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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)

PROFIT WARNING

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).

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, the financial results of the Group for the year ended 31 December 2023 (the “**FY2023**”) is expected to turn from profit to loss by recording a consolidated loss attributable to equity holders of the Company within a range of approximately HK\$17 million to HK\$21 million, as compared to a consolidated profit attributable to equity holders of the Company of approximately HK\$4,038,000 for the year ended 31 December 2022 (“**FY2022**”).

The Company understands that the fair value of the Group’s financial asset at fair value through profit or loss (“**FVTPL**”) in respect of its investment in Mobvoi Inc. had benefited from the capital markets’ favour towards stocks of the artificial intelligence sector during FY2023, and accordingly a significant amount of fair value gain on such financial asset at FVTPL is expected to be recorded in FY2023, as compared to the fair value loss on such financial asset at FVTPL of approximately HK\$13,260,000 recorded for FY2022. However, continuing the trend of the Group’s businesses in the first three quarters of 2023, the Group suffered a significant decrease in the sales of health-related products (including rapid antigen test kits for COVID-19, personal hygiene and disinfectant products) and a significant decrease in the sales of display panels and modules during the whole year of FY2023 as compared to FY2022. Such decreases had offset the positive effect of the aforesaid expected fair value gain on financial asset at

FVTPL of the Group for FY2023 and resulted in the expected loss of the Group for FY2023 as mentioned above. The Company understands that the aforesaid decrease in the Group's sales of health-related products was principally related to decrease in demand of the Group's health-related products after Hong Kong's return from having anti-epidemic measures back to normalcy since January 2023, while the aforesaid decrease in the Group's sales of display panels and modules was principally related to the reduction in supply of such products which could have served as a market stabilisation measure. The decrease in the Group's sales of display panels and modules during FY2023 was also due to the decrease in the Group's purchase of such inventories considering the fluctuation in the market prices.

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 FY2023, 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 FY2023, and such results are subject to necessary adjustments. The consolidated financial results of the Group for FY2023 will be published in late March 2024. 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, 13 March 2024

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>.