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(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8231)

**CONTINUING CONNECTED TRANSACTIONS
RENEWAL OF TENANCY AGREEMENTS
AND
SUBCONTRACTING AGREEMENT**

BACKGROUND

Reference is made to the announcement of the Company dated 6 August 2020 in relation to, among others, the continuing connected transactions under the Original Tenancy Agreements and the Original Subcontracting Agreement.

As the Original Tenancy Agreements will expire on 31 December 2020, the respective parties, entered into the New Tenancy Agreements on 5 November 2020 (after trading hours) for a term of one year up to 31 December 2021.

As the Original Subcontracting Agreement will expire on 31 December 2020, PFC Device (GD), an indirect wholly-owned subsidiary of the Company, entered into the New Subcontracting Agreement on 5 November 2020 (after trading hours) with Guangdong Zhaoao, pursuant to which Guangdong Zhaoao provides wafer backside process services to PFC Device (GD).

ACCOUNTING IMPLICATIONS TO NEW TENANCY AGREEMENT 1 AND NEW TENANCY AGREEMENT 2

In accordance with HKFRS 16 “Leases” applicable to the Group, the payments to be made by the Group contemplated under the New Tenancy Agreement 1 and New Tenancy Agreement 2 comprise different components and hence different accounting treatments will be applied. The Group will recognise the rental payments as an acquisition of right-of-use asset taking into account the aggregate discounted amount of the rental payments in accordance with HKFRS 16, which is estimated to be approximately HK\$920,000 (unaudited). Such acquisition of right-of-use asset under the aforesaid tenancy agreements will constitute a one-off connected transaction for the Company under Chapter 20 of the GEM Listing Rules. The management fee payments under the aforesaid tenancy agreements will be recognised as expenses of the Group over the term of the aforesaid tenancy agreements, and the payments of such expenses will be regarded as continuing connected transactions for the Company under Chapter 20 of the GEM Listing Rules.

Save as disclosed above, the payments to be made by the Group contemplated under the New Xunsu Tenancy Agreement 1, New Xunsu Tenancy Agreement 2 and New Shell Tenancy Agreement will not be recognised as a right-of-use asset on the statement of financial position under HKFRS 16 “Leases”.

IMPLICATIONS UNDER THE GEM LISTING RULES

As at the date of this announcement, Shell Electric holds indirectly 58.65% of the issued share capital of the Company and is accordingly a controlling shareholder of the Company. Each of (i) Shunde Multi-Media; (ii) Xunsu Asset Management; and (iii) Guangdong Zhaoao, is an indirect wholly-owned subsidiary of Shell Electric, a controlling shareholder of the Company. SMC Electric HK is wholly owned by SMC Electric Limited, of which Shell Electric holds 75% issued shares in SMC Electric Limited. As such, the above companies are the associates of Shell Electric and are thus the connected persons of the Company under Chapter 20 of the GEM Listing Rules.

Under Chapter 20 of the GEM Listing Rules, in respect of New Tenancy Agreement 1 and New Tenancy Agreement 2, (a) the rental payments thereof constitute a connected transaction; and (b) the management fee payments thereof constitute continuing connected transactions for the Company. Furthermore, in respect of New Xunsu Tenancy Agreement 1, New Xunsu Tenancy Agreement 2, New Shell Tenancy Agreement and New Subcontracting Agreement, the entering into of the abovementioned agreements and the annual caps of which are required to be renewed, constitute continuing connected transactions for the Company.

Continuing Connected Transactions

The Group has previously entered into the Existing Agreements with the associates of Shell Electric, which constituted continuing connected transactions for the Company. Under Chapter 20 of the GEM Listing Rules, the relevant annual caps for the year ending 31 December 2021 in respect of the New Tenancy Agreements (inclusive of the annual caps for the management fee for the year ending 31 December 2021 under New Tenancy Agreement 1 and New Tenancy Agreement 2), the New Subcontracting Agreement and the Existing Agreements shall be aggregated in the calculation of the applicable percentage ratios.

Save for the aforesaid, the Group has not entered into any prior transaction with Shell Electric and/or any of its associates that is required to be aggregated.

As the applicable percentage ratios (other than profits ratio) in respect of the aggregated annual caps for the abovementioned continuing connected transactions for the year ending 31 December 2021 are less than 25% and the annual consideration is below HK\$10,000,000, pursuant to Chapter 20 of the GEM Listing Rules, the Company is required to comply with the reporting, announcement and annual review requirements, but is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements.

