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Lotus Atlantic Limited
*(Incorporated in the British Virgin Islands
with limited liability)*

 **PFC Device Inc.**
節能元件有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8231)

Financial adviser to the Offeror

 **SOMERLEY CAPITAL LIMITED**

Independent Financial Adviser to the Independent Board Committee

ALTUS CAPITAL LIMITED

JOINT ANNOUNCEMENT

**(1) THE PROPOSAL FOR THE PRIVATISATION OF
PFC DEVICE INC. BY LOTUS ATLANTIC LIMITED
BY WAY OF A SCHEME OF ARRANGEMENT UNDER
SECTION 86 OF THE COMPANIES ACT OF THE CAYMAN ISLANDS**

(2) OPTION OFFER

(3) PROPOSED WITHDRAWAL OF LISTING

**(4) RESULTS OF THE COURT MEETING AND THE EGM
AND**

(5) CLOSURE OF THE REGISTER OF MEMBERS

RESULTS OF THE COURT MEETING AND THE EGM

On Wednesday, 16 February 2022, the resolution to approve the Scheme was approved by the Disinterested Shareholders at the Court Meeting.

On Wednesday, 16 February 2022, the (i) special resolution to approve and give effect to the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares as a result of the Scheme; and (ii) the ordinary resolution to immediately thereafter increase the number of Shares in the issued share capital of the Company to the number prior to the cancellation and extinguishment of the Scheme Shares by an application of the reserve created as a result of the aforesaid cancellation and extinguishment of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme, credited as fully paid, to be allotted and issued to the Offeror, were approved by the Shareholders at the EGM.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining those Scheme Shareholders who are qualified for entitlements under the Scheme, the register of members of the Company will be closed from Friday, 4 March 2022 onwards. No transfer of Shares will be effected on or after such day.

INTRODUCTION

Reference is made to the scheme document dated 21 January 2022 jointly issued by the Offeror and the Company in relation to, among others, the Proposal (including the Option Offer) and the Scheme (the “**Scheme Document**”), the notice of court meeting (the “**Court Meeting**”) and the notice of extraordinary general meeting (the “**EGM**”) both dated 21 January 2022 and the announcement jointly issued by the Offeror and the Company dated 15 February 2022 in relation to, among others, the arrangement of the Court Meeting and the EGM. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Scheme Document.

RESULTS OF THE COURT MEETING

The Court Meeting was held at 1/F., Shell Industrial Building, 12 Lee Chung Street, Chai Wan, Hong Kong on Wednesday, 16 February 2022 at 9:00 a.m. (Hong Kong time) and via online and telephone conferencing for the purpose of considering and, if thought fit, approving the Scheme (with or without modification).

For the purposes of Section 86 of the Companies Act, the Scheme must be approved (by way of poll) by a majority in number of the Disinterested Shareholders as at the Meeting Record Date representing not less than 75% of the votes attaching to the Disinterested Scheme Shares held by the Disinterested Shareholders on the Meeting Record Date, present and voting either in person or by proxy at the Court Meeting.

For the purposes of Rule 2.10 of the Takeovers Code, the approvals required to be obtained at the Court Meeting in respect of the Scheme were as follows:

- (i) the approval of the Scheme (by way of poll) by the Disinterested Shareholders holding at least 75% of the votes attaching to the Disinterested Scheme Shares held by the Disinterested Shareholders present and voting either in person or by proxy at the Court Meeting; and
- (ii) the number of votes cast (by way of poll) by the Disinterested Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting being not more than 10% of the votes attaching to all of the Disinterested Scheme Shares held by all the Disinterested Shareholders.

