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Unless otherwise defined, terms and expressions used in this announcement shall have the same meanings as those defined in the prospectus dated 30 September 2016 (the “Prospectus”) issued by PFC Device Inc. (the “Company”).

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities. Potential investors should read the Prospectus carefully for detailed information about the Placing described below before deciding whether or not to invest in the Placing shares thereby being offered.



PFC Device Inc.

節能元件有限公司

(incorporated in the Cayman Islands with limited liability)

**LISTING ON THE GROWTH ENTERPRISE MARKET OF
THE STOCK EXCHANGE OF HONG KONG LIMITED
BY WAY OF PLACING**

**Number of Placing Shares : 417,249,675 Placing Shares (comprising 400,000,000
New Shares and 17,249,675 Sale Shares)**

**Placing Price : HK\$0.20 per Placing Share (payable in full upon
application in Hong Kong dollars, plus brokerage of
1%, SFC transaction levy of 0.0027% and Stock
Exchange trading fee of 0.005%)**

Nominal value : HK\$0.01 each

Stock Code : 8231

Sponsor



大有融資有限公司
MESSIS CAPITAL LIMITED

Bookrunner and Lead Manager

平安證券有限公司
Ping An Securities Limited

- The Placing Price is HK\$0.20 per Placing Share (excluding brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).
- After deducting the related expenses, the net proceeds to be received by the Company from the Placing are estimated to be approximately HK\$57.7 million. The net proceeds to be received by the Selling Shareholders from the sale of the Sale Shares are estimated to be approximately HK\$3.3 million. The Directors intend to apply the net proceeds from the Placing in accordance with the purposes set forth in the paragraph headed “Placing price and use of proceeds” below.
- The 417,249,675 Placing Shares under the Placing comprise (i) 400,000,000 New Shares being offered by the Company for subscription; and (ii) 17,249,675 Sale Shares being offered by the Selling Shareholders for sale, have been fully subscribed.
- Pursuant to the Placing, 417,249,675 Placing Shares have been conditionally allocated to a total of 115 selected professional, institutional and other investors.
- A total of 85 placees have been allotted two or less board lots of Shares, representing approximately 73.9% of the total number of placees under the Placing, and approximately 0.3% of the Placing Shares have been allocated to such placees.
- A total of 47 placees have been allotted one board lot of Shares, representing approximately 40.9% of the total number of placees under the Placing, and approximately 0.1% of the Placing Shares have been allocated to such placees.
- The Directors confirm that, to the best of their knowledge and belief, all placees under the Placing are independent of and not connected with the Company and any of the Directors, chief executive, Controlling Shareholders, substantial shareholders or significant shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective close associates (as defined in the GEM Listing Rules), and are not any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing, and none of the Placing Shares subscribed by the placees has been financed directly or indirectly by any of the Directors, chief executive, Controlling Shareholders, substantial shareholders or significant shareholders of the Company or any of its subsidiaries or their respective close associates, and none of the placees is accustomed to taking instructions from any of the Directors, chief executive, Controlling Shareholders, substantial shareholders or significant shareholders of the Company or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of Shares registered in his/her/its name or otherwise held by him/her/it. No placee, individually, has been or will be placed more than 10.0% of the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing. The Directors confirm that there will not be any new substantial shareholder of the Company within the meaning of the GEM Listing Rules immediately after completion of the Capitalisation Issue and the Placing.

- Pursuant to Rule 11.23(7) of the GEM Listing Rules, the Company is required to maintain a public float of not less than 25.0% of its total number of issued shares at the time of Listing and at all times thereafter. Pursuant to Rule 11.23(8) of the GEM Listing Rules, not more than 50.0% of the Shares in public hands at the time of Listing shall be owned by the three largest public Shareholders. The Directors confirm that, immediately after completion of the Capitalisation Issue and the Placing, the public float of the Company will be approximately 26.6% of the enlarged issued share capital of the Company, and not more than 50.0% of the Shares in public hands at the time of Listing will be owned by the three largest public Shareholders.
- Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on Friday, 7 October 2016. Shares will be traded in board lot of 10,000 Shares each. The stock code for the Shares is 8231.
- **Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

PLACING PRICE AND USE OF PROCEEDS

The Placing Price is HK\$0.20 per Placing share (excluding brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%). The net proceeds from the Placing to be received by the Group, after deducting the related expenses, are estimated to be approximately HK\$57.7 million. The Directors intend to apply the net proceeds of the Placing (as set out in the section headed “Statement of business objectives and use of proceeds” in the Prospectus) as follows:

- approximately HK\$42.4 million or 73.5% of the net proceeds for purchase of machineries for existing packaging facilities;
- approximately HK\$9.5 million or 16.5% of the net proceeds for development of new production lines for DFN package type;
- approximately HK\$2.1 million or 3.6% of the net proceeds for purchase of machineries for the testing of Schottky diodes;
- approximately HK\$1.1 million or 1.9% of the net proceeds for purchase of machineries for the testing of MOSFET; and
- approximately HK\$2.6 million or 4.5% of the net proceeds for general working capital of the Group.

LEVEL OF INDICATIONS OF INTERESTS UNDER THE PLACING

The 417,249,675 Placing Shares under the Placing comprise (i) 400,000,000 New Shares being offered by the Company for subscription; and (ii) 17,249,675 Sale Shares being offered by the Selling Shareholders for sale, have been fully subscribed.

