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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 23 May 2023 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 June 2023 in accordance with the terms of the Placing Agreement. An aggregate of 40,000,000 Placing Shares, representing approximately 6.43% 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\$0.90 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 FROM THE PLACING

The net proceeds (after deducting the placing commission for the Placing and other relevant expenses) from the Placing will amount to approximately HK\$35.1 million. The Group proposes to use the proceeds from the Placing as follows:

- (i) as to approximately HK\$17.55 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\$17.55 million for provision of general working capital and strengthening the financial position of the Group.

## EFFECT ON SHAREHOLDING STRUCTURE

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	(i) immediately before completion of the Placing		(ii) 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>
<b>Director</b>				
Zhao Yi Wen ( <i>Note 1</i> )	56,500,000	9.71%	56,500,000	9.09%
Lyu Xiangrong	834,000	0.14%	834,000	0.13%
Cao Yu	<u>50,000</u>	<u>0.01%</u>	<u>50,000</u>	<u>0.01%</u>
<b>Sub-total</b>	57,384,000	9.86%	57,384,000	9.23%
<b>Substantial Shareholders</b>				
Wide Yield Investment Holding Limited ( <i>Note 2</i> )	100,500,000	17.28%	100,500,000	16.17%
<b>Placees</b>	—	—	40,000,000	6.43%
<b>Public Shareholders</b>	<u>423,717,000</u>	<u>72.86%</u>	<u>423,717,000</u>	<u>68.17%</u>
<b>Total</b>	<u>581,601,000</u>	<u>100.00%</u>	<u>621,601,000</u>	<u>100.00%</u>

*Notes:*

1. First Global Limited is wholly owned by Mr. Zhao Yi Wen who is an executive Director, and therefore Mr. Zhao Yi Wen and his spouse Ms. Zhuang Chan Ling are deemed to be interested in the 56,500,000 Shares held by First Global Limited under the SFO.
2. 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.

By order of the Board  
**HG Semiconductor Limited**  
**Dr. Xu Zhihong**  
*Chairman and Executive Director*

Hong Kong, 13 June 2023

*As at the date of this announcement, the executive Directors are Dr. Xu Zhihong, Dr. Cao Yu, Mr. Zhao Yi Wen, Mr. Lyu Xiangrong, Mr. Leung Kin Pang and Dr. Chen Zhen; the non-executive Director is Dr. Wang David Nin-kou; and the independent non-executive Directors are Professor Chow Wai Shing, Tommy, Mr. Li Yang, Mr. Zou Haiyan and Mr. Siu Miu Man, Simon, MH.*

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