INTERIM REPORT 2017

PFC Device Inc.
節能元件有限公司

(incorporated in the Cayman Islands with limited liability)
Stock code: 8231

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This report, for which the directors (the "Directors") of PFC Device Inc. (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (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 report 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 report misleading.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Chow Kai Chiu, David
Mr. Hong James Man-fai
(Chief Executive Officer)

Non-executive Directors

Mr. Yung Kwok Kee, Billy *(Chairman)*
Mr. Tang Che Yin

Independent Non-executive Directors

Mr. Lam, Peter
Mr. Leung Man Chiu, Lawrence
Mr. Fan Yan Hok, Philip

AUDIT COMMITTEE

Mr. Leung Man Chiu, Lawrence *(Chairman)*
Mr. Fan Yan Hok, Philip
Mr. Yung Kwok Kee, Billy

REMUNERATION COMMITTEE

Mr. Fan Yan Hok, Philip *(Chairman)*
Mr. Lam, Peter
Mr. Yung Kwok Kee, Billy

NOMINATION COMMITTEE

Mr. Yung Kwok Kee, Billy *(Chairman)*
Mr. Fan Yan Hok, Philip
Mr. Lam, Peter

PRINCIPAL BANKER

The Hong Kong and Shanghai Banking Corporation Limited

COMPANY SECRETARY

Ms. Cherry K. M. Lee *ACIS ACS*

REGISTERED OFFICE

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Grand Cayman KY1-1108,
Cayman Islands

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Chai Wan, Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Service Limited
Level 22 Hopewell Centre,
183 Queen's Road East, Hong Kong

AUTHORISED REPRESENTATIVES

Mr. Chow Kai Chiu, David
Mr. Hong James Man-fai

COMPLIANCE OFFICER

Mr. Chow Kai Chiu, David

COMPLIANCE ADVISER

Messis Capital Limited

AUDITOR

BDO Limited
Certified Public Accountants

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To the Board of directors of PFC Device Inc.
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 5 to 23, which comprise the condensed consolidated statement of financial position of PFC Device Inc. and its subsidiaries as of 30 June 2017, the related condensed consolidated statement of comprehensive income for the three-month period then ended, the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("HKSRE 2410") issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Limited
香港立信德豪會計師事務所有限公司

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CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

OTHER MATTER

The comparative condensed consolidated statements of comprehensive income, changes in equity and cash flows, and the relevant explanation notes for the six-month period ended 30 June 2016, and the condensed consolidated statement of comprehensive income and the relevant explanatory notes for the three-month period ended 30 June 2016 disclosed in this interim financial information have not been reviewed by us in accordance with HKSRE 2410.

BDO Limited
Certified Public Accountants

Hong Kong, 9 August 2017

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three months and the six months ended 30 June 2017

	Notes	Three months ended 30 June		Six months ended 30 June	
		2017	2016	**2017**	2016
		US$'000	US$'000	**US$'000**	US$'000
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Revenue	5	**6,576**	5,054	**11,854**	10,665
Cost of sales		**(5,051)**	(3,551)	**(9,174)**	(7,476)
Gross profit		**1,525**	1,503	**2,680**	3,189
Other income		**2**	14	**3**	26
Distribution and selling expenses		**(34)**	(26)	**(62)**	(61)
Administrative expenses		**(1,305)**	(894)	**(2,574)**	(1,690)
Other operating expenses					
— Listing expenses		**—**	(17)	**—**	(686)
— Others		**(77)**	(74)	**(138)**	(145)
Finance costs		**(2)**	(24)	**(7)**	(36)
Other gains and losses		**1**	6	**(217)**	(171)
Profit/(Loss) before income tax	6	**110**	488	**(315)**	426
Income tax expense	7	**(74)**	(89)	**(158)**	(249)
Profit/(Loss) for the period attributable to owners of the Company		**36**	399	**(473)**	177
Other comprehensive income for the period					
Item that may be reclassified subsequently to profit or loss					
Exchange difference arising from translation of overseas operations		**231**	(331)	**746**	(49)
Total comprehensive income for the period attributable to owners of the Company		**267**	68	**273**	128
		US cents	US cents	**US cents**	US cents
Earnings/(Loss) per share	9				
— Basic		**0.002**	0.033	**(0.030)**	0.015
— Diluted		**0.002**	0.033	**(0.030)**	0.015

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2017

	Notes	30 June 2017 US$'000 (Unaudited)	31 December 2016 US$'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	10	**8,721**	8,695
Goodwill		**563**	563
Prepayments for acquisition of property, plant and equipment		**970**	446
Deferred tax assets		**31**	26
		10,285	9,730
Current assets			
Inventories		**6,207**	4,249
Trade and other receivables, deposits and prepayments	11	**6,553**	6,363
Amount due from a fellow subsidiary		**5**	2
Cash and bank balances		**6,740**	11,170
		19,505	21,784
Current liabilities			
Trade and other payables	12	**4,177**	3,935
Amount due to a fellow subsidiary		**58**	60
Bank borrowings	13	**2,607**	—
Tax payable		**191**	299
		7,033	4,294
Net current assets		**12,472**	17,490
Total assets less current liabilities		**22,757**	27,220
Non-current liabilities			
Bank borrowings	13	**—**	5,000
Net assets		**22,757**	22,220
CAPITAL AND RESERVES			
Share capital		**2,062**	2,062
Reserves		**20,695**	20,158
Total equity		**22,757**	22,220

