



10 May 2017

**High Concentration of Shareholding  
in  
PFC Device Inc. (Stock Code: 8231)**

This announcement is made by the Securities and Futures Commission (“SFC”) in respect of the concentration of the shareholding of PFC Device Inc. (“the Company”) in the hands of a limited number of shareholders as at 20 April 2017.

**In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the shares of the Company (“Shares”) could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.**

The SFC has recently completed an enquiry into the shareholding of the Company. Our findings suggested that as at 20 April 2017, 20 shareholders held an aggregate of 284,252,873 Shares, representing 17.77% of the issued Shares. Such shareholding, together with 1,157,839,775 Shares (representing 72.36% of the issued Shares) held by one Substantial Shareholder and two Executive Directors of the Company, represented 90.13% of the issued Shares. Therefore, only 157,907,352 Shares (representing approximately 9.87% of the issued Shares of the Company) were held by other shareholders as at 20 April 2017.

As at 20 April 2017, the shareholding structure of the Company was as follows:-

	<b>Number of Shares held (Shares)</b>	<b>% of total number of issued Shares (%)</b>
Lotus Atlantic Limited (Note 1 & 2)	1,152,177,939	72.01
Mr. Hong James Man-fai (Note 3)	2,957,998	0.18
Mr. Chow Kai Chiu David (Note 4)	2,703,838	0.17
A group of 20 shareholders	284,252,873	17.77
Other shareholders	157,907,352	9.87
<b>Total</b>	<b>1,600,000,000</b>	<b>100.00</b>

Note 1: Among the 1,152,177,939 Shares, 22,574,612 Shares were charged by 5 individuals (including Mr. Hong James Man-fai) pursuant to the share charges dated 7 October 2016 in favour of Lotus Atlantic Limited.

Note 2: Lotus Atlantic Limited is an indirectly wholly-owned subsidiary of Shell Electric Holdings Limited, which is owned as to 80.5% by Red Dynasty Investments Limited. Mr. Yung Kwok Kee Billy, the Chairman and non-Executive Director of the Company, is interested in 100% of the issued share capital of Red Dynasty Investments Limited.



*Note 3: Mr. Hong James Man-fai is the Chief Executive Officer and an Executive Director of the Company. He held an interest of 12,531,657 Shares of which 9,573,659 Shares were charged in favour of Lotus Atlantic Limited (refer to Note 1).*

*Note 4: Mr. Chow Kai Chiu David is an Executive Director of the Company.*

The Company was listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited on 7 October 2016 by way of placing a total of 417,249,675 Shares, representing 26.08% of the issued Shares, at HK\$0.20 per Placing Share.

In the first quarter of 2017, the Share Price of the Company traded between HK\$0.145 and HK\$0.219. During the period, the Company had made, inter alia, the following announcements:

- On 21 March 2017, the Company announced its Annual Results for the year ended 31 December 2016 with a reported loss of US\$82,000 as compared to a reported profit of US\$687,000 for the year ended 31 December 2015;
- On 22 March 2017, the Company announced that an aggregate of 41,794,191 share options with an exercise price of HK\$0.165 per Share were granted to Directors, chief executive, members of senior management, employees and consultants of the Company.

Since 6 April 2017, the Share Price of the Company started to increase substantially. On 20 April 2017, the Shares closed at HK\$0.40, which was 145% higher than the closing price of HK\$0.163 on 5 April 2017. On 2 May 2017, a profit warning was announced by the Company. It was expected that the Company would record an increase in loss for the three months ended 31 March 2017 as compared to the corresponding period in 2016.

As of 9 May 2017, the Shares closed at HK\$0.395, which was 142% higher than the closing price of HK\$0.163 on 5 April 2017.

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