
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Perfect Optronics Limited**, you should at once hand this circular together with the enclosed proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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This circular, for which the directors of Perfect Optronics Limited 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 of Hong Kong Limited for the purpose of giving information with regard to Perfect Optronics Limited. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular 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 circular misleading.



Perfect Optronics Limited
圓美光電有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8311)

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE SHARES AND TO
REPURCHASE SHARES
AND
RE-ELECTION OF THE RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Perfect Optronics Limited to be held at Admiralty Conference Centre at 1804, 18/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong on Monday, 6 May 2019 at 3:00 p.m. is set out on pages 12 to 16 of this circular. Whether or not you intend to attend the meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed (i.e. Saturday, 4 May 2019 at 3:00 p.m.) for the holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude shareholders from attending and voting at the meeting, or any adjourned meeting, should they so wish.

This circular will remain on 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>.

29 March 2019

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context requires otherwise:

“AGM”	the annual general meeting of the Company to be held at Admiralty Conference Centre at 1804, 18/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong on Monday, 6 May 2019 at 3:00 p.m.
“Articles of Association”	the articles of association of the Company adopted on 20 January 2014 and as amended from time to time
“Board”	the board of Directors
“Company”	Perfect Optronics Limited (圓美光電有限公司), a company incorporated in the Cayman Islands on 13 June 2013 as an exempted company with limited liability, the Shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawfully currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	26 March 2019, being the latest practicable date for ascertaining certain information contained in this circular prior to its publication
“Nomination Committee”	the nomination committee of the Company
“Repurchase Resolution”	the proposed ordinary resolution as referred to in ordinary resolution no. 5 of the notice of the AGM
“SFO”	the Securities and Futures Ordinance (Cap. 571 Laws of Hong Kong), as amended, supplemented or modified from time to time
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of the Shares

DEFINITIONS

“Share Issue Mandate”	the general mandate to allot, issue and deal with Shares not exceeding 20% of the total number of issued Shares as at the date of passing of the Shareholders’ resolution approving the Share Issue Mandate
“Share Repurchase Mandate”	the general mandate to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the total number of issued Shares as at the date of passing of the Shareholders’ resolution approving the Share Repurchase Mandate
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs
“%”	per cent.



Perfect Optronics Limited
圓美光電有限公司

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

Executive Directors:

Mr. Cheng Wai Tak
Mr. Liu Ka Wing
Mr. Tse Ka Wing

Registered Office:

Clifton House
75 Fort Street, PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

Independent Non-executive Directors:

Mr. Wong Yik Chung John
Mr. Wong Chi Chiu
Mr. Li Shui Yan

*Headquarters and principal place of
business in Hong Kong:*

Flat 903, 9/F., New Lee Wah Centre
No. 88 Tokwawan Road, Tokwawan
Kowloon, Hong Kong

29 March 2019

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE SHARES AND TO
REPURCHASE SHARES
AND
RE-ELECTION OF THE RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM relating to the granting to the Directors of the Share Issue Mandate, the Share Repurchase Mandate, the extension of the Share Issue Mandate and the re-election of retiring Directors; and to seek your approval of the relevant ordinary resolutions relating to these matters at the AGM.

LETTER FROM THE BOARD

SHARE ISSUE MANDATE

At the annual general meeting held on 4 May 2018, an ordinary resolution was passed by the Shareholders to give a general unconditional mandate to the Directors to exercise the powers of the Company to allot, issue and deal with Shares. Such mandate will lapse at the conclusion of the AGM. It is therefore proposed to renew such mandate at the AGM.

As at the Latest Practicable Date, the total issued Shares comprised 1,483,687,151 Shares. Subject to passing of the resolution approving the Share Issue Mandate and on the basis that no further Shares are issued prior to the AGM, the Company would be allowed under the resolution approving the Share Issue Mandate to issue a maximum of 296,737,430 Shares representing not more than 20% of the total number of issued Shares as at the Latest Practicable Date.

Details of the Share Issue Mandate and the extension of the Share Issue Mandate are set out in ordinary resolutions as referred to in resolutions nos. 4 and 6 respectively of the notice of the AGM.