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2017

	Share capital US$'000	Share premium US$'000	Share option reserve US$'000	Merger reserve US$'000	Capital contribution US$'000	Translation reserve US$'000	Accumulated losses US$'000	Total US$'000
Six months ended 30 June 2016 (unaudited)								
At 1 January 2016	5,628	–	89	327	1,247	(396)	(1,424)	5,471
Profit for the period	–	–	–	–	–	–	177	177
Other comprehensive income for the period								
— Exchange difference arising from translation of overseas operations	–	–	–	–	–	(49)	–	(49)
Total comprehensive income for the period	–	–	–	–	–	(49)	177	128
Issue of shares upon exercise of share options	553	89	(89)	–	–	–	–	553
Acceleration of vesting of share options	–	–	2	–	–	–	–	2
Recognition of obligation arising from share repurchase arrangement	(553)	–	–	–	–	–	–	(553)
Termination of option plan	–	–	(2)	–	–	–	2	–
At 30 June 2016	5,628	89	–	327	1,247	(445)	(1,245)	5,601
Six months ended 30 June 2017 (unaudited)								
At 1 January 2017	**2,062**	**20,536**	**–**	**905**	**1,247**	**(1,026)**	**(1,504)**	**22,220**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**–**	**(473)**	**(473)**
Other comprehensive income for the period								
— Exchange difference arising from translation of overseas operations	**–**	**–**	**–**	**–**	**–**	**746**	**–**	**746**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**746**	**(473)**	**273**
Share-based payment expense of options granted by the Company *(note 14)*	**–**	**–**	**264**	**–**	**–**	**–**	**–**	**264**
At 30 June 2017	**2,062**	**20,536**	**264**	**905**	**1,247**	**(280)**	**(1,977)**	**22,757**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2017

	Six months ended 30 June	
	2017	2016
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
(Loss)/Profit before income tax	**(315)**	426
Total non-cash adjustments	**1,533**	975
Total working capital adjustments	**(1,861)**	(165)
Cash (used in)/generated from operations	**(643)**	1,236
Income tax paid	**(285)**	(336)
Net cash (used in)/generated from operating activities	**(928)**	900
Cash flows from investing activities		
Interest received	**2**	2
Purchase of property, plant and equipment	**(1,095)**	(943)
Net cash used in investing activities	**(1,093)**	(941)
Cash flows from financing activities		
Interest paid	**(7)**	(38)
Increase in bank borrowings	**5,105**	6,000
Repayment of bank borrowings	**(7,498)**	(1,598)
Decrease in amount due to ultimate holding company	**—**	(62)
Advance from ultimate holding company	**—**	7,700
Decrease in amount due to fellows subsidiaries	**(2)**	(11,929)
Proceeds from issue of shares upon exercise of share options	**—**	553
Net cash (used in)/generated from financing activities	**(2,402)**	626
Net (decrease)/increase in cash and cash equivalents	**(4,423)**	585
Cash and cash equivalents at beginning of the period	**11,170**	2,806
Effect of foreign exchange rate change	**(7)**	12
Cash and cash equivalents at end of the period	**6,740**	3,403

1. GENERAL INFORMATION

PFC Device Inc. (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability on 2 March 2016. The address of its registered office is P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. Its principal place of business is located at 1/F, Shell Industrial Building, 12 Lee Chung Street, Chai Wan, Hong Kong. The Company's shares have been listed on the Growth Enterprise Market ("**GEM**") of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") since 7 October 2016.

The Group, comprising the Company and its subsidiaries, is principally engaged in manufacturing and sales of power discrete semiconductors.

The ultimate holding company of the Company is Shell Electric Holdings Limited ("**Shell Electric**"), a company incorporated in Bermuda.

The condensed consolidated financial information of the Group for the six months ended 30 June 2017 including the explanatory notes (the "**Interim Financial Information**") have not been audited but have been reviewed by the Audit Committee, and were approved for issue by the directors on 9 August 2017.

2. BASIS OF PREPARATION

The Interim Financial Information have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

The Interim Financial Information do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2016 (the "**2016 Annual Financial Statements**") which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**").

The Interim Financial Information have been prepared under the historical cost convention.

The Interim Financial Information are presented in United States dollars ("**US$**"), which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION (Continued)

The Interim Financial Information have been prepared in accordance with the same accounting policies and methods of computation as adopted by the Group in the 2016 Annual Financial Statements except for those new or amended HKFRSs as mentioned in note 3.

In preparing the Interim Financial Information, the significant judgment made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the 2016 Annual Financial Statements.

3. ADOPTION OF NEW OR AMENDED HKFRSs

(a) Adoption of new or amended HKFRSs effective on 1 January 2017

During the current period, the Group has applied for the first time the following new standards, amendments and interpretations issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2017:

Amendments to HKAS 7	Disclosure Initiatives
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses

Amendments to HKAS 7 Disclosure Initiative

The amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

Amendments to HKAS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments relate to the recognition of deferred tax assets and clarify some of the necessary considerations, including how to account for deferred tax assets related to debt instruments measured at fair value.