Connected Transaction

As all the applicable percentage ratios (other than profits ratio) with respect to the aggregate value of the right-of-use assets to be recognised under New Tenancy Agreement 1 and New Tenancy Agreement 2 is less than 5% and less than HK\$3,000,000, the rental payments under New Tenancy Agreement 1 and New Tenancy Agreement 2 constitute de minimis transactions pursuant to Rule 20.74(1)(c) of the GEM Listing Rules and are fully exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

THE RENEWED AGREEMENTS

Set out below are the details of the New Tenancy Agreements and New Subcontracting Agreement that are entered into on 5 November 2020 in succession of the Original Tenancy Agreements and the Original Subcontracting Agreement that will expire on 31 December 2020.

1. New Tenancy Agreement 1

- Date: 5 November 2020

- Parties: Landlord – Shunde Multi-Media
Tenant – PFC Device (GD)

- Property: Factory spaces situated at 2nd Floor, Block A, Bei Jiao Industrial Park, No.18, San Le Dong Road, Bei Jiao County, Shunde District, Foshan, the PRC

- Term: From 1 January 2021 to 31 December 2021

- Rent: RMB16,000 per calendar month

- Management fee: RMB2,500 per calendar month

- Basis of pricing: With reference to market rent of the properties nearby and on normal commercial terms

For the year ended 31 December 2019 and the nine months ended 30 September 2020, the historical rent paid by PFC Device (GD) to Shunde Multi-Media was RMB192,000 and RMB144,000, respectively.

For the year ended 31 December 2019 and the nine months ended 30 September 2020, the historical management fee paid by PFC Device (GD) to Shunde Multi-Media was RMB30,000 and RMB22,500, respectively.

The annual cap in respect of the management fee for the year ending 31 December 2021 under the New Tenancy Agreement 1 is the total amount of management fee payable, which is RMB30,000 (equivalent to approximately HK\$36,000).

2. New Tenancy Agreement 2

Date:	5 November 2020
Parties:	Landlord – Shunde Multi-Media Tenant – PFC Device (GD)
Property:	Factory spaces at 1st and 4th floor, Block B, Bei Jiao Industrial Park, No.18 San Le Dong Road, Bei Jiao County, Shunde District, Foshan, the PRC
Term:	From 1 January 2021 to 31 December 2021
Rent:	RMB54,000 per calendar month
Management fee:	RMB10,400 per calendar month
Basis of pricing:	With reference to market rent of the properties nearby and on normal commercial terms

For the year ended 31 December 2019 and the nine months ended 30 September 2020, the historical rent paid by PFC Device (GD) to Shunde Multi-Media was RMB648,000 and RMB486,000, respectively.

For the year ended 31 December 2019 and the nine months ended 30 September 2020, the historical management fee paid by PFC Device (GD) to Shunde Multi-Media was RMB124,800 and RMB93,600, respectively.

The annual cap in respect of the management fee for the year ending 31 December 2021 under the New Tenancy Agreement 2 is the total amount of management fee payable, which is RMB124,800 (equivalent to approximately HK\$150,000).

Accounting implications to New Tenancy Agreement 1 and New Tenancy Agreement 2

In accordance with HKFRS 16 “Leases” applicable to the Group, the payments to be made by the Group contemplated under the New Tenancy Agreement 1 and New Tenancy Agreement 2 comprise different components and hence different accounting treatments will be applied. The Group will recognise the rental payments as an acquisition of right-of-use asset taking into account the aggregate discounted amount of the rental payments in accordance with HKFRS 16, which is estimated to be approximately HK\$920,000 (unaudited). Such acquisition of right-of-use asset under the aforesaid tenancy agreements will constitute a one-off connected transaction for the Company under Chapter 20 of the GEM Listing Rules. The management fee payments under the aforesaid tenancy agreements will be recognised as expenses of the Group over the term of the aforesaid tenancy agreements, and the payments of such expenses will be regarded as continuing connected transactions for the Company under Chapter 20 of the GEM Listing Rules.

Save for the aforesaid, the payments to be made by the Group contemplated under the New Xunsu Tenancy Agreement 1, New Xunsu Tenancy Agreement 2 and New Shell Tenancy Agreement will not be recognised as a right-of-use asset on the statement of financial position under HKFRS 16 “Leases”.

