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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the "Directors") of Perfect Optronics Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM (the "GEM Listing Rules") for the purpose of giving information with regard to the Company and its subsidiaries (together, the "Group"). The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

FINANCIAL HIGHLIGHTS

- Revenue for the year ended 31 December 2014 amounted to approximately HK$1,299.2 million, representing a decrease of 22% as compared with that of approximately HK$1,669.6 million in 2013.

- Profit attributable to equity holders of the Company for the year ended 31 December 2014 amounted to approximately HK$33.0 million, representing a decrease of 54% as compared with that of approximately HK$71.1 million in 2013.

- The Board proposed a final dividend of HK0.5 cent per ordinary share for the year ended 31 December 2014, subject to the Company's shareholders' approval at the forthcoming annual general meeting to be held on 8 May 2015.

RESULTS

The board of directors (the "Board") of Perfect Optronics Limited is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2014, together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Note	**2014** *HK$'000*	2013 *HK$'000*
Revenue	4	**1,299,154**	1,669,556
Cost of sales		**(1,207,137)**	(1,523,366)
Gross profit		**92,017**	146,190
Other losses, net	5	**(1,410)**	(716)
Distribution and selling expenses		**(14,783)**	(14,713)
General and administrative expenses		**(33,775)**	(40,524)
Operating profit		**42,049**	90,237
Finance income	7	**571**	89
Finance costs	7	**(2,550)**	(2,652)
Profit before income tax	6	**40,070**	87,674
Income tax expense	8	**(7,079)**	(16,541)
Profit for the year		**32,991**	71,133
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss			
Currency translation differences		**(127)**	(50)
Total comprehensive income for the year		**32,864**	71,083
Profit for the year attributable to:			
Equity holders of the Company		**32,991**	71,133
Total comprehensive income for the year attributable to:			
Equity holders of the Company		**32,864**	71,083
Basic and diluted earnings per share	9	**HK 2.56 cents**	HK 7.19 cents

Details of proposed final dividend payable to shareholders of the Company are set out in note 10.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Note	**2014**	2013
		HK$'000	*HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**3,778**	1,537
Intangible assets		**3,122**	—
Deferred income tax assets		**—**	57
		6,900	1,594
Current assets			
Inventories		**133,657**	131,426
Trade and other receivables	11	**108,921**	152,459
Tax recoverable		**2,227**	—
Restricted bank deposits		**22,230**	35,038
Cash and cash equivalents		**103,314**	62,869
		370,349	381,792
Total assets		**377,249**	383,386
EQUITY			
Share capital		**13,200**	—
Reserves		**115,623**	37,950
Retained earnings		**113,976**	100,785
Total equity		**242,799**	138,735
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**115**	—
		115	—
Current liabilities			
Trade and other payables	12	**87,194**	159,411
Bank borrowings		**47,141**	75,531
Current income tax liabilities		**—**	9,709
		134,335	244,651
Total liabilities		**134,450**	244,651
Total equity and liabilities		**377,249**	383,386
Net current assets		**236,014**	137,141
Total assets less current liabilities		**242,914**	138,735

Notes:

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 13 June 2013, as an exempted company with limited liability under the Companies Law (as Revised) of the Cayman Islands. The address of its registered office is Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The Company's shares are listed on the GEM on 7 February 2014 (the "Listing"). The Company's immediate and ultimate holding company is Winful Enterprises Limited, a company incorporated in the British Virgin Islands (the "BVI").

The Company is an investment holding company and its subsidiaries are principally engaged in the trading of display panel and related electronic components.

Pursuant to a group reorganisation (the "Reorganisation") and capitalisation of 989,990,000 shares in preparation for the Listing, the Company became the holding company of the subsidiaries now comprising the Group on 31 December 2013, the details of which are as set out in the prospectus issued by the Company dated 24 January 2014.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The consolidated financial statements of the Company have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants. The consolidated financial statements have been prepared under the historical cost convention, as modified by financial assets at fair value through profit or loss.

(a) New and amended standards, and interpretation adopted by the Group

The following amendments to standards, and interpretation are mandatory for accounting periods beginning on or after 1 January 2014. The adoption of these amendments to standards, and interpretation does not have any significant impact to the results and financial position of the Group:

Amendment to Hong Kong Accounting Standard ("HKAS") 32	Offsetting Financial Assets and Financial Liabilities
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendment	Investment Entities
Amendment to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendment to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) — Int 21	Levies

(b) New and amended standards, and interpretations not yet adopted

The following new standards, amendment to standards and interpretations have been issued but are not effective and have not been early adopted. The Group plans to adopt these new standards, amendments to standards and interpretations when they become effective.