The poll results in respect of the resolution to approve the Scheme at the Court Meeting were as follows:

	Number of votes cast in person or by proxy (%) <i>(Note 2)</i>		
	Total	FOR the Scheme <i>(Note 3)</i>	AGAINST the Scheme <i>(Note 3)</i>
Number of Disinterested Shareholders who attended and voted either in person or by proxy at the Court Meeting <i>(Note 1)</i>	29	29	0
Number of Disinterested Scheme Shares voted by the Disinterested Shareholders in person or by proxy at the Court Meeting <i>(Note 2)</i>	2,461,500 (100%)	2,461,500 (100%)	0 (0%)
Approximate percentage of (i) the number of votes cast by the Disinterested Shareholders against the Scheme (being 0 Disinterested Scheme Shares) over (ii) the number of votes attaching to all the Disinterested Scheme Shares held by all the Disinterested Shareholders (being 35,648,021 Disinterested Scheme Shares) <i>(Note 2)</i>			0%

Notes:

1. For the purpose of calculating whether or not the requirement that a majority in number of the Disinterested Shareholders approve the Scheme under Section 86(2) of the Companies Act, HKSCC Nominees is permitted to vote once for and once against the Scheme in accordance with the instructions received by it from CCASS Participants. HKSCC Nominees has been counted as voting once “for” the Scheme.
2. The percentage figures are rounded to two decimal places.
3. The full text of the resolution is set out in the notice of Court Meeting, which is included in the Scheme Document.

Accordingly, the resolution proposed at the Court Meeting to approve the Scheme was duly passed in accordance with the requirements of both Section 86 of the Companies Act and Rule 2.10 of the Takeovers Code.

As at the date of the Court Meeting:

- (i) the total number of Shares in issue was 121,352,419 Shares;
- (ii) the total number of Scheme Shares was 36,246,794, representing approximately 29.87% of the issued share capital of the Company;
- (iii) the total number of Disinterested Scheme Shares held by the Disinterested Shareholders entitled to be voted at the Court Meeting in respect of the Scheme was 35,648,021, representing approximate 29.38% of the issued share capital of the Company;

As at the date of the Court Meeting, the Offeror and the Offeror Concert Parties, held, controlled or directed 85,704,398 Shares, representing approximately 70.62% of the issued Shares as at the date of the Court Meeting. The Shares held, controlled or directed by the Offeror will not form part of the Scheme Shares; and the Shares held, controlled or directed by the Offeror and the Offeror Concert Parties have not been voted at the Court Meeting.

Save as disclosed above, no Scheme Shareholder was required to abstain from voting on the Scheme at the Court Meeting in accordance with the Takeovers Code or the GEM Listing Rules (including Rule 17.47A of the GEM Listing Rules); nor did any Scheme Shareholder indicate in the Scheme Document any intention to vote against or to abstain from voting in respect of the Scheme at the Court Meeting.

For the purpose of calculating whether or not the requirement that a “majority in number” of the Disinterested Shareholders approve the Scheme under Section 86(2) of the Companies Act, HKSCC Nominees is permitted to vote once for and once against the Scheme in accordance with the instructions received by it from CCASS Participants.

A total of 3 CCASS Participants holding 2,141,500 Disinterested Scheme Shares voted in favour of the resolution to approve the Scheme; and a total of 0 CCASS Participants holding 0 Disinterested Scheme Shares voted against the resolution to approve the Scheme at the Court Meeting. Accordingly, for the purpose of calculating the “majority in number” requirement, HKSCC Nominees has been counted as voting once “for” the Scheme.

Tricor Investor Services Limited, being the Company’s branch share registrar in Hong Kong, acted as the scrutineer for the vote-taking at the Court Meeting.

RESULTS OF THE EGM

The EGM was held at 1/F., Shell Industrial Building, 12 Lee Chung Street, Chai Wan, Hong Kong on Wednesday, 16 February 2022 at 10:00 a.m. and via online and telephone conferencing for the purpose of considering and, if thought fit, approving the resolutions as set out in the notice of the EGM dated 21 January 2022.