SHARE REPURCHASE MANDATE

At the annual general meeting held on 4 May 2018, an ordinary resolution was passed by the Shareholders to give a general unconditional mandate to the Directors to exercise all the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the AGM. It is therefore proposed to renew such mandate at the AGM.

As at the Latest Practicable Date, the total issued Shares comprised 1,483,687,151 Shares. Assuming that there is no change in the number of issued Shares between the period from the Latest Practicable Date and the date of passing the Repurchase Resolution, the maximum number of Shares which may be repurchased pursuant to the Share Repurchase Mandate as at the date of passing the Repurchase Resolution will be 148,368,715 Shares representing not more than 10% of the total number of issued Shares as at the Latest Practicable Date.

An explanatory statement as required under the GEM Listing Rules, giving certain information regarding the Share Repurchase Mandate, is set out in Appendix I to this circular.

RE-ELECTION OF RETIRING DIRECTORS

The Board currently comprises six Directors, namely Mr. Cheng Wai Tak, Mr. Liu Ka Wing, Mr. Tse Ka Wing, Mr. Wong Yik Chung John, Mr. Wong Chi Chiu and Mr. Li Shui Yan.

In accordance with the Article 108 of the Articles of Association, Mr. Liu Ka Wing and Mr. Wong Yik Chung John will retire by rotation at the AGM and, being eligible, offer themselves for re-election.

LETTER FROM THE BOARD

The Nomination Committee had assessed and reviewed the annual written confirmation of independence of each of the independent non-executive Directors for the year ended 31 December 2018 based on the independence criteria as set out in rule 5.09 of the GEM Listing Rules, including Mr. Wong Yik Chung John, and considers that they remain independent. The Nomination Committee had considered and nominated the above retiring Directors to the Board for it to propose to the Shareholders for re-election at the AGM.

Based on the recommendation of the Nomination Committee, the Board has proposed that all the above retiring Directors, namely Mr. Liu Ka Wing and Mr. Wong Yik Chung John stand for re-election as Directors at the AGM.

Biographical details of the above retiring Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

ANNUAL GENERAL MEETING

At the AGM, ordinary resolutions will be proposed to approve the Share Issue Mandate, the Share Repurchase Mandate, the extension of the Share Issue Mandate and the re-election of retiring Directors. The notice of the AGM is set out on pages 12 to 16 of this circular.

VOTING BY WAY OF POLL

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the meeting will therefore demand a poll for every resolution put to the vote of the AGM pursuant to Article 72 of the Articles of Association and the Company will announce the results of the poll in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

ACTION TO BE TAKEN

A proxy form for use at the AGM is enclosed herein. Whether or not you intend to attend the AGM, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed (i.e. Saturday, 4 May 2019 at 3:00 p.m.) for the holding of the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the AGM, or any adjourned meeting, should you so wish.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors believe that the granting of the Share Issue Mandate, the Share Repurchase Mandate, the extension of the Share Issue Mandate and the re-election of the retiring Directors are in the best interests of the Company as well as the Shareholders as a whole. Accordingly, the Directors recommend that all the Shareholders should vote in favour of all the relevant resolutions relating to aforesaid matters.

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

This appendix serves as an explanatory statement, as required by the GEM Listing Rules, to provide requisite information to you for your consideration of the proposal to permit the repurchase of Shares up to a maximum of 10% of the total number of issued Shares as at the date of passing the Repurchase Resolution.

1. EXERCISE OF THE SHARE REPURCHASE MANDATE

Exercise in full of the Share Repurchase Mandate, on the basis of 1,483,687,151 Shares in issue at the Latest Practicable Date, would result in up to 148,368,715 Shares (which will be fully paid and represent 10% of the Shares in issue as at the Latest Practicable Date) being repurchased by the Company during the course of the period prior to the earliest of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or applicable laws of the Cayman Islands to be held; or (iii) the passing of any ordinary resolution of the Shareholders in general meeting of the Company revoking, varying or renewing the Share Repurchase Mandate.

