

TARGET

Intelligence Report

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PERFECT OPTRONICS LTD: THE LATEST STATISTICS APPEAR TO INDICATE THAT MATTERS ARE IN HAND

On Thursday, August 12, 2021, Perfect Optronics Ltd (圓美光電有限公司), The Growth Enterprise Market (the **GEM**) (Code: 8311), The Stock Exchange of Hongkong Ltd, released its Interim Report in respect of the six months, ended June 30, 2021.

There was more good news, in the 2021 Interim Report, than there was bad news, but, still, the Company has been unable to report a positive financial result at its Bottom Line – and, with regard to the first half of the 2021 Financial Year, there it was contained, for all to see, that the full 2021 Financial Year is quite unlikely to be very different from the Company's previous four Financial Years ... of losses.

The following is a synopsis of the Condensed Consolidated Statement of Comprehensive Income with regard to the first half of the Company's Current Financial Year:

	Six Months, Ended June 30		Percentage Increase/(Decrease)
	2021	2020	
	All Figures Are Denominated In \$HK'000 (except where otherwise specified)		
Revenue	231,168	37,733	512.64
Gross Profit/(Loss)	17,739	(1,574)	1,227
Operating Loss	(3,221)	(18,147)	(82.25)
Net Loss Attributable to Shareholders	(3,032)	(17,474)	(82.65)

At Page 15 of the Interim Report, under the heading, '**SEGMENT INFORMATION**', one was informed of the following:

'Other than the Group's results and financial position as a whole, no other discrete financial information is provided for the assessment of different business activities. Accordingly, only entity-wide disclosures, major customers and geographic information are presented.

(a) *The Group's revenues from its major products for the six months ended 30 June 2021 are as follows:*

	Six Months, Ended June 30
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	2021	2020
	All Figures Are Denominated In \$HK'000	
Thin Film Transistor Liquid Crystal Display (“TFT-LCD”) Panels and Modules	174,217	20,096
Polarisers	23,930	7,873
Health-related Products	12,182	1,254
Electronic Signage	7,793	3,719
Integrated Circuits	5,915	13
Optics Products	1,886	510
Others	5,245	4,268
TOTAL:	231,168	37,733

(b) Revenue by customers’ geographic location:

During the six months ended 30 June 2021, revenue from external customers by locations where the Group’s products were delivered to its customers is shown in the table below.’

	Six Months Ended June 30	
	2021	2020
	All Figures Are Denominated In \$HK'000	
Hongkong – (the Hongkong Special Administrative Region [HKSAR] of The People’s Republic of China [PRC])	160,777	27,895
The PRC	61,055	8,088
Taiwan	9,336	1,750
TOTAL:	231,168	37,733

At Page 29 of the Interim Report, one was informed that Mr Cheng Wai Tak (鄭偉德), the Chairman and an Executive Director of the Company, the duties of which have now been suspended, was the largest, single shareholder of Perfect Optronics Ltd, legally owning 62.24 percent of the entire Issued and Fully Paid-Up Share Capital of the Company.

This equity holding was via Winful Enterprises Ltd, all the Issued and Fully Paid-Up Share Capital of which is beneficially owned by Mr Cheng Wai Tak.

In addition, Mr Cheng Wai Tak is the beneficial owner of 2,220,000 Shares of the Company, equivalent to about 0.15 percent of the Issued and Fully Paid-Up Share Capital of Perfect Optronics Ltd.

At Page 33 of the Interim Report, the entire page was dedicated to one subject, to wit: **‘LEGAL PROCEEDINGS INVOLVING THE COMPANY AND THE DIRECTORS’**.

The following is a verbatim copy of this page:

*‘Reference is made to the announcements of the Company dated 26 September 2019, 4 October 2019, 10 January 2020, 9 April 2020, 10 July 2020 and 25 September 2020. On 25 September 2019, the Company received a sealed copy of a petition (the “**Petition**”) issued by the High Court of the Hong Kong Special Administrative Region (the “**High Court**”) which was taken out by the Securities and Futures Commission*

(證券及期貨事務監察委員會) (the “SFC”) pursuant to section 214 of the SFO against certain Directors, namely Mr. Cheng Wai Tak (“**Mr. Cheng**”), Mr. Liu Ka Wing (廖嘉榮), Mr. Tse Ka Wing (謝家榮), Mr. Wong Yik Chung John (黃翼忠), Mr. Wong Chi Chiu (黃智超) and Mr. Li Shui Yan (李瑞恩) (collectively “**the Director Respondents**”), and the Company. 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). As the Company is only a nominal respondent to the Petition and pursuant to the order of the High Court, the Company is not required to actively participate in the legal proceedings in respect of the Petition.

‘As detailed in ... [CLICK TO ORDER FULL ARTICLE](#)

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