HKAS 19 (2011) Amendment	Defined Benefit Plans: Employee Contributions[1]
Annual Improvements Project	Annual Improvements 2010–2012 Cycle[1]
Annual Improvements Project	Annual Improvements 2011–2013 Cycle[1]
Annual Improvements Project	Annual Improvements 2012–2014 Cycle[2]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 10 and HKAS 28 Amendment	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
HKFRS 11 Amendment	Accounting for Acquisitions of Interests in Joint Operations[2]
HKAS 16 and HKAS 38 Amendment	Clarification of Acceptable Methods of Depreciation and Amortisation[2]
HKAS 16 and HKAS 41 Amendment	Agriculture: Bearer Plants[2]
HKAS 27 Amendment	Equity Method in Separate Financial Statements[2]
HKFRS 15	Revenue from Contracts with Customers[3]
HKFRS 9	Financial Instruments[4]

1 Effective for accounting periods beginning on or after 1 July 2014.
2 Effective for accounting periods beginning on or after 1 January 2016.
3 Effective for accounting periods beginning on or after 1 January 2017.
4 Effective for accounting periods beginning on or after 1 January 2018.

The Group has not early applied these new and revised HKFRSs that have been issued but are not yet effective in the preparation of the consolidated financial statements.

The directors of the Company anticipate that the application of the new and revised HKFRSs will have no material impact on the financial statements of the Group.

(c) New Hong Kong Companies Ordinance (Cap. 622)

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the Company's first financial year commencing on or after 3 March 2014 in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

3. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the directors of the Company. The directors review the Group's internal reporting in order to assess performance and allocate resources and have determined the operating segments based on these reports.

The directors consider the Group's business from a product perspective and determine that the Group has four reportable operating segments as follows:

(i) Unprocessed thin film transistor liquid crystal display panels ("TFT-LCD panels") and other unprocessed products

(ii) Processed TFT-LCD panels

(iii) Integrated circuits

(iv) Polarisers

The directors assess the performance of the operating segments based on a measure of revenue and gross profit of each segment and do not assess the performance based on segment assets and liabilities.

(a) The segment information provided to the directors for the reportable segments for the years ended 31 December 2014 and 2013 is as follows:

	Unprocessed TFT-LCD panels and other unprocessed products		Processed TFT-LCD panels		Integrated circuits		Polarisers		Total	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue (all from external customers)	**330,646**	867,237	**689,515**	525,338	**249,616**	238,766	**29,377**	38,215	**1,299,154**	1,669,556
Cost of sales	**(312,565)**	(785,863)	**(625,742)**	(466,515)	**(240,494)**	(235,319)	**(28,336)**	(35,669)	**(1,207,137)**	(1,523,366)
Gross profit	**18,081**	81,374	**63,773**	58,823	**9,122**	3,447	**1,041**	2,546	**92,017**	146,190
Gross profit margin	**5.5%**	9.4%	**9.2%**	11.2%	**3.7%**	1.4%	**3.5%**	6.7%	**7.1%**	8.8%
Unallocated operating costs									**(49,968)**	(55,953)
Finance costs, net									**(1,979)**	(2,563)
Profit before income tax									**40,070**	87,674

(b) Segment revenue by customers' geographical location

During the year, most of the Group's revenues were derived in Hong Kong, where the Group's products were delivered by the Group to its customers.

	2014	2013
	HK$'000	*HK$'000*
Hong Kong	**1,266,030**	1,659,230
The People's Republic of China (the "PRC")	**33,124**	10,326
	1,299,154	1,669,556

(c) Revenues from major customers who have individually contributed to 10% or more of the total revenue of the Group are disclosed as follows:

	2014	2013
	HK$'000	*HK$'000*
Customer A	**257,413**	341,952
Customer B	**204,270**	233,808
Customer C (i)	**156,463**	142,033
	618,146	717,793

(i) Revenue from Customer C contributes less than 10% of the total revenue of the Group during the year ended 31 December 2013.

The three customers are included in the unprocessed TFT-LCD panels and other unprocessed products, processed TFT-LCD panels, integrated circuits and polarisers segments.

(d) An analysis of the Group's non-current segment assets (other than deferred income tax assets) by location of assets is as follows:

	Hong Kong	**The PRC**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
As at 31 December 2014			
Non-current assets			
Property, plant and equipment	**2,344**	**1,434**	**3,778**
Intangible assets	**2,000**	**1,122**	**3,122**
	4,344	**2,556**	**6,900**
As at 31 December 2013			
Non-current assets			
Property, plant and equipment	852	685	1,537

4. REVENUE

Revenue represents the sales of display panel and related electronic components to external parties.