2. REASONS FOR REPURCHASES

Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole. Such repurchases may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the Company's net asset value per Share and/or earnings per Share.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the memorandum of association of the Company, the Articles of Association and the Companies Law of the Cayman Islands and any applicable laws and regulations. Pursuant to the Share Repurchase Mandate, repurchases will be made out of funds of the Company legally permitted to be utilised in this connection, including funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase. In the case of any premium payable on the repurchase, it will be made out of funds of the Company which would otherwise be available for dividend or distribution or out of the share premium account of the Company. The Company may not repurchase securities on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of GEM prevailing from time to time.

4. GENERAL

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the annual report of the Company for the year ended 31 December 2018) in the event that the Share Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Share Repurchase Mandate to such extent as would, in the

circumstances, have a material adverse effect on the working capital requirements of the Company or on the gearing position of the Company, which in the opinion of the Directors, are from time to time appropriate for the Company.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Share Repurchase Mandate in accordance with the GEM Listing Rules, the memorandum of association of the Company, the Articles of the Association and all applicable laws of the Cayman Islands in force from time to time.

To the best of the Directors' knowledge having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the GEM Listing Rules), has any present intention to sell any Shares to the Company or its subsidiaries if the Share Repurchase Mandate is approved by the Shareholders.

No core connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Share Repurchase Mandate is exercised.

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result of a repurchase of Shares made under the Share Repurchase Mandate, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the interest of the Shareholder(s), could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Cheng Wai Tak has interested in 925,647,151 Shares, representing approximately 62.39% of the total number of issued Shares, of which 923,427,151 Shares were corporate interests held indirectly through Winful Enterprises Limited, a company which is wholly and beneficially owned by Mr. Cheng Wai Tak.

In the event that the Directors exercise in full the power to repurchase Shares under the Share Repurchase Mandate, the shareholding of Mr. Cheng Wai Tak would be increased to approximately 69.32% of the total number of issued Shares.

The Directors are not aware of any consequence under the Takeovers Code as a result of a repurchase of Shares made under the Share Repurchase Mandate and have no present intention to exercise the power to repurchase Shares pursuant to the Share Repurchase Mandate to such an extent as to result in takeover obligations.

The Directors will not exercise the Share Repurchase Mandate if the repurchase would result in the number of Shares which are in the hands of the public falling below 25% of the total number of Shares in issue (or such other percentage as may prescribed as the minimum public shareholding under the GEM Listing Rules).

Any repurchase of Shares which results in the number of Shares held by the public being reduced to less than 25% could only be implemented with the approval of the Stock Exchange to waive from strict compliance with the GEM Listing Rules requirements regarding the public shareholding. However, the Directors have no current intention to exercise the Share Repurchase Mandate to such an extent as would give rise to this obligation. In any event, the Company will not repurchase Shares which would result in the number of Shares held by the public being reduced to less than 25%.

5. SHARES REPURCHASE MADE BY THE COMPANY

No repurchase of Shares has been made by the Company (whether on GEM or otherwise) in the six months preceding the Latest Practicable Date.

6. SHARE PRICES

The highest and lowest traded prices of which the Shares were traded on the Stock Exchange during the each of the previous twelve months preceding the Latest Practicable Date were as follow:

	Shares	
	Highest Traded Price	Lowest Traded Price
	<i>HK\$</i>	<i>HK\$</i>
2018		
March	0.400	0.300
April	0.305	0.285
May	0.315	0.285
June	0.300	0.240
July	0.280	0.242
August	0.320	0.240
September	0.310	0.235
October	0.270	0.222
November	0.240	0.230
December	0.243	0.234
2019		
January	0.250	0.228
February	0.400	0.248
March (up to the Latest Practicable Date)	0.410	0.310

The following are the particulars of the retiring Directors proposed to be re-elected at the AGM:

Mr. Liu Ka Wing

Mr. Liu Ka Wing, aged 46, was appointed as an executive Director on 18 June 2013 and is responsible for overseeing the Group's administrative functions and compliance issue; and assisting in the management of the Group's business. He joined the Group in November 2008. Mr. Liu has about 24 years of experience in accounting. Prior to joining the Group, he worked in various certified public accountants firm and corporations, responsible for general accounting functions. Mr. Liu is also a director of certain subsidiaries of the Group.