The above amendments to HKFRSs do not have a material impact on the Group.

3. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

(b) New or revised HKFRSs that have been issued but are not yet effective

The following new or amended HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[1]
Amendments to HKFRS 15	Clarifications to HKFRS 15[1]
HKFRS 16	Leases[2]
HK (IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration[1]

1 *Effective for annual periods beginning on or after 1 January 2018*
2 *Effective for annual periods beginning on or after 1 January 2019*

The directors of the Company anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. Except as described below, other new or revised HKFRSs that have been issued but are not yet effective are unlikely to have material impact on the Group's financial statements upon application.

HKFRS 9 Financial Instruments

HKFRS 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

The Group does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets because based on the preliminary assessment, the Group expects that all of its financial assets, which are currently measured at amortised cost, will continue with their classification and measurements upon the adoption of HKFRS 9.

3. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

(b) New or revised HKFRSs that have been issued but are not yet effective (Continued)

HKFRS 9 Financial Instruments (Continued)

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 *Financial Instruments: Recognition and Measurement* and have not been changed.

The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses as is the case under HKAS 39. Under the expected credit loss model, it will no longer be necessary for a loss event to occur before an impairment loss is recognised. Instead, an entity is required to recognise and measure expected credit losses as either 12-month expected credit losses or lifetime expected credit losses, depending on the asset and the facts and circumstances. This new impairment model may result in an earlier recognition of credit losses on the Group's trade receivables and other financial assets. However, a more detailed analysis is required to determine the extent of the impact.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

HKFRS 15 Revenue from Contracts with Customers and the Related Amendments

HKFRS 15 establishes a comprehensive framework for recognising revenue from contracts with customers. HKFRS 15 will replace the existing revenue standards, HKAS 18 *Revenue, which covers revenue arising from sale of goods and rendering of services, and* HKAS 11 *Construction contracts*, which specifies the accounting for revenue from construction contracts.

The directors of the Company anticipate that the application of HKFRS 15 in the future may have an impact on the amounts of revenue reported and the timing of revenue recognition may be affected. Currently, revenue from the sale of goods is recognised when the risks and rewards of ownership have passed to the customers. Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract.

3. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

(b) New or revised HKFRSs that have been issued but are not yet effective (Continued)

HKFRS 15 Revenue from Contracts with Customers and the Related Amendments (Continued)

As a result of this change from the risk-and-reward approach to the contract-by-contract transfer-of-control approach, it is possible for some of the Group's contracts, the point in time when revenue is recognised may be earlier or later than under the current accounting policy. Moreover, the Group has to identify for contract terms which give rise to variable consideration such as rebate. However, further analysis is required to determine whether this change in accounting policy may have a material impact on the amounts reported in any given financial reporting period.

In addition, the application of HKFRS 15 in the future may result in more disclosures in the consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

HKFRS 16 Leases

HKFRS 16 will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed under accounting for lessees. Under the new standard, an asset representing the right-to-use the leased item and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Group's operating leases. As at the end of the reporting period, the Group has non-cancellable operating lease commitments of US$227,000. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's result and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under HKFRS 16.

4. SEGMENT INFORMATION

The operating segments are reported in a manner consistent with the way in which information is reported internally to the Group's chief operating decision-maker for the purposes of resources allocation and assessment of segment performance. The Group has identified the following reportable operating segments:

Sales of power discrete semiconductors	—	This segment engages in manufacturing and sales of power discrete semiconductors
Trading of raw materials	—	This segment engages in sales of raw materials, mainly Epitaxy

Information of the operating segments of the Group reported to the chief operating decision-maker for the purposes of resources allocation and performance assessment does not include assets and liabilities. Accordingly, no information of segment assets and liabilities is presented.

	Sales of power discrete semiconductors US$'000	**Trading of raw materials** US$'000	**Total** US$'000
Six months ended 30 June 2017 (Unaudited)			
Reportable segment revenue	**10,802**	**1,052**	**11,854**
Reportable segment profit	**2,241**	**439**	**2,680**
Corporate and unallocated income			**3**
Corporate and unallocated expenses			
— Employee costs			**(1,956)**
— Rental and related expenses			**(127)**
— Finance costs			**(7)**
— Others			**(908)**
Loss before income tax			**(315)**
Six months ended 30 June 2016 (Unaudited)			
Reportable segment revenue	9,588	1,077	10,665
Reportable segment profit	2,760	429	3,189
Corporate and unallocated income			26
Corporate and unallocated expenses			
— Listing expenses			(686)
— Employee costs			(1,310)
— Rental and related expenses			(132)
— Finance costs			(36)
— Others			(625)
Profit before income tax			426

5. REVENUE

The Group is principally engaged in manufacturing and sales of power discrete semiconductors. Revenue represented the net invoiced value of goods sold during the periods as follows:

	Three months ended 30 June		**Six months ended 30 June**	
	2017	2016	**2017**	2016
	US$'000	US$'000	**US$'000**	US$'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Sales of power discrete semiconductors	**5,800**	4,475	**10,802**	9,588
Trading of raw materials	**776**	579	**1,052**	1,077
	6,576	5,054	**11,854**	10,665