3. New Xunsu Tenancy Agreement 1

Date:	5 November 2020
Parties:	Landlord – Xunsu Asset Management Tenant – PFC Device (GD)
Property:	Room 612-613, Block A, Xintian Century Business Centre, Shizia North 2nd Street, Futian District, Shenzhen, the PRC
Term:	From 1 January 2021 to 31 December 2021
Rent:	RMB44,000 per calendar month
Basis of pricing:	With reference to market rent of the properties nearby and on normal commercial terms

For the year ended 31 December 2019 and the nine months ended 30 September 2020, the historical amount paid by PFC Device (GD) to Xunsu Asset Management was RMB504,000 and RMB396,000, respectively.

The annual cap for the year ending 31 December 2021 under the New Xunsu Tenancy Agreement 1 is the total amount of rent payable, which is RMB528,000 (equivalent to approximately HK\$640,000).

4. New Xunsu Tenancy Agreement 2

Date:	5 November 2020
Parties:	Landlord – Xunsu Asset Management Tenant – PFC Device (GD)
Property:	Room 1006, Block C, Xintian, Century Business Centre, Shizia North 2nd Street, Futian District, Shenzhen, the PRC
Term:	From 1 January 2021 to 31 December 2021
Rent:	RMB15,750 per calendar month
Basis of pricing:	With reference to market rent of the properties nearby and on normal commercial terms

For the year ended 31 December 2019 and the nine months ended 30 September 2020, the historical amount paid by PFC Device (GD) to Xunsu Asset Management was RMB180,000 and RMB141,750, respectively.

The annual cap for the year ending 31 December 2021 under the New Xunsu Tenancy Agreement 2 is the total amount of rent payable, which is RMB189,000 (equivalent to approximately HK\$230,000).

5. New Shell Tenancy Agreement

Date:	5 November 2020
Parties:	Landlord – Shell Electric Tenant – PFC Device (HK)
Property:	A portion of the 1st and 4th floor of Shell Industrial Building, 12 Lee Chung Street, Chai Wan, Hong Kong
Term:	From 1 January 2021 to 31 December 2021
Rent:	HK\$18,000 per calendar month
Management fee:	HK\$2,700 per calendar month
Basis of pricing:	With reference to market rent of the properties nearby and on normal commercial terms

For the year ended 31 December 2019 and the nine months ended 30 September 2020, the historical amount paid by PFC Device (HK) to Shell Electric was HK\$248,400 and HK\$186,300, respectively.

The annual cap for the year ending 31 December 2021 under the New Shell Tenancy Agreement is the total amount of rent and management fee payable, which is HK\$248,400.

6. New Subcontracting Agreement

Date:	5 November 2020
Parties:	Guangdong Zhaoao PFC Device (GD)
Description of transaction:	Provision of wafer backside process services by Guangdong Zhaoao to PFC Device (GD)
Term:	From 1 January 2021 to 31 December 2021
Basis of pricing:	Market price available to independent third parties on arm's length basis based on normal commercial terms in the ordinary and usual course of business

For each of the two years ended 31 December 2019 and the nine months ended 30 September 2020, the historical amount paid by PFC Device (GD) to Guangdong Zhaoao was nil, RMB127,327 and RMB1,311,568, respectively.

The annual cap in respect of the New Subcontracting Agreement for the year ending 31 December 2021 is RMB5,980,000 (equivalent to approximately HK\$7,176,000). The basis of the annual cap in respect of the New Subcontracting Agreement is determined with the consideration of (i) the historical figures; and (ii) the expected demand for the relevant wafer backside process services by the Group from Guangdong Zhaoao driven by the anticipated increase in sales of power discrete semiconductors.

THE EXISTING AGREEMENTS

Apart from the New Tenancy Agreements and the New Subcontracting Agreement, there are also Existing Agreements which are three ongoing agreements entered into in previous dates, with term ending on 31 December 2021/31 December 2022 (as the case may be). Set out below are the details of the Existing Agreements.

7. Supply Agreement

Date:	7 January 2019
Parties:	SMC Electric HK PFC Device (HK)
Description of transaction:	PFC Device (HK) and/or its fellow subsidiaries agree to sell the Group’s power discrete semiconductors or other products to SMC Electric HK and/or its subsidiaries
Term:	From 1 January 2019 to 31 December 2021
Basis of pricing:	Market price available to independent third parties on arm’s length basis based on normal commercial terms in the ordinary and usual course of business

For the year ended 31 December 2019 and the nine months ended 30 September 2020, the historical amount paid by SMC Electric HK to PFC Device (HK) was US\$22,400 and US\$16,470, respectively.