Save as disclosed above, Mr. Liu has not held any directorship in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas, and is not connected with any other directors, senior management or substantial or controlling shareholders of the Company and has not held any other position with any members of the Group.

As at the Latest Practicable Date, Mr. Liu did not have any interest in Share within the meaning of Part XV of the SFO.

Mr. Liu entered into a service contract with the Company for a term of 3 years from 7 February 2017, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. For the year ended 31 December 2018, Mr. Liu received a total remuneration of approximately HK\$654,000 (including salary, discretionary bonuses, other benefits and retirement benefit-defined contribution scheme), which is reviewed by the remuneration committee of the Company and determined by the Board with reference to market rates, his performance, qualifications and experience.

Save as disclosed above, Mr. Liu has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there is no information to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. Wong Yik Chung John

Mr. Wong Yik Chung John, aged 52, was appointed as an independent non-executive Director on 20 January 2014 and is responsible for providing independent judgment on issues of strategy, performance, resources and standard of conduct of the Company. He is also the chairman of the audit committee and a member of the nomination committee and remuneration committee of the Company. Mr. Wong graduated from the University of Melbourne, Australia with a degree of bachelor of commerce. He was a member of the Australian Society of Certified Practising Accountants and was admitted as an associate of the Hong Kong Institute of Certified Public Accountants in April 1997. Mr. Wong has more than 29 years of experience in auditing and corporate finance work. Over the past three

years, he served as independent non-executive directors for the following companies listed on (i) the Shenzhen Stock Exchange, namely Yang Guang Co. Ltd (stock code: 000608); and (ii) the Stock Exchange, namely Kee Holdings Company Limited (stock code: 2011) and Ascent International Holdings Limited (stock code: 264). He is currently serving as an independent non-executive director for the following companies which are listed on the Stock Exchange, namely EcoGreen International Group Limited (stock code: 2341), LongiTech Smart Energy Holding Limited (stock code: 1281) and Beijing Capital Land Ltd. (stock code: 2868).

Save as disclosed above, Mr. Wong has not held any directorship in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas, and has not held any other position with any members of the Group.

As at the Latest Practicable Date, Mr. Wong did not have any interest in Share within the meaning of Part XV of the SFO.

Mr. Wong has given his written annual independence to the Company and the Nomination Committee had assessed and reviewed it based on the independence criteria as set out in rule 5.09 of the GEM Listing Rules. He does not have any other relationships with any Directors, senior management, management Shareholders, substantial Shareholders, or controlling Shareholders of the Company. The Board is also not aware of any circumstance that might influence Mr. Wong in exercising independent judgment, and is satisfied that he has the required character, integrity, independence and experience to fulfill the role of an independent non-executive Director and he will be able to maintain an independent view of the Group's affairs. The Board considers him to be independent.

The Board is of the view that Mr. Wong is beneficial to the Board with diversity of his comprehensive experience and knowledge in accounting and financial management that contributes to invaluable expertise, continuity and stability to the Board and the Company has benefited greatly from his contribution and valuable insights derived from his in-depth knowledge of the Company. The Board believes that he will continue to contribute effectively to the Board.

Mr. Wong entered into an appointment letter with the Company for a term of 3 years from 7 February 2017, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Pursuant to the appointment letter, he is entitled to a director's fee of HK\$120,000 per annum, which is reviewed by the remuneration committee of the Company and determined by the Board with reference to market rates, his performance, qualifications and experience.

Save as disclosed above, Mr. Wong has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there is no information to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



Perfect Optronics Limited 圓美光電有限公司

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Perfect Optronics Limited (the “**Company**”) will be held at Admiralty Conference Centre at 1804, 18/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong on Monday, 6 May 2019 at 3:00 p.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements for the year ended 31 December 2018 and the report of the directors and the independent auditor’s report.
2. (a) To re-elect the following retiring directors of the Company (the “**Directors**”):
 - (i) To re-elect Mr. Liu Ka Wing as executive Director; and
 - (ii) To re-elect Mr. Wong Yik Chung John as independent non-executive Director.
- (b) To authorise the board of Directors (the “**Board**”) to fix the remuneration of Directors.
3. To re-appoint PricewaterhouseCoopers as auditor of the Company for the ensuing year and to authorise the Board to fix the remuneration of auditor.

