

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Perfect Optronics Limited
圓美光電有限公司

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

**LEGAL PROCEEDINGS INVOLVING
THE COMPANY AND ITS DIRECTORS
AND SUSPENSION OF TRADING IN SHARES**

This announcement is made by Perfect Optronics Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2)(a) 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 “**SFO**”).

LEGAL PROCEEDINGS INVOLVING THE COMPANY AND ITS DIRECTORS

The board of directors of the Company (the “**Board**”) announces that on 25 September 2019, the Company received a sealed copy of a petition dated 25 September 2019 (the “**Petition**”) issued by the High Court of the Hong Kong Special Administrative Region (the “**Court**”) which was taken out by the Securities and Futures Commission (the “**SFC**”) pursuant to section 214 of the SFO against all the directors of the Company as the 1st to 6th respondents therein (the “**Director Respondents**”) and the Company as the 7th respondent therein.

The SFC alleged in the Petition that the Director Respondents had breached their duties as directors of the Company in relation to the disposal of a subsidiary of the Company holding an approximately 50.14% shareholding in 尚立光電股份有限公司 (Shinyoptics Corporation*) (details of such disposal were disclosed in the announcement of the Company dated 22 December 2016), which the SFC claimed had reduced the compensation payable by Mr. Cheng Wai Tak (the Chairman and an executive director of the Company) (“**Mr. Cheng**”) under the profit guarantee in the agreement for the acquisition by a subsidiary of the Company of Perfect Shiny Technology Limited from Mr. Cheng (details of such acquisition were disclosed in the announcement of the Company dated 22 January 2015 and the circular of the Company dated 6 March 2015).

Under the Petition, the SFC is applying for, inter alia:

- (i) an order that the Director Respondents shall not, without leave of the Court, (a) be or continue to be a director, liquidator, or receiver or manager of the property or business of, and (b) be concerned or take part in the management of any listed or unlisted company in Hong Kong (including the Company or any of its subsidiaries and affiliates) for such period as the Court considers appropriate; and
- (ii) an order requiring the Director Respondents to compensate the Company for the shortfall in the abovementioned compensation payable by Mr. Cheng in the amount of approximately HK\$251.91 million, or alternatively an order that the Company shall bring civil proceedings against any or all of the Director Respondents to recover such compensation shortfall.

The Company understands the Director Respondents disagree with the allegations of the SFC in the Petition, and intend to vigorously contest the Petition and the orders and relief sought by the SFC. The Company is seeking legal advice in respect of the Petition and will make further announcement(s) to update the shareholders and potential investors of the Company of any material development of the Petition as and when appropriate or required under the GEM Listing Rules and the SFO.

At present, the business of the Group is operating as usual.

SUSPENSION OF TRADING IN SHARES

Trading in the shares of the Company on GEM of The Stock Exchange of Hong Kong Limited will remain suspended until further notice. Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 4 October 2019

As at the date of this announcement, 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.

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>.

* *for identification purpose only*