6. PROFIT/(LOSS) BEFORE INCOME TAX

	Three months ended 30 June		**Six months ended 30 June**	
	2017	2016	**2017**	2016
	US$'000	US$'000	**US$'000**	US$'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Profit/(Loss) before income tax is arrived after charging:				
Write down of inventories to net realisable value	**69**	44	**119**	137
Depreciation of property, plant and equipment	**400**	338	**781**	668
Employee benefit expenses (including directors' emoluments)				
— Salaries, wages and other benefits	**1,120**	855	**2,117**	1,555
— Contribution to defined contribution retirement plans	**56**	51	**110**	88
— Equity settled share-based payment expense *(note 14)*	**89**	—	**264**	2
	1,265	906	**2,491**	1,645

7. INCOME TAX EXPENSE

The amounts of income tax in the condensed consolidated statements of comprehensive income represent:

	Three months ended 30 June		**Six months ended 30 June**	
	2017	2016	**2017**	2016
	US$'000	US$'000	**US$'000**	US$'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Current tax				
— Hong Kong Profits Tax	**–**	–	**–**	–
— Taiwan	**–**	86	**–**	274
— Other regions of the People's Republic of China ("**PRC**") — Enterprise Income Tax ("**EIT**")	**81**	–	**163**	–
	81	86	**163**	274
Deferred tax	**(7)**	3	**(5)**	(25)
Income tax expense	**74**	89	**158**	249

Hong Kong Profits Tax is calculated at 16.5% (2016: 16.5%) on the estimated assessable profits derived from Hong Kong. Profits tax arising from operations in Taiwan is calculated at 17% (2016: 17%) on the estimated assessable profit derived from Taiwan.

EIT arising from other regions of the PRC is calculated at 25% (2016: 25%) on the estimated assessable profit derived from other regions of the PRC.

8. DIVIDEND

The Board does not declare the payment of any interim dividend for the six months ended 30 June 2017 (Six months ended 30 June 2016: nil).

9. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings/(loss) per share is based on the following data:

	Three months ended 30 June		Six months ended 30 June	
	2017	2016	**2017**	2016
	US$'000	US$'000	**US$'000**	US$'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Earnings/(Loss)				
Profit/(Loss) for the period attributable to owners of the Company	**36**	399	**(473)**	177

	Three months ended 30 June		Six months ended 30 June	
	2017	2016	**2017**	2016
	'000	'000	**'000**	'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Number of shares				
Weighted average number of shares in issue during the period	**1,600,000**	1,200,000	**1,600,000**	1,200,000

On 7 October 2016, 400,000,000 ordinary shares of the Company at the placing price of Hong Kong dollars ("**HK$**") 0.20 per placing share were allocated and issued (the "**Placing**"). Upon completion of the Placing, the issue of 1,186,685,592 ordinary shares of the Company at par to the Company's shareholders in proportion to their respective shareholdings by way of capitalising an amount of approximately HK$11,867,000, equivalent to approximately US$1,529,000 from the share premium account of the Company which was approved by the shareholders of the Company on 19 September 2016 has become unconditional (the "**Capitalisation Issue**").

The weighted average number of ordinary shares for the purposes of calculating basic earnings per share for the three months and the six months ended 30 June 2016 of 1,200,000,000 represents the number of shares of the Company in issue immediately after the completion of the Capitalisation Issue, as if the Capitalisation had occurred on 1 January 2016.

The weighted average number of ordinary shares for the purposes of calculating basic earnings/loss per share for the three months and the six months ended 30 June 2017 of 1,600,000,000 represents the number of shares of the Company in issue upon completion of the Placing and Capitalisation Issue.

9. EARNINGS/(LOSS) PER SHARE (Continued)

Diluted earnings per share for the three months and the six months ended 30 June 2016 is the same as the basic earnings per share as there were no potentially dilutive ordinary shares in existence during the periods.

Diluted earnings per share for the three months ended 30 June 2017 is calculated by dividing the Group's profit attributable to owners of the Company by the weighted average number of ordinary shares for the purposes of calculating the basic earnings per share of 1,600,000,000 shares, after adjustment for the potential dilutive effect in the potential ordinary shares to be issued on the exercise of the share options granted by the Company on 22 March 2017 (note 14) of 20,313,000 shares.

Diluted loss per share for the six months ended 30 June 2017 is the same as the basic loss per share as the exercise of the aforementioned share options would result in an anti-dilutive effect on the loss per share during the period.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2017, the Group acquired property, plant and equipment of approximately US$578,000 (Six months ended 30 June 2016: US$267,000). Such additions are mainly comprised of moulds, tools and machineries of US$564,000 (Six months ended 30 June 2016: US$170,000).

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 June 2017 US$'000 (Unaudited)	31 December 2016 US$'000 (Audited)
Trade receivables	**5,223**	5,015
Less: Provision for impairment	**—**	—
	5,223	5,015
Other receivables	**1,091**	1,221
Deposits and prepayments	**239**	127
	6,553	6,363

The Group normally allows a credit period of 30 to 60 days after the month of delivery to its trade customers.

