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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)

STRATEGIC COOPERATION AGREEMENT
WITH POTEVIO INTERNATIONAL

This announcement is made by the Company pursuant to Rule 17.10(2)(a) of the GEM Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board announces that on 18 August 2014 (after trading hours), the Company entered into a long term Strategic Cooperation Agreement with Potevio International for establishing strategic cooperation in various areas such as the communications field, supply chain construction and development in international business.

By entering into the Strategic Cooperation Agreement, it is expected that the Group will be able to expand its business scale and increase its market share in the communications equipment manufacturing and trading industry, lower its production costs, indirectly increase its bargaining power through its strategic alliance with Potevio International, and enhance its overall competitiveness in the international market.

The Strategic Cooperation Agreement is a cooperation framework between the Company and Potevio International for specific cooperation projects that may or may not be entered into. Shareholders and potential investors should be cautious about the investment risk in relation to the securities of the Company.

This announcement is made by Perfect Optronics Limited (圓美光電有限公司) (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2)(a) of the Rules Governing the Listing of Securities on the Growth Enterprise Market 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 (the “**Board**”) of the Company is pleased to announce that on 18 August 2014 (after trading hours), the Company entered into a strategic cooperation agreement (the “**Strategic Cooperation Agreement**”) with Potevio International Trade Company Limited (“**Potevio International**”) which sets out the framework upon which the Group and Potevio International will cooperate in various areas such as the communications field, supply chain construction and development in international business.

Potevio International is a subsidiary of Potevio Company Limited (“**China Potevio**”). China Potevio is a state-owned enterprise managed by the State-owned Assets Supervision and Administration Commission of the State Council, it is principally engaged in information and technology products manufacturing, trade, related technology research and services. Potevio International is a company established in the People’s Republic of China and is one of China Potevio’s overseas trading platform.

According to the Strategic Cooperation Agreement, specific terms of cooperation projects between the Company and Potevio International will be contained in individual agreements to be entered into.

By entering into the Strategic Cooperation Agreement, it is expected that the Group will benefit in the following ways:

1. the Group will be able to expand its business scale and increase market share in the communications equipment manufacturing and trading industry since Potevio International has a strong market presence in China’s communication industry and a wide domestic and overseas sales network;
2. by cooperating with Potevio International to build a raw materials supply chain system, the Group will be able to lower its production costs and indirectly increase its bargaining power through its strategic alliance with Potevio International; and
3. the Group will be able to enhance its overall competitiveness in the international market by cooperations with Potevio International as Potevio International has sales network to over 70 countries and regions.

The Strategic Cooperation Agreement is a cooperation framework between the Company and Potevio International for specific cooperation projects that may or may not be entered into. Shareholders and potential investors should be cautious about the investment risk in relation to the securities of the Company.

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

Hong Kong, 18 August 2014

As at the date of this announcement, the Board comprises three executive directors, namely, Mr. Cheng Wai Tak, Mr. Cheng Cheung Wai and Mr. Liu 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 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 posting and on the Company’s website at <http://www.perfect-optronics.com>.