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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **PFC Device Inc.** (the “Company”), you should at once hand this circular together with the enclosed proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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 circular 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 circular misleading.

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**PFC Device Inc.**  
**節能元件有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8231)**

**PROPOSALS FOR  
GENERAL MANDATES TO ISSUE SHARES AND  
TO REPURCHASE SHARES  
AND  
RE-ELECTION OF THE RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of **PFC Device Inc.** to be held at 1/F, Shell Industrial Building, 12 Lee Chung Street, Chai Wan, Hong Kong on Thursday, 6 May 2021 at 10:00 a.m. is set out on pages 13 to 16 of this circular. Whether or not you intend to attend the meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude shareholders from attending and voting at the meeting, or any adjourned meeting, should they so wish.

Your attention is drawn to the section headed “PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING” on page ii of this circular for measures to try to prevent and control the spread of the COVID-19 pandemic at the annual general meeting.

This circular will remain on GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least 7 days from the date of its publication and on the Company’s website at <http://www.pfc-device.com>.

30 March 2021

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## CHARACTERISTICS OF GEM

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GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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## PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

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In view of the ongoing novel Coronavirus (COVID-19) epidemic and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the AGM to protect attending shareholders, staff and other stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendees at the entrance of the AGM venue. Any person with a body temperature of over 37.4°C may be denied entry into the AGM venue or be required to leave the AGM venue.
- (ii) All Shareholders, proxies and other attendees are required to complete and submit at the entrance of the AGM venue a declaration form confirming their names, contact details and body condition, and state that whether they have travelled to any affected countries or areas outside Hong Kong in the preceding 21 days, or to their best knowledge had close contact with any confirmed cases, or have symptoms of flu, fever or pneumonia. Any such person may be denied entry into the AGM venue or be required to leave the AGM venue.
- (iii) Attendees are required to wear surgical face masks inside the AGM venue at all times, and to maintain a safe distance between seats.
- (iv) No refreshments will be served, and there will be no corporate gifts.

To the extent permitted under law, the Company reserves the right to deny entry into the AGM venue or require any person to leave the AGM venue in order to ensure the safety of the attendees at the AGM.

In the interest of all stakeholders' health and safety, the Company reminds all Shareholders that physical attendance in person at the AGM is not necessary for the purpose of exercising voting rights. As an alternative, strongly recommended by using a form of proxy with voting instructions inserted, Shareholders, particularly those who are subjected to quarantine, may appoint the Chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM instead of attending the AGM in person.

Subject to the development of COVID-19, the Company may implement further changes to the arrangement of the AGM as appropriate and precautionary measures and may issue further announcement on such measures as appropriate.

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## DEFINITIONS

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*In this circular, the following expressions shall have the following meanings unless the context requires otherwise:*

“AGM”	the annual general meeting of the Company to be held at 1/F, Shell Industrial Building, 12 Lee Chung Street, Chai Wan, Hong Kong, on Thursday, 6 May 2021 at 10:00 a.m.
“Articles of Association”	the articles of association of the Company adopted on 19 September 2016 and with effect from 7 October 2016 and as amended from time to time
“Board”	the board of Directors
“Company”	PFC Device Inc. (節能元件有限公司), a company incorporated in the Cayman Islands on 2 March 2016 as an exempted company with limited liability, the Shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawfully currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	23 March 2021, being the latest practicable date for ascertaining certain information contained in this circular prior to its publication
“Repurchase Resolution”	the proposed ordinary resolution as referred to in ordinary resolution no. 5 of the notice of the AGM
“SFO”	the Securities and Futures Ordinance (Cap. 571 Laws of Hong Kong), as amended, supplemented or modified from time to time
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of the Shares

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## DEFINITIONS

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“Share Issue Mandate”	the general mandate to allot, issue and deal with Shares not exceeding 20% of the total number of issued Shares as at the date of passing of the Shareholders’ resolution approving the Share Issue Mandate
“Share Option Scheme”	the share option scheme adopted by the Company on 19 September 2016
“Share Repurchase Mandate”	the general mandate to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the total number of issued Shares as at the date of passing of the Shareholders’ resolution approving the Share Repurchase Mandate
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs
“%”	per cent.