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

The ageing analysis of trade receivables (net), based on invoice date, as of the end of the reporting period is as follows:

	30 June 2017 US$'000 (Unaudited)	31 December 2016 US$'000 (Audited)
0 to 30 days	**2,421**	2,201
31 to 60 days	**1,650**	1,828
61 to 90 days	**903**	779
Over 90 days	**249**	207
	5,223	5,015

12. TRADE AND OTHER PAYABLES

	30 June 2017 US$'000 (Unaudited)	31 December 2016 US$'000 (Audited)
Trade payables	**3,104**	2,760
Other payables and accruals	**1,073**	1,175
	4,177	3,935

The credit period granted by suppliers is normally 30 to 60 days after the month of delivery.

The ageing analysis of trade payables, based on invoice date, as of the end of the reporting period is as follows:

	30 June 2017 US$'000 (Unaudited)	31 December 2016 US$'000 (Audited)
0 to 30 days	**1,953**	1,426
31 to 60 days	**1,013**	1,234
61 to 90 days	**124**	94
Over 90 days	**14**	6
	3,104	2,760

13. BANK BORROWINGS

	30 June 2017 US$'000 (Unaudited)	31 December 2016 US$'000 (Audited)
Current		
Bank loans due for repayment within one year	**2,607**	—
Non-current		
Bank loan due for repayment after one year	**—**	5,000
	2,607	5,000

The bank borrowings classified as non-current liabilities as at 31 December 2016 represents a bank loan with principal amount of US$5,000,000 scheduled for repayment in March 2018. The related facilities agreement contains a clause that provides the bank with overriding right to demand repayment at any time after the committed period. The committed period will end in January 2018 and accordingly, this bank loan is classified as non-current liabilities in the consolidated statement of financial position as at 31 December 2016. This bank loan was early repaid in January 2017.

The above bank loans are unsecured except for the corporate guarantee provided by the Company, denominated in US$ and HK$, bearing interest respectively at certain margin on top of London Inter-Bank Offered Rate or Hong Kong Inter-Bank Offered Rate at the prevailing market.

14. SHARE-BASED PAYMENT ARRANGEMENTS

Pursuant to resolutions passed by the shareholder of the Company on 19 September 2016, the adoption of the share option scheme of the Company (the "**PFC Device Option Scheme**") was approved to enable the Company to grant options to eligible persons as incentives or rewards for their contributions or potential contributions to the Group. Eligible participants of PFC Device Option Scheme include the directors, employees, executives or officers of the Group and any suppliers, consultants, agents, advisers and related entities to the Group.

14. SHARE-BASED PAYMENT ARRANGEMENTS (Continued)

The PFC Device Option Scheme shall be valid and effective for a period of ten years commencing from the date on which the PFC Device Option Scheme becomes unconditional. The subscription price shall be such price as the board of directors of the Company in its absolute discretion shall determine, provided that such price will not be less than the highest of: (a) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities; (b) the average of the official closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant; and (c) the nominal value of the share of the Company.

On 22 March 2017, an aggregate of 41,794,191 shares options, were granted under PFC Device Option Scheme to certain directors, senior management, employees and consultants, which shall vest based on the vesting schedules specified in the offer documents of the respective grantees. Share options granted to non-employee participants are for their contributions to the Group in respect of providing services similar to those rendered to its employees.

The fair value of the share options granted on 22 March 2017 was HK$3,271,000, equivalent to approximately US$421,000, of which US$89,000 and US$264,000 respectively were charged to profit or loss for the three months and the six months ended 30 June 2017. Such fair value was estimated by independent professional valuer at the date of grant using Binomial Model taking into account the terms and conditions of the options granted. The following table shows the significant inputs used in the model:

Dividend yield	0%
Historical volatility	43.032%
Risk-free interest rate	1.636%
Expected life of option	10 years

The historical volatility of a combination of companies of similar nature was used to estimate the historical volatility of the shares of the Company.

14. SHARE-BASED PAYMENT ARRANGEMENTS (Continued)

The movements of the share options granted under PFC Device Option Scheme during the period are as follows:

	Date of grant	Exercise price	As at 1 January 2017	Granted on 22 March 2017	As at 30 June 2017
Directors					
— Mr. Hong James Man-fai	22 March 2017	HK$0.165	—	5,408,343	5,408,343
— Mr. Tang Che Yin	22 March 2017	HK$0.165	—	2,800,000	2,800,000
Senior management	22 March 2017	HK$0.165	—	9,915,848	9,915,848
Employees	22 March 2017	HK$0.165	—	21,420,000	21,420,000
Consultants	22 March 2017	HK$0.165	—	2,250,000	2,250,000
			—	41,794,191	41,794,191

Notes:

1. The closing price of the Company's shares immediately before the date of grant of share options was HK$0.172.

2. The share options are exercisable, valid and effective for a period of 10 years from 1 April 2017.

No option was exercised, lapsed and cancelled during the three-month and six-month periods ended 30 June 2017. As at 30 June 2017, there were 41,794,191 outstanding share options under PFC Device Option Scheme. The weighted average remaining contractual life was 9.75 years. Out of the total number of options outstanding as at 30 June 2017, 20,515,871 options were vested and exercisable by the grantees by giving notice in writing to the Company. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in issue of additional 41,794,191 shares of the Company.