To consider and, if thought fit, pass the following resolutions, with or without amendments, as ordinary resolutions of the Company by way of ordinary business:

ORDINARY RESOLUTIONS

4. “**THAT:**
 - (a) Subject to paragraph (c) of this Resolution, and pursuant to the Rules Governing the Listing of Securities (the “**GEM Listing Rules**”) on the GEM (the “**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as

NOTICE OF ANNUAL GENERAL MEETING

hereinafter defined) of all the powers of the Company to allot, issue and deal with unissued shares of HK\$0.01 each in the share capital of the Company (the “**Shares**”) and to make or grant offers, agreements and options (including but not limited to bonds, warrants, debentures, notes and any securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including but not limited to bonds, warrants, debentures, notes and any securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such power either during or after the end of the Relevant Period;
- (c) the total number of Shares allotted, issued and dealt or agreed conditionally or unconditionally to be allotted, issued and dealt (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution (otherwise than pursuant to (i) a rights issue, (ii) an issue of Shares upon the exercise of any subscription or conversion rights attaching to any bonds, warrants, debentures, notes or any securities which carry rights to subscribe for or are convertible into Shares, (iii) an issue of Shares upon the exercise of any options which may be granted under the share option scheme or any other option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of the subsidiaries of the Company or any other person of Shares or rights to acquire Shares, (iv) any scrip dividend schemes or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company, or (v) a specific authority granted by the shareholders of the Company in general meeting) shall not exceed 20% of the total number of Shares in issue as at the date of passing this Resolution (such total number to be subject to adjustment in the case of any conversions of any or all of the Shares into a larger or smaller number of Shares after the passing of this Resolution) and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(d) for the purpose of this Resolution,

“**Relevant Period**” means the period from the passing of this Resolution, until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of the Cayman Islands to be held; or
- (iii) the passing of any ordinary resolution of the shareholders in general meeting of the Company revoking, varying or renewing this Resolution; and

“**Rights Issue**” means an offer of Shares open for a period fixed by the Directors to holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

5. “**THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares on GEM or on any other stock exchange on which the Shares may be listed and which is recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the GEM Listing Rules or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the total number of Shares to be repurchased pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10% of the total number of Shares in issue as at the date of passing this Resolution (such total number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares after the passing of this Resolution) and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution, until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of the Cayman Islands to be held; or
 - (iii) the passing of any ordinary resolution of the shareholders in general meeting of the Company revoking, varying or renewing the Resolution.”
6. “**THAT** subject to the passing of ordinary resolutions nos. 4 and 5 above, the general mandate granted to the Directors pursuant to ordinary resolution no. 4 above be and is hereby extended by the addition to the total number of shares of the Company in issue which may be allotted, issued, dealt with or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of a number representing the total number of Shares repurchased by the Company pursuant to ordinary resolution no. 5 above, provided that such extended number of Shares shall not exceed 10% of the total number of Shares in issue as at the date of passing this Resolution (such total number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares after the passing of this Resolution).”

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

Hong Kong, 29 March 2019

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies (if a member who is the holder of two or more shares of the Company) to attend and vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not less than 48 hours before the time appointed (i.e. Saturday, 4 May 2019 at 3:00 p.m.) for holding the meeting or any adjournment thereof.
3. The register of members of the Company will be closed from Monday, 29 April 2019 to Monday, 6 May 2019, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attendance of the meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, 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 Friday, 26 April 2019.

NOTICE OF ANNUAL GENERAL MEETING

4. With regard to resolution no. 2(a) set out in this notice, details of the retiring Directors are set out in Appendix II to the circular of the Company dated 29 March 2019.
5. In connection with the proposed repurchase mandate under ordinary resolution no. 5, an explanatory statement as required by the GEM Listing Rules is set out in Appendix I to the circular of the Company dated 29 March 2019.
6. As at the date of this notice, 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.