The annual cap in respect of the Supply Agreement for the year ending 31 December 2021 is US\$30,000 (equivalent to approximately HK\$234,000). The basis of the annual cap in respect of the Supply Agreement is determined with the consideration of (i) the historical figures; and (ii) the anticipated amount of supply of power discrete semiconductors to SMC Electric HK.

8. Catering Service Agreement

Date:	31 December 2018
Parties:	Shunde Multi-Media PFC Device (GD)
Description of transaction:	Provision of catering services by Shunde Multi-Media to the staff of PFC Device (GD)
Term:	From 1 January 2019 to 31 December 2021
Service fees:	Monthly fee of RMB500 per person
Basis of pricing:	Market price available to independent third parties on arm's length basis based on normal commercial terms in the ordinary and usual course of business

For the year ended 31 December 2019 and the nine months ended 30 September 2020, the historical amount paid by PFC Device (GD) to Shunde Multi-Media was RMB30,000 and RMB22,500, respectively.

The annual cap in respect of the Catering Service Agreement for the year ending 31 December 2021 is RMB30,000 (equivalent to approximately HK\$36,000). The basis of the annual cap in respect of the Catering Service Agreement is determined with reference to (i) the historical figures; and (ii) anticipated number of staff using the catering services after considering the expected manpower for production.

9. Dormitory Rental Agreement

Date:	31 December 2019
Parties:	Landlord – Shunde Multi-Media Tenant – PFC Device (GD)
Property:	Certain dormitory rooms at Bei Jiao Industrial Park, No.18 San Le Dong Road, Bei Jiao County, Shunde District, Foshan, the PRC (the “ Dormitory Premises ”)
Term:	From 1 January 2020 to 31 December 2022
Rent:	RMB1,000 and RMB3,000 per month respectively for a single room and an en suite at Block A of the Dormitory Premises; RMB1,000 and RMB600 per month respectively for an en suite room at Block B and a single room at Block C. PFC Device (GD) are charged based on actual number of dormitory rooms used
Basis of pricing:	With reference to market rent of the properties nearby and on normal commercial terms

For the year ended 31 December 2019 and the nine months ended 30 September 2020, the historical amount paid by PFC Device (GD) to Shunde Multi-Media was RMB144,000 and RMB99,900, respectively.

The annual caps in respect of the Dormitory Rental Agreement for each of the two years ending 31 December 2021 and 2022 is RMB172,000 (equivalent to approximately HK\$206,000) and RMB172,000 (equivalent to approximately HK\$206,000), respectively. The basis of the annual caps in respect of the Dormitory Rental Agreement is determined with reference to (i) the historical figures; and (ii) anticipated number of dormitory rooms used by PFC Device (GD) after considering the expected manpower for production.

REASONS FOR AND BENEFITS OF THE RENEWAL OF TENANCY AGREEMENTS AND SUBCONTRACTING AGREEMENT

The leased properties under the New Tenancy Agreements are the production workshop, factory, office and staff dormitory currently operated by the Group for its business. The Board considers that it would be beneficial to renew the tenancy agreements for the business operation of the Group, which would also save relocation and related costs.

The wafer backside process service is essential for the Group's production. Due to the close proximity of the operation of the Group and Guangdong Zhaoao, Guangdong Zhaoao can fulfil the Group's demands for wafer backside process services in terms of volume and quality in a timely manner. Hence, the Board considers that it would be beneficial to enter into the New Subcontracting Agreement.

Based on the foregoing, the Board (including all independent non-executive Directors but excluding Mr. Yung Kwok Kee Billy) is of the view that (i) the New Tenancy Agreements; and (ii) the New Subcontracting Agreement are entered into in the ordinary and usual course of the business of the Group, on normal commercial terms or better, the terms of which are fair and reasonable and are in the best interests of the Company and its Shareholders as a whole.

INFORMATION OF THE PARTIES

The Group is principally engaged in the design, manufacturing and sales of power discrete semiconductors under its own brand.

Shell Electric is principally engaged in investment holding and property leasing.

Shunde Multi-Media is principally engaged in the manufacturing and trading of laser printer components.

Xunsu Asset Management is principally engaged in property investment.

SMC Electric HK is principally engaged in the trading of electric fans and electric tools.

Guangdong Zhaoao is principally engaged in the provision of wafer backside process services.

GENERAL

As at the date of this announcement, Mr. Yung Kwok Kee Billy holds approximately 80.45% interest in Shell Electric, he has a material interest in the above continuing connected transactions. Mr. Yung Kwok Kee Billy has abstained from voting on the Board resolutions approving the New Tenancy Agreements and the New Subcontracting Agreement. Save as disclosed above, none of the Directors has a material interest in the continuing connected transactions and is required to abstain from voting on the relevant Board resolutions.