15. CAPITAL COMMITMENTS

	30 June 2017 US$'000 (Unaudited)	31 December 2016 US$'000 (Audited)
Commitments for acquisition of property, plant and equipment		
— Contracted for but not provided	**429**	118

16. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in this interim financial information, the Group had the following significant related party transactions:

(a) Significant transactions with related parties

Name	Related party relationship	Type of transaction	Transaction amount (Unaudited) Six months ended 30 June 2017 US$'000	2016 US$'000
Shell Electric	Ultimate holding company	Rental and building management fee charged by the related party for office premises	**14**	14
SMC Multi-Media Trading Company Limited	Fellow subsidiary	Sales of finished goods to related party	**10**	5
佛山市順德區蜆華多媒體製品有限公司 (Fushan Shunde SMC Multi-Media Products Company Limited* ("Shunde Multi-Media"))	Fellow subsidiary	Rental and building management fee charged by the related party for production workshop with office facilities and staff dormitory	**68**	70
Shunde Multi-Media	Fellow subsidiary	Fee charged by the related party for provision of catering services	**2**	2
迅速資產管理(深圳)有限公司 (Xun Su Asset Management (Shenzhen) Limited*)	Fellow subsidiary	Rental charged by the related party for office premises	**26**	–
業盈置業(深圳)有限公司 (Ye Ying Property (Shenzhen) Company Limited*)	Fellow subsidiary	Rental charged by the related party for office premises	**–**	31

* *for identification purposes only*

The transactions were conducted on mutually agreed terms.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management were as follows:

	Six months ended 30 June 2017 US$'000 (Unaudited)	2016 US$'000 (Unaudited)
Salaries, allowances and other benefits	**376**	290
Share-based payment expense	**102**	2
Contributions to defined contribution retirement plan	**7**	7
	485	299

BUSINESS REVIEW

The Group is principally engaged in the design, assembly, and sales of power discrete semiconductors. Its principal applications and core segments include (1) power supply and adapters for TV, PC, laptop, etc., (2) chargers for mobile phone, tablet, portable electronics, etc., (3) industry and automotive applications, and (4) solar junction box applications.

The Group continues to expand its market penetration in the first half of 2017. Total volume of manufactured goods shipped in the first half of 2017 amounted to 90.2 million pieces as compared to 70.7 million pieces during the same period of 2016.

The Group has obtained various design in the solar junction box application and leveraged on such design to expand the related market. Looking forward, the Group continues to expand its customer base and product portfolio with introduction of additional MOSFET for power supply and Schottky for solar junction box applications.

USE OF PROCEEDS FROM THE PLACING

The net proceeds from the Placing (after deducting the underwriting fees and related expenses) amounted to approximately HK$57.4 million (equivalent to approximately US$7.4 million). The directors had evaluated the Group's business plan and considered that, as at 30 June 2017, no modification of the business plan regarding the use of proceeds as described in the prospectus of the Company dated 30 September 2016 was required. The Group had utilized from the net proceeds approximately HK$15.6 million (equivalent to approximately US$2.0 million) as at 30 June 2017, which is approximately in line with the schedule for the intended use of net proceeds as shown in the prospectus. The unused net proceeds have been placed as interest bearing deposits with licensed bank in Hong Kong.

FINANCIAL REVIEW

Revenue and Operating Results

Revenue from the Group's operations for the six months ended 30 June 2017 amounted to US$11.9 million, representing an increase of US$1.2 million or 11% as compared to US$10.7 million for the corresponding period in 2016. Such increase was primarily attributable to an increase in sales volume of the Group's Schottky products.

The loss attributable to owners of the Company was US$0.5 million for the six months ended 30 June 2017, as compared with the profit attributable to owners of the Company of US$0.2 million for the corresponding period in 2016. The slide in profit was mainly attributable to various factors including (1) lowering of average sales prices of power discrete semiconductors products and gross profit margin; and (2) increase in administrative expenses primarily due to higher headcount and increased staff expenses including share option related equity settled share-based payment expenses incurred in the period.

Liquidity, Financial Resources and Capital Structure

The Group was able to maintain a satisfactory financial position with its financial resources and liquidity position consistently monitored and put in place in a healthy state throughout the period under review. Given the current economic situation, the Group would constantly re-evaluate its operational and investment status with a view to improving its cash flow and minimizing its financial risks.

As at 30 June 2017, the Group had a total cash and bank balances of approximately US$6.7 million (31 December 2016: US$11.1 million) which is mainly denominated in Hong Kong Dollars.

The banking facilities of the Group are interest-bearing at floating interest rates.

Capital structure of the Group comprises equity and bank loans. There is no movement in share capital for the six months ended 30 June 2017.

Foreign Exchange Exposure

Operations of the Group are mainly conducted in United States Dollars, Taiwan Dollars and Renminbi. It is the Group’s treasury policy to manage its foreign currency exposure whenever its financial impact is material to the Group. During the period, the Group did not engage in any hedging activities.

The Group had adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group’s liquidity position to ensure that the liquidity structure of the Group’s assets, liabilities and other commitments can meet its funding requirements from time to time.

Gearing Ratio

The Group targets to maintain a gearing ratio to be in line with expected changes in economic and financial conditions, expressed as a percentage of total bank borrowings net of cash and bank balances to total equity of the Group. As at 30 June 2017 and 31 December 2016, the Group had net cash balances.