RESULTS OF ALLOCATION

Pursuant to the Placing, 417,249,675 Placing Shares have been conditionally allocated to a total of 115 selected professional, institutional and other investors. A total of 85 places have been allotted two or less board lots of Shares, representing approximately 73.9% of the total number of places under the Placing, and approximately 0.3% of the Placing Shares have been allocated to such places. A total of 47 places have been allotted one board lot of Shares, representing approximately 40.9% of the total number of places under the Placing, and approximately 0.1% of the Placing Shares have been allocated to such places. The distribution of the Placing Shares is set out below:

	Aggregate number of Placing Shares allocated	Approximate percentage of the total number of Placing Shares allocated	Approximate percentage of shareholding over the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing
Top placee	61,000,000	14.62%	3.81%
Top 5 placees	256,000,000	61.35%	16.00%
Top 10 placees	370,600,000	88.82%	23.16%
Top 25 placees	415,340,000	99.54%	25.96%

Number of Placing Shares allocated	Number of places
1 to 40,000	87
40,001 to 500,000	9
500,001 to 10,000,000	9
10,000,001 to 34,000,000	5
34,000,001 and above	<u>5</u>
Total	<u><u>115</u></u>

The Directors confirm that, to the best of their knowledge and belief, all places under the Placing are independent of and not connected with the Company and any of the Directors, chief executive, Controlling Shareholders, substantial shareholders or significant shareholders (as defined under the

GEM Listing Rules) of the Company or any of its subsidiaries, and their respective close associates (as defined in the GEM Listing Rules), and are not any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing, and none of the Placing Shares subscribed by the placees have been financed directly or indirectly by any of the Directors, chief executive, Controlling Shareholders, substantial shareholders or significant shareholders of the Company or any of its subsidiaries or their respective close associates, and none of the placees is accustomed to taking instructions from any of the Directors, chief executive, Controlling Shareholders, substantial shareholders or significant shareholders of the Company or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of Shares registered in his/her/its name or otherwise held by him/her/it. No placee, individually, has been or will be placed more than 10.0% of the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing. The Directors confirm that there will not be any new substantial shareholder of the Company within the meaning of the GEM Listing Rules immediately after completion of the Capitalisation Issue and the Placing.

Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

MINIMUM PUBLIC FLOAT REQUIREMENT

Pursuant to Rule 11.23(7) of the GEM Listing Rules, the Company is required to maintain a public float of at least 25.0% of its total number of issued shares at the time of the Listing and at all times thereafter. Pursuant to Rule 11.23(8) of the GEM Listing Rules, not more than 50.0% of the Shares in public hands at the time of the Listing shall be owned by the three largest public Shareholders. The Directors confirmed that immediately after completion of the Capitalisation Issue and the Placing, the public float of the Company will be approximately 26.6% of the enlarged issued share capital of the Company, and not more than 50.0% of the Shares in public hands at the time of the Listing will be owned by the three largest public Shareholders.

DEPOSIT OF SHARE CERTIFICATES INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on GEM and the compliance by the Company with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date (i.e. Friday, 7 October 2016) or such other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for the Shares to be admitted into CCASS.

No receipt will be issued for any application monies paid. The Company will not issue any temporary documents of title.

The share certificates for the Placing Shares will be deposited into CCASS on or about Thursday, 6 October 2016 for credit to the relevant CCASS Participants' stock accounts designated by the Underwriter, the placees or their respective agents (as the case may be).

Prospective investors of the Placing Shares should note that the Bookrunner (also in its capacity as the Underwriter) is entitled to terminate its obligations under the Underwriting Agreement by giving written notice to the Company (for itself and on behalf of the Selling Shareholders) upon the occurrence of any of the events set forth in the section headed "Underwriting — Grounds for termination" in the Prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date. In the event that the Underwriting Agreement does not become unconditional or is terminated in accordance with its terms and conditions, an announcement in respect of the lapse of the Placing will be published by the Company on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.pfc-device.com accordingly.

All share certificates in respect of the Placing Shares will only become valid certificates of title when the Placing has become unconditional in all respects and the Underwriting Agreement has not been terminated in accordance with its terms prior to 8:00 a.m. (Hong Kong time) on the Listing Date.

COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on Friday, 7 October 2016. Shares will be traded in board lots of 10,000 Shares each. The stock code for the Shares is 8231.

If there is any change to the expected timetable, an announcement will be published immediately by the Company on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.pfc-device.com.

By order of the Board of
PFC Device Inc.
Hong James Man-fai
Executive Director

Hong Kong, 6 October 2016

As at the date of this announcement, the executive Directors are Hong James Man-fai and Chow Kai Chiu, David; the non-executive Directors are Yung Kwok Kee, Billy and Tang Che Yin; and the independent non-executive Directors are Lam, Peter, Leung Man Chiu, Lawrence and Fan Yan Hok, Philip.

This announcement, for which all the Directors jointly and severally 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, 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 matters the omission of which would make any statement in this announcement misleading.

This announcement and a copy of the Prospectus will remain on the Stock Exchange's website at www.hkexnews.hk, and in the case of this announcement, on the "Latest Company Announcements" page for at least 7 days from the date of its posting. This announcement and a copy of the Prospectus will also be published and remains on the Company's website at www.pfc-device.com.