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## LETTER FROM THE BOARD

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# PFC Device Inc.

## 節能元件有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8231)**

*Executive Directors:*

Mr. Hong James Man-fai (*Chief Executive Officer*)  
Mr. Chow Kai Chiu, David

*Non-executive Directors:*

Mr. Yung Kwok Kee, Billy (*Chairman*)  
Mr. Tang Che Yin

*Independent Non-executive Directors:*

Mr. Lam, Peter  
Mr. Leung Man Chiu, Lawrence  
Mr. Fan Yan Hok, Philip

*Registered Office:*

Windward 3, Regatta Office Park,  
PO Box 1350,  
Grand Cayman KY1-1108,  
Cayman Islands

*Principal place of business  
in Hong Kong:*

1/F, Shell Industrial Building,  
12 Lee Chung Street,  
Chai Wan, Hong Kong

30 March 2021

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR  
GENERAL MANDATES TO ISSUE SHARES AND  
TO REPURCHASE SHARES  
AND  
RE-ELECTION OF THE RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

### **INTRODUCTION**

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM relating to the granting to the Directors of the Share Issue Mandate, the Share Repurchase Mandate, the extension of the Share Issue Mandate and the re-election of retiring Directors; and to seek your approval of the relevant ordinary resolutions relating to these matters at the AGM.

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## LETTER FROM THE BOARD

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### SHARE ISSUE MANDATE

On 11 May 2020, an ordinary resolution was passed by the Shareholders to give a general mandate to the Directors to exercise all the powers of the Company to allot, issue and deal with Shares. Such mandate will lapse at the conclusion of the AGM. It is therefore proposed to renew such mandate at the AGM.

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,618,032,277 Shares. Subject to passing of the resolution approving the Share Issue Mandate and on the basis that no further Shares are issued prior to the AGM, the Company would be allowed under the resolution approving the Share Issue Mandate to issue a maximum of 323,606,455 Shares representing not more than 20% of the total number of issued Shares as at the Latest Practicable Date.

Details of the Share Issue Mandate and the extension of the Share Issue Mandate are set out in ordinary resolutions as referred to in resolutions nos. 4 and 6 respectively of the notice of the AGM.

### SHARE REPURCHASE MANDATE

On 11 May 2020, an ordinary resolution was passed by the Shareholders to give a general mandate to the Directors to exercise all the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the AGM. It is therefore proposed to renew such mandate at the AGM.

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,618,032,277 Shares. Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the date of passing the Repurchase Resolution, the maximum number of Shares which may be repurchased pursuant to the Share Repurchase Mandate as at the date of passing the Repurchase Resolution will be 161,803,227 Shares representing not more than 10% of the total number of issued Shares as at the Latest Practicable Date.

An explanatory statement as required under the GEM Listing Rules, giving certain information regarding the Share Repurchase Mandate, is set out in Appendix I to this circular.

### RE-ELECTION OF RETIRING DIRECTORS

The Board currently comprises seven Directors, namely Mr. Hong James Man-fai, Mr. Chow Kai Chiu, David, Mr. Yung Kwok Kee, Billy, Mr. Tang Che Yin, Mr. Lam, Peter, Mr. Leung Man Chiu, Lawrence and Mr. Fan Yan Hok, Philip.

In accordance with the Articles of Association, Mr. Chow Kai Chiu, David, Mr. Yung Kwok Kee, Billy and Mr. Lam, Peter will retire by rotation at the AGM and, being eligible, offer themselves for re-election.



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## LETTER FROM THE BOARD

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The nomination committee of the Company had assessed and reviewed the annual written confirmation of independence of each of the independent non-executive Directors for the year ended 31 December 2020 based on the independence criteria as set out in rule 5.09 of the GEM Listing Rules, including Mr. Lam, Peter, remain independent. The nomination committee of the Company had considered and nominated the above retiring Directors to the Board for it to propose to the Shareholders for re-election at the AGM.

Having regard to the experience, skills and expertise as well as the overall board diversity of the Company, the nomination committee of the Company recommended re-election of the aforesaid retiring Directors to the Board. Accordingly, the Board has proposed that each of the above retiring Directors, namely Mr. Chow Kai Chiu, David, Mr. Yung Kwok Kee, Billy and Mr. Lam, Peter stand for re-election as Director by way of separate resolution at the AGM.

