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HG SEMICONDUCTOR LIMITED

宏光半導體有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6908)

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



VC Brokerage Limited

Reference is made to the announcement of HG Semiconductor Limited (the “**Company**”) dated 13 September 2022 in relation to the Placing under the General Mandate (the “**Announcement**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

COMPLETION OF THE PLACING

The Board is pleased to announce that all the conditions precedent set out in the Placing Agreement have been fulfilled and the completion of the Placing took place on 13 October 2022 in accordance with the terms of the Placing Agreement. An aggregate of 8,582,000 Placing Shares, representing approximately 1.48% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares immediately after the completion of the Placing, have been successfully placed by the Placing Agent to not less than six Placees at the Placing Price of HK\$3.20 per Placing Share.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, (i) each of the Placees and, where appropriate, their respective ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons; and (ii) none of the Placees has become a substantial Shareholder (as defined in the Listing Rules) immediately upon completion of the Placing.

USE OF PROCEEDS

The net proceeds from the Placing (after deducting the placing commission for the Placing and other relevant expenses incurred in the Placing) amounted to approximately HK\$26.8 million. The Company intends to apply the net proceeds from the Placing as follows:

- (i) as to approximately HK\$22.3 million for strengthening research and development capabilities of LED, Mini LED, fast charging, GaN devices and related semiconductor products, which includes setting up of research and development centers, recruitment of research and development professionals, and the procurement of equipments and materials with an aim to develop and/or capture patent and technology; and
- (ii) as to approximately HK\$4.5 million for provision of general working capital and improving the financial position of the Group.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) immediately before completion of the Placing and (ii) immediately after completion of the Placing are set out below:

Shareholders	Immediately before completion of the Placing		Immediately after completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate % of shareholding</i>	<i>Number of Shares</i>	<i>Approximate % of shareholding</i>
Director:				
Mr. Lyu Xiangrong	834,000	0.15%	834,000	0.14%
Substantial Shareholders				
Wide Yield Investment Holding Limited (<i>Note 1</i>)	100,500,000	17.54%	100,500,000	17.28%
First Global Limited (<i>Note 2</i>)	<u>100,500,000</u>	<u>17.54%</u>	<u>100,500,000</u>	<u>17.28%</u>
Sub-total	201,000,000	35.08%	201,000,000	34.56%
Placees	—	—	8,582,000	1.48%
Public Shareholders	<u>371,185,000</u>	<u>64.77%</u>	<u>371,185,000</u>	<u>63.82%</u>
Total:	<u><u>573,019,000</u></u>	<u><u>100.00%</u></u>	<u><u>581,601,000</u></u>	<u><u>100.00%</u></u>

Notes:

1. Wide Yield Investment Holding Limited is wholly owned by Ms. Qin Anqi, and therefore Ms. Qin Anqi is deemed to be interested in the 100,500,000 Shares held by Wide Yield Investment Holding Limited under the SFO.
2. First Global Limited is wholly owned by Mr. Zhao Yi Wen who is the chairman of the Board, the chief executive officer of the Company and an executive Director, and therefore Mr. Zhao Yi Wen and his spouse Ms. Zhuang Chan Ling are deemed to be interested in the 100,500,000 Shares held by First Global Limited under the SFO.

By order of the Board
HG Semiconductor Limited
Zhao Yi Wen
Chairman and Executive Director

Hong Kong, 13 October 2022

As at the date of this announcement, the executive Directors are Mr. Zhao Yi Wen, Mr. Lyu Xiangrong, Mr. Leung Kin Pang and Ms. Liu Yang; the non-executive Directors are Dr. Wang David Nin-kou and Mr. Wang Jie Chuan; and the independent non-executive Directors are Professor Chow Wai Shing, Tommy, Mr. Wu Wing Kuen, B.B.S., Mr. Chan Chung Kik, Lewis and Mr. Li Yang.

If there is any inconsistency in this announcement between the Chinese and English versions, the English version shall prevail.