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If you have sold or transferred all of your shares in Perfect Group International Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee, or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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PERFECT GROUP

保發集團

PERFECT GROUP INTERNATIONAL HOLDINGS LIMITED

保發集團國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3326)

**PROPOSED SHARE SUBDIVISION
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Capitalised terms used in this cover page shall have the same meaning as those defined in this circular.

A notice convening the EGM (as defined herein) of the Company to be held at the Palace Rooms, B1, The Royal Garden, 69 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong, at 10:30 a.m. on Tuesday, 12 September 2017 is set out on pages 10 to 11 of this circular of the Company.

A form of proxy for the EGM is enclosed with this circular. If you do not intend to attend and vote at the EGM in person, you are requested to complete and return the enclosed form of proxy to the Company's branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

25 August 2017

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context otherwise requires:

“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Perfect Group International Holdings Limited, a company incorporated in the Cayman Islands with limited liability with its securities listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held on Tuesday, 12 September 2017 at 10:30 a.m. at the Palace Rooms, B1, The Royal Garden, 69 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong to consider and, if thought fit, approve the Share Subdivision
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	22 August 2017, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular
“Listing Committee”	has the meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	the ordinary share(s) in the issued and unissued share capital of the Company, the par value of which being of HK\$0.01 each prior to completion of the Share Subdivision
“Shareholder(s)”	the holder(s) of the Share(s) and/or the Subdivided Share(s) (as the case maybe)

DEFINITIONS

“Share Option(s)”	option(s) to subscribe for Share(s) granted by the Company in accordance with the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 14 December 2015
“Share Subdivision”	the proposed subdivision of every one (1) existing issued and unissued Share into three (3) Subdivided Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	ordinary share(s) of par value of one third Hong Kong cent each in the share capital of the Company upon completion of the Share Subdivision
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Subdivision is set out below:

2017

Latest time for lodging form of proxy for the EGM 10:30 a.m. on Sunday, 10 September

Date and time of the EGM 10:30 a.m. on Tuesday, 12 September

Publication of the announcement of the results of the EGM Tuesday, 12 September

The following events are conditional upon the fulfilment of the conditions for the implementation of the Share Subdivision as set out in the section headed “Conditions of the Share Subdivision” of this circular.

Effective date of the Share Subdivision Wednesday, 13 September

First day of free exchange of the existing share certificates for the new share certificates for the Subdivided Shares Wednesday, 13 September

Dealing in Subdivided Shares commence 9:00 a.m. on Wednesday, 13 September

Original counter for trading in Shares in board lots of 3,000 Shares temporarily closes 9:00 a.m. on Wednesday, 13 September

Temporary counter for trading in Subdivided Shares in board lot size of 9,000 Subdivided Shares (in the form of existing share certificates) opens 9:00 a.m. on Wednesday, 13 September

Original counter for trading in Subdivided Shares in board lots of 3,000 Subdivided Shares (in the form of new share certificates) reopens 9:00 a.m. on Wednesday, 27 September

Parallel trading in the Shares and Subdivided Shares (in the form of existing share certificates and new share certificates) commences 9:00 a.m. on Wednesday, 27 September

EXPECTED TIMETABLE

Temporary counter for trading in Subdivided Shares
in board lot size of 9,000 Subdivided Shares (in the
form of existing share certificates) closes4:00 p.m. on Thursday, 19 October

Parallel trading in the Shares and Subdivided Shares
(in the form of existing share certificates and new
share certificates) ends4:00 p.m. on Thursday, 19 October

Free exchange of the existing share certificates for
the new share certificates for the Subdivided Shares
ends. Monday, 23 October

All dates and times stated in this circular refer to Hong Kong dates and times. Dates stated in this circular for events in the timetable are indicative only and may be extended or varied. Any changes to the anticipated expected timetable for the Share Subdivision will be announced as and when appropriate.

LETTER FROM THE BOARD



PERFECT GROUP

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PERFECT GROUP INTERNATIONAL HOLDINGS LIMITED

保發集團國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3326)

Executive Directors:

Mr. Kan Kin Kwong (*Chairman*)

Ms. Shek Mei Chun

Mr. Chung Chi Keung

Non-executive Director:

Mr. He Dingding

Independent non-executive Directors:

Mr. Fan Chor Ho

Mr. Li Cheuk Wai

Mr. Wong Wai Keung Frederick

Registered office:

Cricket Square

Hutchins Drive

P. O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Head office and principal Place of

Business in Hong Kong:

26/F., YHC Tower

1 Sheung Yuet Road

Kowloon Bay

Hong Kong

25 August 2017

To the Shareholders

Dear Sir or Madam,

**PROPOSED SHARE SUBDIVISION
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 7 August 2017 in relation to, among other things, the Share Subdivision.