5. OTHER LOSSES, NET

	2014	2013
	HK$'000	*HK$'000*
Net exchange loss	**(1,414)**	(665)
Loss on disposal of property, plant and equipment	**(39)**	(87)
Loss on financial assets at fair value through profit or loss	**—**	(17)
Others	**43**	53
	(1,410)	(716)

6. PROFIT BEFORE INCOME TAX

The Group's profit before income tax is arrived at after charging:

	2014	2013
	HK$'000	*HK$'000*
Cost of inventories sold	**1,122,900**	1,456,430
Depreciation of property, plant and equipment	**837**	429
Professional service fees in respect of the Listing	**1,084**	13,426

7. FINANCE COSTS, NET

	2014	2013
	HK$'000	*HK$'000*
Finance income		
Interest income on pledged bank deposits	**515**	80
Interest income on bank deposits	**56**	9
	571	89
Finance costs		
Interest expense on:		
Bank advances from factored receivables	**(707)**	(723)
Bank borrowings wholly repayable within five years	**(251)**	(497)
Factoring charges	**(1,592)**	(1,432)
	(2,550)	(2,652)
Finance costs, net	**(1,979)**	(2,563)

8. INCOME TAX EXPENSE

The Group is not subject to taxation in the Cayman Islands, the BVI and Taiwan during the year (2013: Nil).

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profit during the year arising in or derived from Hong Kong. The Group's subsidiaries in the PRC are subject to PRC corporate income tax at a standard rate of 25%. No PRC corporate income tax has been provided as the Group has available tax losses to offset the assessable profit generated during the year (2013: Nil).

The amount of income tax charged to the consolidated profit or loss represents:

	2014	2013
	HK$'000	*HK$'000*
Current income tax		
Hong Kong profits tax	**6,907**	16,600
Deferred income tax	**172**	(59)
	7,079	16,541

9. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares deemed to be in issue during the year.

In determining the weighted average number of ordinary shares deemed to be in issue during the years ended 31 December 2014 and 2013, the 10,000 ordinary shares with par value of HK$0.01 each issued during the year ended 31 December 2013 and the 989,990,000 shares with par value of HK$0.01 each issued upon the capitalisation issue and Reorganisation (note 1) have been regarded as if these shares were in issue since 1 January 2013.

	2014	2013
Profit attributable to equity holders of the Company *(HK$'000)*	**32,991**	71,133
Weighted average number of ordinary shares in issue *(thousands)*	**1,286,548**	990,000
Basic and diluted earnings per share *(HK cents per share)*	**2.56**	7.19

No adjustment has been made to the basic earnings per share amount for the years ended 31 December 2014 and 2013 as the Group had no potentially dilutive ordinary shares in issue during these years.

10. DIVIDENDS

	2014 ***HK$'000***	2013 *HK$'000*
Interim dividends declared and paid by a subsidiary of the Group *(Note (a))*	—	30,000
Final dividend proposed by the Company of HK0.5 cent (2013: HK1.5 cents) per ordinary share *(Note (b))*	**6,600**	19,800
	6,600	49,800

Notes:

(a) Interim dividends for 2013 were declared by a subsidiary of the Group before the Reorganisation to its then equity holder.

(b) Final dividends for 2014 and 2013 were proposed by the Board to the shareholders of the Company. The amounts of proposed final dividends for 2014 and 2013 were based on 1,320,000,000 shares in issue as at 25 March 2015 and 24 March 2014.

11. TRADE AND OTHER RECEIVABLES

	2014 HK$'000	2013 HK$'000
Trade receivables	**54,016**	51,271
Bills receivables	**52,840**	95,470
	106,856	146,741
Prepayments, deposits and other receivables	**2,065**	1,144
Deferred professional service fees in respect of preparation for share placing	**—**	4,574
	108,921	152,459

The Group generally grants credit periods of 30 to 120 days. The ageing analysis of trade and bills receivables based on invoice dates is as follows:

	2014 HK$'000	2013 HK$'000
1–30 days	**67,014**	132,013
31–60 days	**26,500**	14,151
61–90 days	**6,981**	574
91–180 days	**6,361**	3
	106,856	146,741

12. TRADE AND OTHER PAYABLES

	2014 HK$'000	2013 HK$'000
Trade payable	**72,520**	137,819
Deposits received from customers	**6,747**	8,737
Accruals and other payables	**7,927**	6,916
Accrued professional service fees in respect of the Listing	**—**	5,939
	87,194	159,411

The ageing analysis of trade payable based on invoice dates is as follows:

	2014 HK$'000	2013 HK$'000
1–30 days	**46,341**	106,322
31–60 days	**19,653**	31,481
61–90 days	**6,525**	—
91–180 days	**1**	16
	72,520	137,819

BUSINESS REVIEW

The Group is principally engaged in the trading of display components of electronics, namely TFT-LCD panels, driver integrated circuits ("ICs") and polarisers, which are the major components of display technology used for mobile phones. The Group also processes some of the TFT-LCD panels which it trades.