Capital Commitments

As at 30 June 2017, the Group had total capital commitments of approximately US$0.4 million (31 December 2016: US$0.1 million) for the acquisition of property, plant and equipment.

Capital Expenditure

The Group had capital expenditures totalling US$1.1 million for the six months ended 30 June 2017 (six months ended 30 June 2016: US$0.9 million) for the acquisition of property, plant and equipment.

Contingent Liabilities

As at 30 June 2017, the Group did not have any significant contingent liabilities.

Segment Information

Segment information for the Group is presented as disclosed on note 4 to the condensed consolidated financial information.

Significant Investments/Material Acquisitions and Disposal

During the six months ended 30 June 2017, the Group had not made any significant investments or material acquisitions and disposal of subsidiaries.

Employees and Remuneration Policies

As at 30 June 2017, the Group had 184 employees (31 December 2016: 176). The pay levels of these employees are commensurate with their responsibilities, performance and market condition. In addition, share option schemes are put in place as a longer term incentive to align interests of employees to those of shareholders.

DISCLOSURE OF INTERESTS

A. Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2017, the Directors and chief executives of the Company and/or any of their respective associates had the following interests and short positions in the shares (the "Shares"), underlying Shares and debentures of the Company and/or any of its associated corporation (which has the same meaning as defined in Part XV of the Securities and Futures Ordinance (Charter 571 of the Laws of Hong Kong) (the"SFO")) as recorded in the register required to be kept by the Company under section 352 of SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the GEM Listing Rules :

I. Long Position in the Shares of the Company

Name of Director	Capacity/Nature of interest	Number of Shares held/ interested in the Company	Percentage of shareholding
Mr. Yung Kwok Kee, Billy ("Mr. Yung")	Interest in a controlled corporation *(Notes 1 and 2)*	1,151,276,660	71.95%
Mr. Hong James Man-fai ("Mr. Hong")	Beneficial interest *(Note 3)*	12,531,657	0.8%
Mr. Chow Kai Chiu, David ("Mr. Chow")	Beneficial interest	2,703,838	0.2%

Notes :

1. *Mr. Yung is interested in 100% of the issued share capital of Red Dynasty Investments Limited ("Red Dynasty"). Red Dynasty holds 80.5% interest in Shell Electric Holdings Limited ("Shell Electric"). Lotus Atlantic Limited ("Lotus Atlantic") is wholly and beneficially owned by Foremost Pacific Limited ("Foremost Pacific"). Foremost Pacific is wholly and beneficially owned by Sybond Venture Limited ("Sybond Venture"), and Sybond Venture is wholly and beneficially owned by Shell Electric. Mr. Yung is therefore deemed to be interested in 1,129,603,327 Shares held by Lotus Atlantic which is an indirect wholly-owned subsidiary of Shell Electric for the purpose of SFO.*

2. *21,673,333 Shares are charged by certain shareholders to Lotus Atlantic pursuant to the share charges.*

3. *Mr. Hong is the beneficial owner of 12,531,657 Shares, in which 9,573,659 Shares are charged in favour of Lotus Atlantic pursuant to the share charge to be effective on the 7 October 2016 and executed by Mr. Hong.*

II. Long Position in the underlying Shares

Name of Director	Capacity	Number of underlying Shares held	Percentage of shareholding
Mr. Hong	Beneficial interest	5,408,343 *(Note 1)*	0.34%
Mr. Tang Che Yin (“Mr. Tang”)	Beneficial interest	2,800,000 *(Note 2)*	0.18%

Notes:

1. *These underlying Shares represent 5,408,343 Shares to be issued upon exercise of the unlisted physically settled share options granted to Mr. Hong on 22 March 2017 pursuant to the share option scheme of the Company adopted on 19 September 2016 under which the said options can be exercised by Mr. Hong from 1 April 2017 to 31 March 2027 (both days inclusive) at the exercise price of HK$0.165 per Share.*

2. *These underlying Shares represent 2,800,000 Shares to be issued upon exercise of the unlisted physically settled share options granted to Mr. Tang on 22 March 2017 pursuant to the share option scheme of the Company adopted on 19 September 2016 under which the said options can be exercised by Mr. Tang from 1 April 2017 to 31 Mar 2027 (both days inclusive) at the exercise price of HK$0.165 per Share.*

Save as disclosed above, as at 30 June 2017, none of Directors nor chief executive of the Company and/or any of their respective associates has registered an interest or short positions in the Shares, underlying shares or debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the GEM Listing Rules.