The purpose of this circular is to provide you among other things, (i) details of the Share Subdivision and (ii) a notice convening the EGM.

LETTER FROM THE BOARD

PROPOSED SHARE SUBDIVISION

The Board proposes to implement the Share Subdivision by subdividing every one (1) existing issued and unissued Share in the share capital of the Company into three (3) Subdivided Shares.

Effects of the Share Subdivision

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$10,000,000 divided into 1,000,000,000 Shares, of which 450,000,000 Shares are issued and credited as fully paid. Assuming that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the EGM, immediately after the Share Subdivision becoming effective, the authorised share capital of the Company will become HK\$10,000,000 divided into 3,000,000,000 Subdivided Shares, of which 1,350,000,000 Subdivided Shares will be in issue and are credited as fully paid.

Upon the Share Subdivision becoming effective, all Subdivided Shares will rank pari passu with each other in all respects with the Shares in issue prior to the Share Subdivision and the Share Subdivision will not result in any change in the relevant rights of the Shareholders.

The Shares are currently traded in the board lots of 3,000 Shares. Upon the Share Subdivision becoming effective, the board lot size for trading will remain unchanged in board lots of 3,000 Subdivided Shares. The Share Subdivision is not expected to result in any odd lots other than those that already exist.

Conditions of the Share Subdivision

The Share Subdivision is conditional upon:

- (a) the passing of an ordinary resolution to approve the Share Subdivision by the Shareholders at the EGM; and
- (b) the Stock Exchange granting the approval to the listing of, and permission to deal in, the Subdivided Shares.

The Share Subdivision will become effective after the conditions of the Share Subdivision above are fulfilled.

LETTER FROM THE BOARD

Listing application

An application has been made by the Company to the Stock Exchange for the listing of and the permission to deal in the Subdivided Shares. Subject to the granting of the listing of, and permission to deal in, the Subdivided Shares on the Stock Exchange, the Subdivided Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Subdivided Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No part of the equity or debt securities of the Company is listed or dealt in on any other stock exchanges other than the Stock Exchange and no such listing permission to deal in is being or is currently proposed to be sought from any other stock exchange.

Free exchange of Subdivided Shares' certificates and trading arrangement

Subject to the Share Subdivision becoming effective, which is expected to be on Wednesday, 13 September 2017, Shareholders may, during the period from Wednesday, 13 September 2017 to Monday, 23 October 2017 (both days inclusive) between 9:00 a.m. and 4:00 p.m. on any Business Day, submit share certificates for the existing Shares in light brown colour to the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited ("Hong Kong Branch Share Registrar") at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, to exchange, at the expense of the Company, for new share certificates of the Subdivided Shares in maroon colour. After the expiry of such period, each share certificate for the existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each new share certificate issued for the Subdivided Shares or each share certificate for the existing Shares submitted for cancellation, whichever the number of certificates issued or cancelled is higher.

The existing share certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:00 p.m. on Thursday, 19 October 2017 and thereafter will not be accepted for delivery, trading and settlement purposes. However, the existing share certificates will continue to be good evidence of title to the Subdivided Shares on the basis of one Share for three Subdivided Shares.

It is expected that the new share certificates will be available for collection within a period of ten Business Days after the submission of the existing share certificates to the Company's Hong Kong Branch Share Registrar for exchange.

LETTER FROM THE BOARD

Securities convertible or exchangeable into Shares

As at the Latest Practicable Date, the Company has 12,549,000 outstanding Share Options granted under the Share Option Scheme. Under the relevant terms and conditions of the Share Option Scheme, the Share Subdivision may lead to adjustments to the exercise price and/or the number of Shares falling to be issued upon the exercise of the Share Options. The Company will make further announcement(s) on such adjustments as and when appropriate.

Save as disclosed above, as at the Latest Practicable Date, the Company does not have any options outstanding under any share option scheme of the Company or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

REASONS FOR THE SHARE SUBDIVISION

Upon the Share Subdivision becoming effective, the par value of each share of the Company will decrease and the total number of shares of the Company in issue will increase. As a result, the Share Subdivision is expected to result in reducing the trading price of each share in the Company correspondingly which would appeal to more investors. The Board believes that the Share Subdivision will improve the liquidity in trading of the shares in the Company and thereby widen its Shareholder base.