Biographical details of the above retiring Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

### **ANNUAL GENERAL MEETING**

At the AGM, ordinary resolutions will be proposed to approve the Share Issue Mandate, the Repurchase Mandate, the extension of the Share Issue Mandate and the re-election of retiring Directors. The notice of the AGM is set out on pages 13 to 16 of this circular.

### **VOTING BY WAY OF POLL**

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the Chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the meeting will therefore demand a poll for every resolution put to the vote of the AGM pursuant to Article 72 of the Articles of Association and the Company will announce the results of the poll in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

### **ACTION TO BE TAKEN**

A proxy form for use at the AGM is enclosed herein. Whether or not you intend to attend the AGM, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the AGM, or any adjourned meeting, should you so wish.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Directors believe that the granting of the Share Issue Mandate, the Share Repurchase Mandate, the extension of the Share Issue Mandate and the re-election of the retiring Directors are in the best interests of the Company as well as the Shareholders as a whole. Accordingly, the Directors recommend that all the Shareholders should vote in favour of all the relevant resolutions relating to aforesaid matters.

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

*This appendix serves as an explanatory statement, as required by the GEM Listing Rules, to provide requisite information to you for your consideration of the proposal to permit the repurchase of Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing the Repurchase Resolution.*

## **1. EXERCISE OF THE SHARE REPURCHASE MANDATE**

Exercise in full of the Share Repurchase Mandate, on the basis of 1,618,032,277 Shares in issue at the Latest Practicable Date, would result in up to 161,803,227 Shares (which will be fully paid and represent 10% of the total issued Shares in issue as at the Latest Practicable Date) being repurchased by the Company during the course of the period prior to the earliest of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or applicable laws of the Cayman Islands to be held; or (iii) the passing of any ordinary resolution of the Shareholders in general meeting of the Company revoking, varying or renewing the Share Repurchase Mandate.

## **2. REASONS FOR REPURCHASES**

Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole. Such repurchases may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share.

## **3. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the memorandum of association of the Company, the Articles of Association and the Companies Laws of the Cayman Islands and any the applicable laws and regulations. Pursuant to the Share Repurchase Mandate, repurchases will be made out of funds of the Company legally permitted to be utilised in this connection, including funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase. In the case of any premium payable on the repurchase, out of funds of the Company which would otherwise be available for dividend or distribution or out of the share premium account of the Company. The Company may not repurchase securities on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of GEM prevailing from time to time.

## **4. GENERAL**

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the annual report of the Company for the year ended 31 December 2020) in the event that the Share Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Share Repurchase Mandate in accordance with the GEM Listing Rules, the memorandum of association of the Company, the Articles of the Association and all applicable laws of the Cayman Islands in force from time to time.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates (as defined in the GEM Listing Rules), has any present intention, if the Share Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company or its subsidiaries.

No core connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Share Repurchase Mandate is exercised.

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the interest of the Shareholder(s), could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of a repurchase of Shares made under the Share Repurchase Mandate.

As at the Latest Practicable Date, Mr. Yung Kwok Kee, Billy through Lotus Atlantic Limited, a company which is an indirect wholly-owned by Mr. Yung Kwok Kee, Billy, was beneficially interested in 949,127,925 Shares, representing approximately 58.65% of the issued share capital of the Company.

In the event that the Directors exercise in full the power to repurchase Shares under the Share Repurchase Mandate, the shareholding of Mr. Yung Kwok Kee, Billy would be increased to approximately 65.17% of the issued share capital of the Company.

The Directors are not aware of any consequence under the Takeovers Code as a result of a repurchase of Shares made under the Share Repurchase Mandate and have no present intention to exercise the power to repurchase Shares pursuant to the Share Repurchase Mandate to such an extent as to result in takeover obligations.

The Directors will not exercise the Share Repurchase Mandate if the repurchase would result in the number of Shares which are in the hands of the public falling below 25% of the total number of Shares in issue (or such other percentage as may be prescribed as the minimum public shareholding under the GEM Listing Rules).

