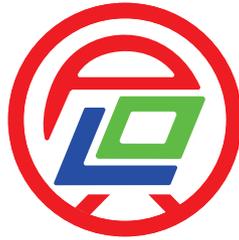


Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Perfect Optronics Limited
圓美光電有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8311)

CHANGE IN USE OF PROCEEDS

Reference is made to the prospectus of Perfect Optronics Limited (圓美光電有限公司) (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 24 January 2014 (the “**Prospectus**”) in relation to the listing of the shares of the Company on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) by way of placing (the “**Placing**”). Reference is also made to the annual report of the Company for the year ended 31 December 2017.

CHANGE IN USE OF PROCEEDS

The net proceeds from the Placing were approximately HK\$76 million (the “**Net Proceeds**”). As at the date of this announcement, the Group has used approximately HK\$36 million of the Net Proceeds and the remaining balance of the Net Proceeds is approximately HK\$40 million. Having carefully considered the current business development needs of the Group and assessed the business environment of the display

products market, in order to utilise the remaining balance of the Net Proceeds in a more effective way, the board of directors of the Company (the “**Board**”) proposes to adjust the use of the remaining balance of the Net Proceeds as follows:

	Planned use of the Net Proceeds as stated in the Prospectus <i>HK\$'million</i>	Actual use of the Net Proceeds up to the date of this announcement <i>HK\$'million</i>	Remaining Net Proceeds as at the date of this announcement <i>HK\$'million</i>	Adjustment in the use of the Net Proceeds
Establishment or acquisition of panel processing plants in the PRC to expand business vertically	40	—	40	the unused balance of approximately HK\$40 million to be applied towards general working capital use
Repayment of bank loans	17	17	—	Not applicable
Expansion of sales support team in the PRC to provide high quality services to customers	8	8	—	Not applicable
Expansion of product portfolio to strengthen product offerings	4	4	—	Not applicable
General working capital	7	7	—	Not applicable
Total	<u>76</u>	<u>36</u>	<u>40</u>	

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS

As disclosed in the Prospectus, it was expected that the Group would use approximately HK\$40 million of the Net Proceeds to establish or acquire panel processing plants in the PRC to expand business vertically. Subsequent to the Placing, the Group had made attempts to identify possible panel processing plants to acquire for this purpose. However, none of the panel processing plants was found appropriate for the Group to acquire. Furthermore, in view of the increasing challenges of the business environment for the Group's mobile phone display panels, the Company considers that it would neither be cost effective nor advantageous to the Group to proceed with establishment or acquisition of panel processing plants in the near future. Accordingly, the Company considers that the remaining balance of the Net Proceeds of approximately HK\$40 million should be better utilised for other purpose of the Group's business.

The change in the use of the remaining balance of the Net Proceeds to general working capital use will facilitate an effective use of the financial resources of the Group.

The Board considers that the above change in use of the Net Proceeds is more in line with the current business needs of the Group, it will allow the Company to deploy its financial resources more efficiently and is in the best interest of the Company and its shareholders as a whole.

By order of the Board
Perfect Optronics Limited
Cheng Wai Tak
Chairman

Hong Kong, 19 July 2018

As at the date of this announcement, the Board comprises three executive directors, namely, Mr. Cheng Wai Tak, Mr. Liu Ka Wing and Mr. Tse Ka Wing and three independent non-executive directors, namely, Mr. Wong Yik Chung John, Mr. Wong Chi Chiu and Mr. Li Shui Yan.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the "Latest Company Announcements" page for at least 7 days from the day of its posting and on the Company's website at <http://www.perfect-optronics.com>.