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**(1) RESULTS OF RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY TWO (2) SHARES HELD
ON THE RECORD DATE
ON A NON-UNDERWRITTEN BASIS AND (2) ADJUSTMENTS TO
THE OUTSTANDING SHARE OPTIONS**

Reference is made to the prospectus of PFC Device Inc. (the “**Company**”) dated 8 June 2021 (the “**Prospectus**”) relating to the Rights Issue. Terms used herein shall have the same meanings as defined in the Prospectus unless otherwise stated.

RESULTS OF THE RIGHTS ISSUE

The Board is pleased to announce that as at 4:00 p.m. on Wednesday, 23 June 2021, being the latest time for acceptance of and payment for the Rights Shares and application and payment for the excess Rights Shares,

- (i) 2 valid acceptances of provisional allotments under the PALs were received for a total of 26,123,531 Rights Shares, representing approximately 64.6% of the maximum number of 40,450,806 Rights Shares being offered under the Rights Issue; and
- (ii) 2 valid applications for excess Rights Shares under the EAFs were received for a total of 17,210,608 Rights Shares, representing approximately 42.5% of the maximum number of 40,450,806 Rights Shares being offered under the Rights Issue.

In aggregate, 4 valid acceptances and applications in respect of 43,334,139 Rights Shares have been accepted and applied for under the PALs and EAFs, representing approximately 107.1% of the maximum number of 40,450,806 Rights Shares offered under the Rights Issue.

All conditions of the Rights Issue set out in the Prospectus have been fulfilled and the Rights Issue became unconditional. The gross proceeds raised from the Rights Issue are approximately HK\$32.4 million before expenses. The net proceeds of the Rights Issue will be applied in accordance with the proposed use of proceeds set out in the section headed “Reasons for the Rights Issue and the use of proceeds” in the Prospectus.

EXCESS APPLICATION

Based on the number of valid acceptances referred to above, 14,327,275 Rights Shares were available for subscription under the EAFs. A total number of 17,210,608 excess Rights Shares were applied for under the EAFs. In view of the over-subscription of the Rights Shares, as stated in the Prospectus, the Board will allocate the excess Rights Shares (if any) at their discretion on a fair and equitable basis on the principle that any excess Rights Shares will be allocated to the applying Qualifying Shareholders on a pro rata basis in proportion to the number of excess Rights Shares being applied for under each application. No reference will be made to the Rights Shares subscribed by the Qualifying Shareholders through applications by the PALs or the number of Shares held by Qualifying Shareholders. No preference will be given to topping-up odd lots to whole board lots. In this regard, the Board has resolved to allot and issue 14,327,275 Rights Shares to those who have applied for excess Rights Shares on a pro rata basis of approximately 83.25% of the number of excess Rights Shares applied for under each valid application.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Based on the information available to the Company and to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the shareholding structure of the Company immediately before and after completion of the Rights Issue is as follows:

Name of Shareholders	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Lotus Atlantic Limited (<i>Note</i>)	47,456,396	58.66	85,105,625	70.13
Other Shareholders	33,445,217	41.34	36,246,794	29.87
Total	<u>80,901,613</u>	<u>100.00</u>	<u>121,352,419</u>	<u>100.00</u>

Note: Lotus Atlantic Limited is an indirectly wholly-owned subsidiary of Shell Electric, which is owned as to approximately 80.5% by Red Dynasty Investments Limited. Mr. Yung, the chairman and the non-executive Director of the Company, is interested in 100% of the issued share capital of Red Dynasty Investments Limited.

DESPATCH OF SHARE CERTIFICATES FOR THE RIGHTS SHARES AND REFUND CHEQUES

It is expected that the share certificates for fully-paid Rights Shares and refund cheques for the partially unsuccessful application for excess Rights Shares will be posted to the Qualifying Shareholders on Friday, 2 July 2021 by ordinary post to their registered addresses at their own risk.

COMMENCEMENT OF DEALINGS OF RIGHTS SHARES IN FULLY-PAID FORM

Dealings in the Rights Shares, in their fully-paid form, are expected to commence on the Stock Exchange at 9:00 a.m. on Monday, 5 July 2021.

ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS

Upon completion of the Rights Issue and the issue of the Rights Shares, pursuant to the terms and conditions of the Share Option Scheme, the exercise prices and the number of Shares to be issued upon full exercise of the outstanding Share Options granted under the Share Option Scheme will be adjusted in the following manner (the “**Adjustments**”):

Date of grant	Exercise period	Before Adjustments		After Adjustments	
		Number of Shares to be issued upon full exercise of the outstanding Share Options	Exercise price per Share	Number of Shares to be issued upon full exercise of the outstanding Share Options	Exercise price per Share
22 March 2017	1 April 2017 to 31 March 2027	682,885	HK\$3.30	708,834	HK\$3.179

Merdeka Corporate Finance Limited has been appointed as the independent financial adviser to certify the Adjustments, which will take effect from Friday, 2 July 2021. Merdeka Corporate Finance Limited has reviewed the basis of the Adjustments and certified in writing that the Adjustments are in accordance with (i) the terms of the Share Option Scheme; (ii) Rule 23.03(13) of the GEM Listing Rules; and (iii) the supplementary guidance and appendix attached to the letter from the Stock Exchange dated 5 September 2005 relating to adjustments to share options.

By Order of the Board of
PFC Device Inc.
Yung Kwok Kee, Billy
Chairman

Hong Kong, 30 June 2021

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 website at <http://www.hkgem.com> on the “Latest Company Announcements” page for 7 days from the date of its posting and on the website of the Company at <http://www.pfc-device.com>.