
IMPORTANT

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POLYTEC ASSET HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 208)

Executive Directors:

Or Wai Sheun (*Chairman*)

Yeung Kwok Kwong

Wong Yuk Ching

Lam Chi Chung, Tommy

Chio Koc Ieng

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Non-executive Directors:

Lai Ka Fai

Anthony Francis Martin Conway*

Liu Kwong Sang*

Siu Leung Yau*

Principal Place of Business

in Hong Kong:

23/F, Pioneer Centre

750 Nathan Road

Kowloon

Hong Kong

* *Independent Non-executive Directors*

30 May 2007

*To the Warrantholders and, for information only,
to the Shareholders of the Company*

Dear Sirs or Madams,

EXPIRY OF SUBSCRIPTION RIGHTS ATTACHING TO THE WARRANTS (WARRANT CODE: 492)

The board of directors (the “Board”) of Polytec Asset Holdings Limited (the “Company”) wishes to remind the holders of the existing outstanding warrants of the Company with warrant code 492 (“Warrants”) that in accordance with the terms and conditions of the instrument constituting the Warrants, **the subscription rights attaching to the Warrants will expire after 4:00 p.m. on Monday, 18 June 2007. Thereafter, any subscription rights attaching to the Warrants which have not been exercised by 4:00 p.m. on the last business day of Monday, 18 June 2007 will lapse and the Warrant certificates will cease to be valid for any purpose.** The Warrants entitle the holders to subscribe for new ordinary shares of HK\$0.10 each (“Shares”) in the share capital of the Company at the initial subscription price (subject to adjustment) of HK\$1.98 per Share, which is also the current subscription price, during the period from Monday, 19 June 2006 to Monday, 18 June 2007 (both days inclusive).

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In respect of the expiry of the Warrants, the Company has made the following arrangements regarding dealings and transfers of the Warrants:

1. **the last trading day of the Warrants on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) will be Wednesday, 13 June 2007 and trading of the Warrants on the Stock Exchange will cease after 4:00 p.m. on Wednesday, 13 June 2007 and listing of the Warrants will be withdrawn from the Stock Exchange with effect from 4:00 p.m. on Monday, 18 June 2007.** Application has been made to the Stock Exchange for the withdrawal of listing of the Warrants on the Stock Exchange with effect from 4:00 p.m. on Monday, 18 June 2007;
2. the registered holders of the Warrants who wish to exercise the subscription rights attaching to the Warrants must lodge with the share and warrant registrars of the Company in Hong Kong, Tengis Limited (the “Registrars”) at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, the followings by **not later than 4:00 p.m. on Monday, 18 June 2007:**
 - (i) the relevant certificates of the Warrants;
 - (ii) the duly completed and signed subscription forms; and
 - (iii) remittances for the relevant subscription moneys.
3. holders of the Warrants who have not registered their holdings in such Warrants in their names and wish to exercise the subscription rights attached thereto must lodge with the Registrars at the abovementioned address the followings by **not later than 4:00 p.m. on Monday, 18 June 2007:**
 - (i) the relevant duly executed and stamped instruments of transfer and/or other documents of title;
 - (ii) the relevant certificates of the Warrants;
 - (iii) the duly completed and signed subscription forms; and
 - (iv) remittances for the relevant subscription moneys.

Subscription forms lodged with the Registrars later than 4:00 p.m. on Monday, 18 June 2007 will not be accepted. Certificates of Shares for the due exercise of the subscription rights attached to the Warrants will be issued not later than ten business days from the subscription date.

The closing price of Shares on the Stock Exchange on 29 May 2007 (being the latest practicable date prior to the printing of this circular) was HK\$2.60 and the closing price for the Warrants was HK\$0.55. Shares to be issued pursuant to the exercise of the subscription rights attaching to the Warrants will, when issued, rank pari passu in all respects with the then existing issued Shares.

Holders of the Warrants, who are in doubt as to their position or to the actions to be taken should consult their stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

By Order of the Board
Polytec Asset Holdings Limited
Or Wai Sheun
Chairman