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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: 0765)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders and the potential investors of the Company that based on the management's assessment of the Management Accounts, the Group's profit from its core business for the financial year ending 31 December 2008 is expected to decrease substantially by 50% as compared to that of the corresponding period in 2007 due to a decrease in gross profit margin from the Group's core business resulted from an increase in production costs, including the labour costs.

The Board also wishes to inform the shareholders and the potential investors of the Company that based on the management's assessment of the Management Accounts as aforesaid by the fair value of the Investments as at 30 November 2008, the loss from Investments (comprises the realised loss and the decrease in fair value of the Investments held by the Group) may amount to approximately HK\$93,450,000 for the financial year ending 31 December 2008 representing an increase of 48% as compared to that of HK\$63,193,000 as disclosed in the Interim Report if the market sentiments do not improve during the remaining days of the said financial year.

Accordingly, the Group anticipates it will incur a substantial loss for the financial year ending 31 December 2008 as compared with the consolidated results for the corresponding period in 2007.

The shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Perfectech International Holdings Limited (“the Company”, together with its subsidiaries, “the Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“the Listing Rules”).

DECREASE IN PROFIT FROM CORE BUSINESS

The board of directors (“the Board”) wishes to inform the shareholders and the potential investors of the Company that based on the management’s assessment of the Group’s unaudited management accounts for the 10 months ended 31 October 2008 (“the Management Accounts”), the Group’s profit from its core business for the financial year ending 31 December 2008 is expected to decrease substantially by 50% as compared to that of the corresponding period in 2007 due to a decrease in gross profit margin from the Group’s core business resulted from an increase in production costs partly because of the appreciation of Renminbi and partly because of the increase in labour costs as a result of the implementation of the new labour law at the beginning of this year.

THE INVESTMENTS

The investments (the “Investments”) held by the Group as at 30 November 2008 consisted of (i) the investments held-for trading of approximately HK\$48,588,000; and (ii) the other investments (including an outstanding USD forward currency option contract with monthly notional amount of approximately US\$1,000,000 (equivalent to approximately HK\$7,800,000) and an equity-linked note contract with notional amount of approximately US\$1,000,000 (equivalent to approximately HK\$7,800,000)). The recent adverse conditions of the global markets have caused significant decrease in fair value to the Investments. Based on the management’s assessment of the Management Accounts as aforesaid by the fair value of the Investments as at 30 November 2008, the loss from Investments (comprises the realised loss and the decrease in fair value) may amount to approximately HK\$93,450,000 for the financial year ending 31 December 2008, representing an increase of 48% as compared to that of HK\$63,193,000 as disclosed in the interim report of the Company for the six months ended 30 June 2008 (“the Interim Report”).

In view of the recent downturn of the global financial market, it is expected that the loss from the Investments would persist till the end of the financial year ending 31 December 2008.

Accordingly, the Group anticipates it will incur a substantial loss for the financial year ending 31 December 2008 as compared with the consolidated results for the corresponding period in 2007.

However, the Board is of the view that the business and financial position of the Group remains healthy and liquid.

The decrease in profit of the Group’s core business together with the loss from the Investments are only based on the preliminary assessment by the Company’s management according to the Management Accounts and such information has not been audited or reviewed by the Company’s auditors. Details of the financial data of the Group will be disclosed in the Group’s 2008 annual report.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Poon Siu Chung
Chairman

Hong Kong, 11 December 2008

As at the date of this announcement, the Board comprises Mr. Poon Siu Chung, Mr. Leung Ying Wai, Charles, Mr. Ip Siu On and Mr. Tsui Yan Lee, Benjamin as executive Directors of the Company, and Mr. Lam Yat Cheong, Mr. Yip Chi Hung and Mr. Choy Wing Keung, David as independent non-executive Directors of the Company.

** for identification purpose only*