IMPLICATIONS UNDER THE GEM LISTING RULES

As at the date of this announcement, Shell Electric holds indirectly 58.65% of the issued share capital of the Company and is accordingly a controlling shareholder of the Company. Each of (i) Shunde Multi-Media; (ii) Xunsu Asset Management; and (iii) Guangdong Zhaoao, is an indirect wholly-owned subsidiary of Shell Electric, a controlling shareholder of the Company. SMC Electric HK is wholly owned by SMC Electric Limited, of which Shell Electric holds 75% issued shares in SMC Electric Limited. As such, the above companies are the associates of Shell Electric and are thus the connected persons of the Company under Chapter 20 of the GEM Listing Rules.

Under Chapter 20 of the GEM Listing Rules, in respect of New Tenancy Agreement 1 and New Tenancy Agreement 2, (a) the rental payments thereof constitute a connected transaction; and (b) the management fee payments thereof constitute continuing connected transactions for the Company. Furthermore, in respect of New Xunsu Tenancy Agreement 1, New Xunsu Tenancy Agreement 2, New Shell Tenancy Agreement and New Subcontracting Agreement, the entering into of the abovementioned agreements and the annual caps of which are required to be renewed, constitute continuing connected transactions for the Company.

Continuing Connected Transactions

The Group has previously entered into the Existing Agreements with the associates of Shell Electric, which constituted continuing connected transactions for the Company. Under Chapter 20 of the GEM Listing Rules, the relevant annual caps for the year ending 31 December 2021 in respect of the New Tenancy Agreements (inclusive of the annual caps for the management fee for the year ending 31 December 2021 under New Tenancy Agreement 1 and New Tenancy Agreement 2), the New Subcontracting Agreement and the Existing Agreements shall be aggregated in the calculation of the applicable percentage ratios.

Save for the aforesaid, the Group has not entered into any prior transaction with Shell Electric and/or any of its associates that is required to be aggregated.

As the applicable percentage ratios (other than profits ratio) in respect of the aggregated annual caps for the abovementioned continuing connected transactions for the year ending 31 December 2021 are less than 25% and the annual consideration is below HK\$10,000,000, pursuant to Chapter 20 of the GEM Listing Rules, the Company is required to comply with the reporting, announcement and annual review requirements, but is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements.

Connected Transaction

As all the applicable percentage ratios (other than profits ratio) with respect to the aggregate value of the right-of-use assets to be recognised under New Tenancy Agreement 1 and New Tenancy Agreement 2 is less than 5% and less than HK\$3,000,000, the rental payments under New Tenancy Agreement 1 and New Tenancy Agreement 2 constitute de minimis transactions pursuant to Rule 20.74(1)(c) of the GEM Listing Rules and are fully exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors of the Company
“Catering Service Agreement”	the agreement dated 31 December 2018 entered into between PFC Device (GD) and Shunde Multi-Media in relation to provision of catering services by Shunde Multi-Media to staff of PFC Device (GD)
“Company”	PFC Device Inc., company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company

“Dormitory Rental Agreement”	the agreement dated 31 December 2019 entered into between PFC Device (GD) and Shunde Multi-Media in relation to provision of dormitory rooms by Shunde Multi-Media to staff of PFC Device (GD)
“Existing Agreements”	collectively, (i) Catering Service Agreement; (ii) Dormitory Rental Agreement; and (iii) Supply Agreement
“GEM Listing Rules”	the Rule Governing the Listing of Securities on GEM made by the Stock Exchange from time to time
“Group”	the Company together with its subsidiaries from time to time
“Guangdong Zhaoao”	廣東兆傲電子有限公司 (Guangdong Zhaoao Electronics Company Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Shell Electric
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“HKFRS(s)”	Hong Kong Financial Reporting Standard(s) issued by the Hong Kong Institute of Certified Public Accountants from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or company(ies) and whose ultimate beneficial owner who/which is/are independent of the Directors, chief executive and substantial shareholders of the Company and its subsidiaries and any of their respective associates as defined in the GEM Listing Rules
“New Shell Tenancy Agreement”	the agreement dated 5 November 2020 entered into between PFC Device (HK) and Shell Electric in relation to lease of a portion of the 1st and 4th floor of Shell Industrial Building, 12 Lee Chung Street, Chai Wan, Hong Kong
“New Subcontracting Agreement”	the agreement dated 5 November 2020 entered into between PFC Device (GD) and Guangdong Zhaoao in relation to provision of wafer backside process services by Guangdong Zhaoao

