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Perfect Optronics Limited

圓美光電有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8311)

(1) PROFIT WARNING AND (2) BUSINESS UPDATE

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

PROFIT WARNING

Based on the initial assessment of the unaudited consolidated management accounts of the Group, it is expected that the Group may record a substantial increase in the consolidated loss attributable to equity holders of the Company from approximately HK\$16,883,000 for FY2020 to around HK\$40 million for FY2021, principally due to a significant amount of fair value loss on the Group's financial asset at FVTPL in respect of its investment in Mobvoi that may be recorded for FY2021 and the increase in distribution and selling expenses of the Group for FY2021 as compared to FY2020.

BUSINESS UPDATE

The Group may record a significant increase in revenue from the Group's health-related products (including rapid antigen test kits for COVID-19, personal hygiene and disinfectant products) for the two months ended 28 February 2022 as compared to the corresponding period in 2021, probably due to the recent worsening pandemic situation in Hong Kong.

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

This announcement is made by Perfect Optronics Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

PROFIT WARNING

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the initial assessment of the unaudited consolidated management accounts of the Group, it is expected that the Group may record a substantial increase in the consolidated loss attributable to equity holders of the Company for the year ended 31 December 2021 (“**FY2021**”) as compared to the corresponding amount of loss of approximately HK\$16,883,000 for the year ended 31 December 2020 (“**FY2020**”).

For FY2021, the Group may record a significant amount of fair value loss on the Group’s financial asset at fair value through profit or loss (“**FVTPL**”) in respect of its investment in Mobvoi Inc. (“**Mobvoi**”) related to (among others) change in value of the business of certain subsidiaries of Mobvoi, as compared to the fair value gain on the Group’s financial asset at FVTPL of approximately HK\$2,009,000 recorded for FY2020. Principally due to the aforesaid fair value loss for FY2021 and the increase in distribution and selling expenses of the Group for FY2021 as compared to FY2020, the consolidated loss attributable to equity holders of the Company is expected to increase from approximately HK\$16,883,000 for FY2020 to around HK\$40 million for FY2021.

BUSINESS UPDATE

The Board also wishes to update the Shareholders and potential investors that the Group may record a significant increase in revenue from the Group’s health-related products (including rapid antigen test kits for COVID-19, personal hygiene and disinfectant products) for the two months ended 28 February 2022 as compared to the corresponding period in 2021, probably due to the recent worsening pandemic situation in Hong Kong. Without taking into account other factors, such business performance is expected to contribute positively to the Group’s financial results for the three months ending 31 March 2022.

The information contained in this announcement represents only a preliminary assessment by the Company based on information currently available to the Company including the unaudited consolidated management accounts of the Group for FY2021 and certain unaudited financial information of the Group for the two months ended 28 February 2022, which have not been audited or reviewed by the auditors of the Company and have not been reviewed by the audit committee of the Company.

As at the date of this announcement, the Group has not yet finalised its consolidated financial results for FY2021, and such results are subject to necessary adjustments. The consolidated financial results of the Group for FY2021 will be published in late March 2022. Shareholders and potential investors should pay attention to such consolidated financial results of the Group when published.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

By order of the Board
Perfect Optronics Limited
Kan Man Wai
Acting Chairman

Hong Kong, 4 March 2022

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Cheng Wai Tak (suspended), Mr. Liu Ka Wing (suspended), Mr. Tse Ka Wing (suspended) and Mr. Chang Huan Chia; and five independent non-executive directors, namely Mr. Wong Yik Chung John (suspended), Mr. Wong Chi Chiu (suspended), Mr. Kan Man Wai (acting Chairman), Mr. Cho Chi Kong and Ms. Hsu Wai Man Helen.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 publication and on the Company’s website at <http://www.perfect-optronics.com>.