING RULES IMPLICATION

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

INFORMATION OF THE GROUP AND THE PURCHASER

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 Purchaser is a company incorporated in Hong Kong with limited liability.

DEFINITIONS

“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\$14,500,000 for the Disposal
“Directors”	directors of the Company
“Disposal”	the disposal of the Property by the Vendor to the Purchaser as provided in the Provisional Agreement
“Formal Agreement”	the final and formal contract to be entered into between the Purchaser and the Vendor in relation to the Disposal
“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
“Property”	Unit 2 on the 8 th Floor, Sun Hing Industrial Building, No. 46 Wong Chuk Hang Road, Aberdeen, Hong Kong
“Provisional Agreement”	the provisional agreement for sale and purchase dated 21 May 2015 entered into between the Purchaser and the Vendor in relation to the Disposal

“Purchaser”	Equine Consultant Limited, a company incorporated in Hong Kong with limited liability
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Perfectech Rigid (PVC) Pipe Manufacturing Limited, a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of the Company
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong

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

Hong Kong, 21 May 2015

As at the date of this announcement, the Board is composed of Mr. Poon Siu Chung, 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*