Any repurchase of Shares which results in the number of Shares held by the public being reduced to less than 25% could only be implemented with the approval of the Stock Exchange to waive the GEM Listing Rules requirements regarding the public shareholding. However, the Directors have no current intention to exercise the Repurchase Mandate to such an extent as would give rise to this obligation. In any event, the Company will not repurchase Shares which would result in the amount of Shares held by the public being reduced to less than 25%.

**5. SHARES PURCHASED BY THE COMPANY**

No repurchase of Shares has been made by the Company (whether on GEM or otherwise) in the six months preceding the Latest Practicable Date.

**6. SHARE PRICES**

The highest and lowest traded prices of which the Shares were traded on the Stock Exchange during each of the previous 12 months preceding the Latest Practicable Date were as follows:

	<b>Highest Traded Price</b>	<b>Shares Lowest Traded Price</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2020</b>		
March	0.044	0.022
April	0.036	0.025
May	0.048	0.029
June	0.042	0.026
July	0.124	0.031
August	0.060	0.035
September	0.056	0.035
October	0.041	0.032
November	0.041	0.033
December	0.099	0.033
<b>2021</b>		
January	0.080	0.050
February	0.073	0.048
March (up to the Latest Practicable Date)	0.063	0.048

*The following are the particulars of the retiring Directors proposed to be re-elected at the AGM:*

**Mr. Chow Kai Chiu, David**, aged 56, Chartered Financial Analyst, joined the Group in 2006 and was appointed as an executive Director on 21 March 2016. Mr. Chow received his Bachelor degree of Applied Science in Computer Engineering and his Master's degree in Business Administration from the University of Waterloo and York University, Canada. He has previously held positions at First Marathon Securities Limited in Canada, Asian Capital Partners, and HSBC Private Equity (Asia) Limited in the corporate finance and investment management field. He is also a director of all subsidiaries of the Group and the Deputy Chief Executive of Shell Electric Holdings Limited.

Save as disclosed above, Mr. Chow has not held any directorship in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas, and is not connected with any other directors, senior management or substantial or controlling shareholders of the Company and has not held any other position with any members of the Group.

As at the Latest Practicable Date, Mr. Chow held a direct interest in 2,703,838 Shares, representing 0.17% of the issued share capital of the Company within the meaning of Part XV of the SFO.

Mr. Chow entered into a service contract with the Company for an initial fixed term of 3 years from 7 October 2016 which has been renewed for a term of further 3 years from 7 October 2019. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. During the year ended 31 December 2020, Mr. Chow received a director's fee of HK\$20,000 which is reviewed by the Board and the remuneration committee of the Company and determined by the Board with reference to market rates, his performance, qualifications and experience.

Save as disclosed above, Mr. Chow has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there is no information to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

**Mr. Yung Kwok Kee, Billy**, aged 67, was appointed as a Director on 2 March 2016 and was re-designated as a non-executive Director and Chairman of the Board on 19 September 2016. Mr. Yung is primarily responsible for the strategic direction and overall management of the strategic planning of the Group. Mr. Yung is the chairman of the nomination committee and a member of both the audit committee and the remuneration committee of the Company. He is a substantial shareholder of the Company. He is also a director of a number of the subsidiaries of the Group.

Mr. Yung obtained a bachelor degree in Electrical Engineering from University of Washington, USA and a master degree in Industrial Engineering from Stanford University, USA. Mr. Yung has over 40 years of experience in managing manufacturing, transportation, property investment and development, semiconductor and computer hardware and software businesses in China, Hong Kong and USA. Prior to founding the Group, Mr. Yung has been the executive director of Shell Electric Mfg. (Holdings) Co. Ltd. from 1973 to 2010, now known as China Overseas Grand Oceans Group Ltd., which shares are listed on the Main Board of the Stock Exchange (stock code: 0081). Since 27 February 2010, Mr. Yung has become a non-executive Director and Vice Chairman of the Board of that company. Mr. Yung has been the Chairman and the Chief Executive of Shell Electric Holdings Limited since 2009. Mr. Yung is currently a non-executive director and chairman of the board of directors of SMC Electric Limited, whose shares are listed on the Main Board of the Stock Exchange (stock code: 2381). Mr. Yung is currently the Permanent Honorary President of Friends of Hong Kong Association Ltd., the Honorary President of Shun Tak Fraternal Association, a member of Senior Police Call Central Advisory Board and was awarded the Honorary Citizen of the City of Guangzhou and the Honorary Citizen of the City of Foshan.