According to a recent report from China Academy of Information and Communications Technology, China brand mobile phone shipment volume dropped by 23.3% in 2014, as compared to 2013. Revenue of the Group saw a corresponding slowdown in 2014. During the year of 2014, the Group recorded a revenue of approximately HK$1,299,154,000, down 22% as compared with 2013. Profit attributable to equity holders of the Company for the year ended 31 December 2014 was approximately HK$32,991,000, decreased by 54% as compared to 2013.

The Group's performance was affected by the changing marketing strategies of the telecommunication operators in the PRC. During the year, the telecommunication operators tended to cease their offers of service packages which came with certain models of mobile phones, and the sales of TFT-LCD panels of the Group which were targeted at manufacturers of these models of mobile phones were consequently affected. Revenue from unprocessed TFT-LCD panels and other unprocessed products (the "Unprocessed Panel Segment") was HK$330,646,000, decreased 62% as compared to the last year. Such decrease was alleviated by the growth of processed TFT-LCD panels (the "Processed Panel Segment"). The revenue of Processed Panel Segment reached HK$689,515,000, representing a significant increase of 31% as compared to 2013. The Processed Panel Segment accounted for 53% of the Group's revenue, constituting the largest segment of the Group in 2014.

For the remaining two business segments, namely, the "Polariser Segment" and the "IC Segment", there were keen market competitions during the year. The Group recorded a revenue of HK$29,377,000 from Polariser Segment in 2014, decreased by 23% as compared to the full year of 2013. Benefited from the introduction of new and advanced ICs to the market, the Group grasped market share in these ICs and resulted a 5% increase in revenue of IC Segment to HK$249,616,000 for the year ended 31 December 2014.

During the year, the Company offered 330,000,000 shares for subscription by way of placing. It raised net proceeds of approximately HK$76 million and became successfully listed on the GEM on 7 February 2014 (the "Listing Date"). The net proceeds from the listing will enhance the competitiveness of the Group and contribute a solid foundation for the Group's sustainable business expansion.

PROSPECTS

The Group established two wholly-owned subsidiaries, namely, Perfect Sky Technology Limited and Yuan Tian Technology (Shenzhen) Company Limited, to expand its business and enhance the existing product mix. These two subsidiaries are planned to engage in the product application development combining various display with micro-projection technology, in order to provide key components, reference designs and technical support for trendy products such as wearable displays in the future. With its extensive professional industry knowledge, well-developed relationships with Taiwan suppliers and thorough network connections with the PRC customers, the Group believes that the new business will have a significant development in the future.

To step into virtual reality gaming headsets and automobile head-up display devices market, the Group entered into a conditional agreement to acquire the entire interest of Perfect Shiny Technology Limited ("Perfect Shiny") in January 2015. Perfect Shiny and its subsidiaries primarily focus on the design, development, production and sales of liquid crystal on silicon ("LCoS") micro-projector optical engines, and the design and development of applied optics-related products. Since relatively few companies in the industry can master the design and production of key optical components, the proposed acquisition is part of the Company's strategies to achieve a leading position in the relevant market.

In order to bring out the full complimentary advantages, the Group had subscribed for certain preferred shares of Mobvoi Inc. ("Mobvoi"), which represent approximately 2.5% of the share capital (on a fully diluted and as-converted basis) of Mobvoi in January 2015. The Group had also established strategic cooperation with Mobvoi for designing, developing and launching smart glasses products in the market in February 2015. The technologies of voice search, linguistic analysis and big data transmission offered by Mobvoi will be a good complement to the developing wearable display products of the Group. With the well-established direct marketing and strong sales network in the PRC market of Mobvoi, the overall competitiveness of the Group will be greatly enhanced and consolidated by such cooperation.