B. Substantial Shareholders' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2017, the interest and short positions of the person (other than the Directors or chief executive of the Company as disclosed above) or company which was required to be recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name	Capacity/ nature of interest	Number of Shares held/ interested in	Long/short position	Percentage of shareholding
Lotus Atlantic	Beneficial owner	1,151,276,660 *(Notes 1 and 2)*	Long	71.95%
Foremost Pacific	Interest in a controlled corporation	1,151,276,660 *(Notes 1 and 2)*	Long	71.95%
Sybond Venture	Interest in a controlled corporation	1,151,276,660 *(Notes 1 and 2)*	Long	71.95%
Shell Electric	Interest in a controlled corporation	1,151,276,660 *(Notes 1 and 2)*	Long	71.95%
Red Dynasty	Interest in a controlled corporation	1,151,276,660 *(Notes 1 and 2)*	Long	71.95%
Ms. Vivian Hsu	Family interest	1,151,276,660 *(Note 3)*	Long	71.95%

Notes:

1. *Red Dynasty holds 80.5% interest in Shell Electric. Lotus Atlantic is wholly and beneficially owned by Foremost Pacific. Foremost Pacific is wholly and beneficially owned by Sybond Venture, and Sybond Venture is wholly and beneficially owned by Shell Electric. Each of these companies is therefore deemed to be interested in 1,129,603,327 Shares owned and held by Lotus Atlantic which is an indirect wholly-owned subsidiary of Shell Electric for the purpose of the SFO.*

2. *21,673,333 Shares are charged by certain shareholders to Lotus Atlantic pursuant to the share charges.*

3. *These Shares represent the interest held by Lotus Atlantic which is a controlled corporation of Mr. Yung. Ms. Vivian Hsu ("Mrs. Yung") is the spouse of Mr. Yung. Under SFO, Mr. Yung is deemed to be interested in all of the Shares owned by Lotus Atlantic is interested and Mrs. Yung is deemed to be interested in all the Shares in which Mr. Yung is interested.*

Save as disclosed above, as at 30 June 2017 and so far as known to the Directors, no person, other than the Directors and chief executive of the Company whose interests are set out in the section "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, had notified the Company of an interest or short position in the shares or underlying shares of the Company that was required to be recorded in the register required to be kept by the Company pursuant Section 336 of the SFO.

SHARE OPTION SCHEME

The Company has a share option scheme (the "PFC Device Option Scheme") which was approved and adopted pursuant to the written resolutions on 19 September 2016. The terms of the PFC Device Option Scheme are in accordance with Chapter 23 of the GEM Listing Rules. Particulars of the PFC Device Option Scheme and the movements of the share options granted under the PFC Device Option Scheme during the period are out in note 14 to the condensed consolidated financial information.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as the PFC Device Option Scheme, at no time during the six months ended 30 June 2017 were there rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouse or children under 18 years of age, or were there any such rights exercised by them, or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

COMPETING INTERESTS

During the six months ended 30 June 2017, so far as the Directors are aware, none of the Directors, the controlling shareholders and substantial shareholders, neither themselves nor their respective associates (as defined in the Listing Rules) had held any position or had interest in any businesses or companies that were or might be materially competing with the business of the Group, or gave rise to any concern regarding conflict of interests.

INTEREST OF COMPLIANCE ADVISOR

As at 30 June 2017, as notified by the Company's compliance advisor, Messis Capital Limited (the "Compliance Advisor"), except for the compliance advisor agreement entered into between the Company and the Compliance Advisor dated on 29 September 2016, neither the Compliance Advisor nor any of its directors, employees or close associates had any interests in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) or otherwise in relation to the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

PURCHASE, SALES OF REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2017, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential for the continuing growth of the Group and for safeguarding and maximizing shareholders' interests. During the six months ended 30 June 2017, the Company had complied with the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 15 of the GEM Listing Rules except the following deviation.

Under the code provision C.2.5 of the CG Code, an issuer should have an internal audit function. The Company does not have an internal audit function from 1 January 2017 and up to 2 April 2017. Taking into account the size and complexity of the operations of the Group, the Company considers that the existing organization structure and the close supervision of the management could provide sufficient risk management and internal control for the Group. However, the Board has reviewed the need to set up an internal audit function and an internal auditor had been appointed on 3 April 2017. As such, the Company had complied with code provision C.2.5 of the CG Code from the same date.

DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: nil).

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of provisions of conduct regarding securities transactions by the Directors ("the Code of Conduct") on terms no less exacting than the required standards of dealings concerning securities transactions by the Directors as set out the Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries with the Directors, all Directors have confirmed that they have complied with the required standards set out in the Code of Conduct throughout the six months ended 30 June 2017.

AUDIT COMMITTEE

The audit committee of the Company ("Audit Committee") consists of two independent non-executive Directors and one non-executive Director of the Company, namely Mr. Leung Man Chiu, Lawrence (chairman of the Audit Committee), Mr. Fan Yan Hok, Philip and Mr. Yung Kwok Kee, Billy, with written terms of reference in compliance with the GEM Listing Rules. The Audit Committee has reviewed the Group's Financial Information for the six months ended 30 June 2017.

The Company has engaged BDO Limited, who has reviewed the Interim Financial Information in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information by the Independent Auditor of the Entity" issued by the HKICPA.

By order of the Board
PFC Device Inc.
Chow Kai Chiu, David
Executive Director

Hong Kong, 9 August 2017

As at the date of this report, the Board comprises two executive directors, namely, Mr. HONG James Man-fai and Mr. CHOW Kai Chiu, David; two non-executive directors, namely, Mr. YUNG Kwok Kee, Billy and Mr. TANG Che Yin; and three independent non-executive directors, namely, Mr. LAM, Peter, Mr. LEUNG Man Chiu, Lawrence and Mr. FAN Yan Hok, Philip.