Save as disclosed above, Mr. Yung has not held any directorship in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas, and is not connected with any other directors, senior management or substantial or controlling shareholders of the Company and has not held any other position with any members of the Group.

As at the Latest Practicable Date, Mr. Yung through Lotus Atlantic Limited, a company which is an indirect wholly-owned by Mr. Yung, was beneficially interested in 949,127,925 Shares, representing approximately 58.65% of the issued share capital of the Company within the meaning of Part XV of the SFO.

Mr. Yung entered into a service contract with the Company for an initial fixed term of 3 years from 7 October 2016 which has been renewed for a term of further 3 years from 7 October 2019. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. During the year ended 31 December 2020, Mr. Yung received a director's fee of HK\$20,000 which is reviewed by the Board and the remuneration committee of the Company and determined by the Board with reference to market rates, his performance, qualifications and experience.

Save as disclosed above, Mr. Yung has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there is no information to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

**Mr. Lam, Peter**, aged 68, was appointed as an independent non-executive Director on 19 September 2016. He is also a member of both the remuneration committee and the nomination committee of the Company. Mr. Lam received a Bachelor degree in Civil Engineering from Lehigh University and a Master degree in Construction Management from Stanford University. He is the President of Lam Construction Group Limited. He has over 30 years of experience in construction, project management and real estate development.

Save as disclosed above, Mr. Lam has not held any directorship in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas, and has not held any other position with any members of the Group.

As at the Latest Practicable Date, Mr. Lam did not have any interest in Share within the meaning of Part XV of the SFO.

Mr. Lam has given his written annual independence to the Company and the nomination committee of the Company had assessed and reviewed it based on the independence criteria as set out in rule 5.09 of the GEM Listing Rules. He does not have any other relationships with any directors, senior management, management shareholders, substantial shareholders, or controlling shareholders of the Company. The Board is also not aware of any circumstance that might influence Mr. Lam in exercising independent judgment, and is satisfied that he has the required character, integrity, independence and experience to fulfill the role of an independent non-executive Director and he will be able to maintain an independent view of the Group's affairs. The Board considers him to be independent.

The Board is of the view that Mr. Lam is beneficial to the Board with diversity of his comprehensive business experience that contributes to invaluable expertise, continuity and stability to the Board and the Company has benefited greatly from his contribution and valuable insights derived from his in-depth knowledge of the Company. The Board believes that he will continue to contribute effectively to the Board.

Mr. Lam entered into an appointment letter with the Company for an initial fixed term of 3 years from 7 October 2016 which has been renewed for a term of further 3 years from 7 October 2019. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. During the year ended 31 December 2020, Mr. Lam received a director's fee of HK\$180,000 which is reviewed by the Board and the remuneration committee of the Company and determined by the Board with reference to market rates, his performance, qualifications and experience.

Save as disclosed above, Mr. Lam has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there is no information to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules.



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## NOTICE OF ANNUAL GENERAL MEETING

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# PFC Device Inc.

## 節能元件有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8231)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**AGM**”) of PFC Device Inc. (the “**Company**”) will be held at 1/F, Shell Industrial Building, 12 Lee Chung Street, Chai Wan, Hong Kong on Thursday, 6 May 2021 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements for the year ended 31 December 2020 and the report of the directors and the independent auditor’s report.
2. (a) To re-elect the following retiring directors of the Company (the “**Directors**”):
  - (i) to re-elect Mr. Chow Kai Chiu, David, as an executive Director;
  - (ii) to re-elect Mr. Yung Kwok Kee, Billy as a non-executive Director;
  - (iii) to re-elect Mr. Lam, Peter as an independent non-executive Director; and
- (b) To authorise the board of Directors (the “**Board**”) to fix the remuneration of Directors.
3. To re-appoint BDO Limited as auditor of the Company for the ensuing year and to authorise the Board to fix the remuneration of auditor.