Looking forward, although affected by the slowdown of the smartphone market as well as the telecommunication operators' strategies in the PRC, the Group believes that these downturns are temporary. As the 4G services in PRC is getting popular, a promising growth of smartphone shipment in China is expected. The Group will continue to develop and further enhance its product mix, improve profit margin for each segment, as well as expand business in new trendy product markets. The management believes that with the above strategies, the Group can attain greater financial returns for the shareholders of the Company.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's funds are principally used to finance working capital, and the growth and expansion of the Group's operations and sales network. The Group's principal sources of funds are cash generated from operations and bank borrowings. The Group had cash and cash equivalents of approximately HK$103,314,000 as at 31 December 2014 (2013: HK$62,869,000).

As at 31 December 2014, the Group's total bank borrowings comprised bank loans and bank advances for factored receivables of approximately HK$15,600,000 (2013: HK$17,280,000) and HK$31,541,000 (2013: HK$58,251,000) respectively.

GEARING RATIO

As at 31 December 2014, the Group's gearing ratio was 19.4% (2013: 54.4%), which is calculated based on the Group's total interest-bearing debt of approximately HK$47,141,000 (2013: HK$75,531,000) and the Group's total equity of approximately HK$242,799,000 (2013: HK$138,735,000).

CONTINGENT LIABILITIES

As at 31 December 2014, the Group had no material contingent liabilities (2013: Nil).

CHARGE OF ASSETS

As at 31 December 2014, the Group had pledged its bank deposits of approximately HK$22,230,000 (2013: HK$35,038,000) to certain banks in Hong Kong to secure the banking facilities granted to the Group.

CAPITAL COMMITMENTS

As at 31 December 2014, the Group did not have any significant capital commitments (2013: Nil).

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the year ended 31 December 2014, the Company did not redeem any of its shares, and neither did the Company nor any of its subsidiaries purchase or sell any of the Company's shares.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of its shareholders. To accomplish this, save as set out below, the Company has adopted the principles and the code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix 15 of the GEM Listing Rules.

Throughout the period from the Listing Date to 31 December 2014, the Company has complied with all the code provisions of the CG Code, except the deviation as disclosed under the section headed "Chairman and Chief Executive Officer" below.

Chairman and Chief Executive Officer

According to the code provision A.2.1 of the CG Code, the roles of the chairman and chief executive should be separate and should not be performed by the same individual.

Under the current management structure of the Company, Mr. Cheng Wai Tak ("Mr. Cheng") is the Chairman and Chief Executive Officer. With Mr. Cheng's extensive experience in the industry, the Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person would provide the Company with strong and consistent leadership, allow for effective and efficient planning and implementation of business decisions and strategies, and would be beneficial to the business prospects and management of the Group.

Although Mr. Cheng performs both the roles of Chairman and Chief Executive Officer, the division of responsibilities between the Chairman and Chief Executive Officer is clearly established. In general, the Chairman is responsible for supervising the functions and performance of the Board, while the Chief Executive Officer is responsible for the management of the business of the Group. The two roles are performed by Mr. Cheng distinctly. The Board also considers that the current management structure does not impair the balance of power and authority between the Board and the management of the Company given the appropriate delegation of the power of the Board and the effective functions of the independent non-executive Directors. However, it is the long-term objective of the Company to have these two roles performed by separate individuals when suitable candidates are identified.

AUDIT COMMITTEE

The Company has established an audit committee on 20 January 2014 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and code provision C.3 of the CG Code. The audit committee consists of three independent non-executive Directors, namely, Mr. Wong Yik

Chung John, who has the appropriate accounting and financial related management expertise and serves as the chairman of the audit committee, Mr. Wong Chi Chiu and Mr. Li Shui Yan. The audited annual results of the Group for the year ended 31 December 2014 have been reviewed by the audit committee.

ANNUAL GENERAL MEETING

It is proposed that the forthcoming annual general meeting of the Company (the "AGM") will be held on Friday, 8 May 2015. A notice convening the AGM will be published and despatched to the shareholders of the Company in the manner required by the GEM Listing Rules in due course.

FINAL DIVIDEND

The Directors proposed to recommend a final dividend of HK0.5 cent per ordinary share for the year ended 31 December 2014. Subject to the approval of the shareholders of the Company at the forthcoming AGM, the proposed final dividend will be paid on or about 5 June 2015 to shareholders of the Company whose names appear on the register of members of the Company on 15 May 2015. Based on 1,320,000,000 ordinary shares of the Company in issue as of the date of this announcement, the total dividend will amount to approximately HK$6,600,000.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 4 May 2015 to Friday, 8 May 2015, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all transfers of shares documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Thursday, 30 April 2015.

For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 14 May 2015 to Friday, 15 May 2015, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers of shares documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrars in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 13 May 2015.

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

Hong Kong, 25 March 2015

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 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.