“New Tenancy Agreements”	collectively, (i) New Tenancy Agreement 1; (ii) New Tenancy Agreement 2; (iii) New Xunsu Tenancy Agreement 1; (iv) New Xunsu Tenancy Agreement 2; and (v) New Shell Tenancy Agreement
“New Tenancy Agreement 1”	the agreement dated 5 November 2020 entered into between PFC Device (GD) and Shunde Multi-Media in relation to rental of certain factory spaces to PFC Device (GD) by Shunde Multi-Media
“New Tenancy Agreement 2”	the agreement dated 5 November 2020 entered into between PFC Device (GD) and Shunde Multi-Media in relation to rental of certain production spaces to PFC Device (GD) by Shunde Multi-Media
“New Xunsu Tenancy Agreement 1”	the agreement dated 5 November 2020 entered into between PFC Device (GD) and Xunsu Asset Management in relation to rental of office space to PFC Device (GD) by Xunsu Asset Management
“New Xunsu Tenancy Agreement 2”	the agreement dated 5 November 2020 entered into between PFC Device (GD) and Xunsu Asset Management in relation to rental of residential space to PFC Device (GD) by Xunsu Asset Management
“Original Subcontracting Agreement”	the agreement dated 1 January 2018 entered into between PFC Device (GD) and Guangdong Zhaoao in relation to provision of wafer backside process services by Guangdong Zhaoao

“Original Tenancy Agreements”	collectively, (i) the agreement dated 31 December 2019 entered into between PFC Device (GD) and Shunde Multi-Media in relation to rental of certain factory spaces to PFC Device (GD) by Shunde Multi-Media; (ii) the agreement dated 31 December 2019 entered into between PFC Device (GD) and Shunde Multi-Media in relation to rental of certain production spaces to PFC Device (GD) by Shunde Multi-Media; (iii) the agreement dated 1 January 2020 entered into between PFC Device (GD) and Xunsu Asset Management in relation to rental of office space to PFC Device (GD) by Xunsu Asset Management; (iv) the agreement dated 1 January 2020 entered into between PFC Device (GD) and Xunsu Asset Management in relation to rental of residential space to PFC Device (GD) by Xunsu Asset Management; and (v) the agreement dated 15 January 2020 entered into between PFC Device (HK) and Shell Electric in relation to lease of a portion of the 1st and 4th floor of Shell Industrial Building, 12 Lee Chung Street, Chai Wan, Hong Kong
“PFC Device (GD)”	廣東普福斯節能元件有限公司(Guangdong PFC Device Limited*), a company established in the PRC with limited liability, and an indirect wholly-owned subsidiary of the Company
“PFC Device (HK)”	PFC Device (HK) Limited, a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	Share(s) of HK\$0.01 each in the capital of the Company
“Shareholders”	holder of the Share(s)
“Shell Electric”	Shell Electric Holdings Limited, a company incorporated under the laws of Bermuda with limited liability, and a controlling shareholder of the Company
“Shunde Multi-Media”	佛山市順德區蜆華多媒體製品有限公司(Shunde SMC Multi-Media Products Company Limited*), a company established in the PRC and an indirect wholly-owned subsidiary of Shell Electric

“SMC Electric HK”	SMC Electric (HK) Limited, a company incorporated under the laws of Hong Kong and an indirect wholly-owned subsidiary of SMC Electric Limited (stock code: 2381) in which Shell Electric holds 75% of its issued shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supply Agreement”	the agreement dated 7 January 2019 entered into between PFC Device (HK) and SMC Electric HK in relation to sale of power discrete semiconductors or other products to SMC Electric HK
“US\$”	United States Dollars, the lawful currency of the United States of America
“Xunsu Asset Management”	迅速資產管理(深圳)有限公司 (Xunsu Asset Management (Shenzhen) Limited*), a company established in the PRC and an indirect wholly-owned subsidiary of Shell Electric
“%”	per cent

For the purpose of this announcement, the exchange rate between RMB and HK\$ is RMB1=HK\$1.2 and the exchange rate between US\$ and HK\$ is US\$1=HK\$7.8.

* *For identification purposes only*

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

Hong Kong, 5 November 2020

As at the date of this announcement, 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.

This announcement, for which the Directors collectively and individually 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 other matters the omission of which would make any statement herein or this announcement misleading. This announcement will remain on the GEM's website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the website of the Company at www.pfc-device.com.