As at the Latest Practicable Date, the Company has no intention for any equity fund raising activities and/or further corporate action or arrangement that may affect the trading in the Shares. Nevertheless, the Company does not obviate the possibility of conducting equity fund raising activities in the future to finance its business development and expansion as and when necessary.

Save for the expenses incurred by the Company in implementing the Share Subdivision, the Share Subdivision will have no material effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Company or the interests of the Shareholders. The Directors believe that the Share Subdivision will not have any material adverse effect on the financial position of the Group.

In view of the above, the Board considers that the Share Subdivision is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

EGM

The Share Subdivision will be conditional, among other things, upon passing by the Shareholders of ordinary resolution at the EGM.

The notice of EGM is set out on pages 10 to 11 of this circular. A form of proxy for the EGM is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange (www.hkex.com.hk). If you do not intend to attend and vote at the EGM in person, you are requested to complete and return the form of proxy to the Company's branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the meeting or any adjournment thereof. The completion and return of a form of proxy will not preclude you from attending and voting in person at the EGM or at any adjournment thereof should you wish and, in such event, the form of proxy shall be deemed to be revoked.

In compliance with the Listing Rules, the ordinary resolution will be voted on by way of a poll at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders are required to abstain from voting on the ordinary resolution to approve the Share Subdivision at the EGM.

RECOMMENDATION

The Directors are of the opinion that the proposed resolution referred in this circular and the notice of EGM are in the best interests of the Company and the Shareholders as a whole. The Directors recommend the Shareholders to vote in favour of the resolution as set out in the notice of EGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement herein misleading.

By order of the Board
Perfect Group International Holdings Limited
Kan Kin Kwong
Chairman

NOTICE OF EGM



PERFECT GROUP

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PERFECT GROUP INTERNATIONAL HOLDINGS LIMITED

保發集團國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3326)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“EGM”) of Perfect Group International Holdings Limited (the “Company”) will be held at the Palace Rooms, B1, The Royal Garden, 69 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong, at 10:30 a.m. on Tuesday, 12 September 2017 for the following purpose:

ORDINARY RESOLUTION

1. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval for the listing of, and permission to deal in, the Subdivided Shares (as defined below), each of the issued and unissued ordinary shares of par value of HK\$0.01 each be and is hereby subdivided into three (3) ordinary shares of par value of one third Hong Kong cents each (the “Subdivided Shares”) with effect from the business day immediately following the date on which this resolution is passed; such Subdivided Share(s) shall rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the memorandum and articles of association of the Company; and any director of the Company be and is hereby authorised to sign and execute such documents and do all such acts and things and to effect all necessary actions as he considers necessary, desirable or expedient in order to effect, implement and complete any and all of the aforesaid matters.”

By order of the Board

Perfect Group International Holdings Limited

Kan Kin Kwong

Chairman

Hong Kong, 25 August 2017

Head office and principal Place of Business in Hong Kong

26/F., YHC Tower

1 Sheung Yuet Road

Kowloon Bay

Hong Kong

NOTICE OF EGM

As at the date hereof, the executive Directors are Mr. Kan Kin Kwong, Ms. Shek Mei Chun and Mr. Chung Chi Keung; the non-executive Director is Mr. He Dingding; and the independent non-executive Directors are Mr. Fan Chor Ho, Mr. Li Cheuk Wai and Mr. Wong Wai Keung Frederick.

Notes:

1. A shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint one or more proxy(ies) (if he/she/it is the holder of two or more shares) to attend and on a poll, vote instead of him/her/it at the EGM and the appointment shall specify the number of shares in respect of which such proxy is so appointed. A proxy need not be a member of the Company.
2. In order to be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.
3. Completion and return of the form of proxy will not preclude members from attending and voting in person at the EGM or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
4. Where there are joint registered holders of any shares, any one of such joint holders may vote, either in person or by proxy in respect of such shares as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the shares shall be accepted to the exclusion of the votes of the other joint registered holders.
5. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 7:30 a.m. on the date of the EGM, the meeting will be postponed. The Company will publish an announcement on the website of the Company at www.hkperjew.com.hk and on the HKExnews website of the Stock Exchange at www.hkexnews.hk to notify Shareholders of the date, time and venue of the rescheduled meeting.