To consider and, if thought fit, pass the following resolutions, with or without amendments, as ordinary resolutions of the Company by way of ordinary business:

### ORDINARY RESOLUTIONS

4. “**THAT:**
  - (a) subject to paragraph (c) of this Resolution, and pursuant to the Rules Governing the Listing of Securities (the “**GEM Listing Rules**”) on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with unissued shares of HK\$0.01 each in the share capital of the Company (the “**Shares**”) and to make or grant offers, agreements and options (including but not limited to bonds, warrants, debentures, notes and any securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including but not limited to bonds, warrants, debentures, notes and any securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such power either during or after the end of the Relevant Period;
- (c) the total number of Shares allotted, issued and dealt or agreed conditionally or unconditionally to be allotted, issued and dealt (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolutions (otherwise than pursuant to (i) a rights issue, (ii) an issue of Shares upon the exercise of any subscription or conversion rights attaching to any bonds, warrants, debentures, notes or any securities which carry rights to subscribe for or are convertible into Shares, (iii) an issue of Shares upon the exercise of any options which may be granted under the share option scheme or any other option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of the subsidiaries of the Company or any other person of Shares or rights to acquire Shares, (iv) any scrip dividend schemes or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company, or (v) a specific authority granted by the Shareholders in general meeting) shall not exceed 20% of the total number of Shares in issue as at the date of passing this Resolution (such total number to be subject to adjustment in the case of any conversion of all or any of the Shares into larger or smaller number of shares after the passing of this Resolution) and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution,

“**Relevant Period**” means the period from the passing of this Resolution, until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association the Company or any applicable laws of the Cayman Islands to be held; or
- (iii) the passing of any ordinary resolution of the shareholders in general meeting of the Company revoking, varying or renewing this Resolution; and

“**Rights Issue**” means an offer of Shares open for a period fixed by the Directors to holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

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## NOTICE OF ANNUAL GENERAL MEETING

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5. **“THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares on GEM or on any other stock exchange on which the Shares may be listed and which is recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the GEM Listing Rules or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the total number of Shares to be repurchased pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10% of the total number of Shares in issue as at the date of passing this Resolution (such total number to be subject to adjustment in the case of any conversion of all or any of the Shares into larger or smaller number of shares after the passing of this Resolution) and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution:

**“Relevant Period”** means the period from the passing of this Resolution, until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of the Cayman Islands to be held; or
- (iii) the passing of any ordinary resolution of the shareholders in general meeting of the Company revoking, varying or renewing the Resolution.”

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## NOTICE OF ANNUAL GENERAL MEETING

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6. “**THAT** subject to the passing of ordinary resolutions nos. 4 and 5 above, the general mandate granted to the Directors pursuant to ordinary resolution no. 4 above be and is hereby extended by the addition to the total number of shares of the Company in issue which may be allotted, issued, dealt with or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the total number of Shares repurchased by the Company pursuant to ordinary resolution no. 5 above, provided that such extended amount shall not exceed 10% of the total number of Shares in issue as at the date of passing this Resolution (such total number to be subject to adjustment in the case of any conversion of all or any of the Shares into larger or smaller number of shares after the passing of this Resolution).”

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

Hong Kong, 30 March 2021

*Notes:*

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies (if a member who is the holder of two or more shares of the Company) to attend and vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. The register of members of the Company will be closed from Friday, 30 April 2021 to Thursday, 6 May 2021, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attendance of the meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 29 April 2021.
4. With regard to resolution no. 2(a) set out in this notice, details of the retiring Directors are set out in Appendix II to the circular of the Company dated 30 March 2021.
5. In connection with the proposed repurchase mandate under ordinary resolution no. 5, an explanatory statement as required by the GEM Listing Rules is set out in Appendix I to the circular of the Company dated 30 March 2021.
6. As at the date of this notice, 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.
7. **PRECAUTIONARY MEASURES FOR THE AGM**

Please see page ii of the circular dated 30 March 2021 for measures being taken to try to prevent and control the spread of the Coronavirus at the AGM, including:

- compulsory temperature checks and health declarations
- compulsory wearing of surgical face masks
- no distribution of corporate gifts and refreshments

Any person who does not comply with the precautionary measures may be denied entry into the AGM venue. Attendees are compulsory to bring and wear own surgical face masks and Shareholders may appoint the Chairman of the meeting as their proxy to vote on the relevant resolutions at the AGM instead of attending the AGM in person.