The poll results in respect of the special resolution and ordinary resolutions proposed at the EGM were as follows:

	Number of votes cast in person or by proxy (%) <i>(Note 2)</i>		
	Total	For	Against
Special Resolution			
To consider and approve, amongst others, the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares <i>(Note 1)</i>	88,877,125 (100%) (representing approximately 73.24% of the total number of Shares)	88,877,125 (100%)	0 (0%)
Ordinary Resolution			
To consider and approve, amongst others, the restoration of the number of issued ordinary shares in share capital of the Company <i>(Note 1)</i>	88,877,125 (100%) (representing approximately 73.24% of the total number of Shares)	88,877,125 (100%)	0 (0%)

Notes:

1. The full text of the resolution is set out in the notice of EGM, which is included in the Scheme Document.
2. The percentage figures are rounded to two decimal places.

Accordingly,

- (i) the special resolution to approve and give effect to the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares as a result of the Scheme was duly passed by a majority of not less than $\frac{3}{4}$ of the votes cast by the Shareholders present and voting (either in person or by proxy) at the EGM; and
- (ii) the ordinary resolution to approve and give effect to the increase in the number of Shares in the issued share capital of the Company to the number prior to the cancellation and extinguishment of the Scheme Shares by an application of the reserve created as a result of the aforesaid cancellation and extinguishment of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme, credited as fully paid, to be allotted and issued to the Offeror, was duly passed by more than 50% of the votes cast by Shareholders present and voting (either in person or by proxy) at the EGM.

The total number of Shares entitling the holders to attend and vote for or against the special resolution and the ordinary resolution either in person or by proxy at the EGM was 121,352,419 Shares, representing 100% of the issued share capital of the Company as at the date of the EGM. No Shareholder was required to abstain from voting on either the special or ordinary resolutions in accordance with the Takeovers Code or the GEM Listing Rules (including Rules 17.47A of the GEM Listing Rules); nor did any person indicate in the Scheme Document any intention to vote against or to abstain from voting the resolutions at the EGM.

Tricor Investor Services Limited acted as the scrutineer for the vote-taking at the EGM.

The attendance record of the Directors at the Court Meeting and the EGM was as follows:

- the executive Director, Mr. Chow Kai Chiu, David; the non-executive Director, Mr. Yung Kwok Kee, Billy; and the independent non-executive Director, Mr. Leung Man Chiu, Lawrence attended the Court Meeting and the EGM in person; and
- the executive Director, Mr. Hong James Man-fai; the non-executive Director, Mr. Tang Che Yin; and the independent non-executive Directors, Mr. Lam, Peter and Mr. Fan Yan Hok, Philip, attended the Court Meeting and the EGM by online conferencing.

CLOSURE OF THE REGISTER OF MEMBERS

For the purpose of determining those Scheme Shareholders who are qualified for entitlements under the Scheme, the register of members of the Company will be closed from Friday, 4 March 2022 onwards.

In order to qualify for entitlements under the Scheme, the Scheme Shareholders should ensure that all forms of transfer of the relevant Scheme Shares accompanied by the relevant Share certificate are lodged with the Share Registrar for registration by no later than 4:30 p.m. on Thursday, 3 March 2022.

Upon closure of register, no transfer of Shares will be effected.

PROPOSED WITHDRAWAL OF THE LISTING OF SHARES ON GEM OF THE STOCK EXCHANGE

Assuming that the Conditions are satisfied or waived (as applicable), it is expected that the Scheme will become effective on or around Wednesday, 23 March 2022 (Cayman Islands time); and the listing of the Shares on GEM of the Stock Exchange will be withdrawn with effect from 4:00 p.m. on Friday, 25 March 2022.

Further announcement will be made jointly by the Company and the Offeror in relation to the results of the Court hearing of the petition to sanction the Scheme, the Effective Date, the result of the Option Offer and the date of the withdrawal of listing on GEM of the Stock Exchange.

EXPECTED TIMETABLE

Shareholders should note that the expected timetable set out below is indicative only and is subject to change. Further announcement(s) will be made if there is any change to the expected timetable below.

<i>Event</i>	<i>Date</i>
Expected latest time of trading in the Shares on the Stock Exchange	4:10 p.m. on Friday, 18 February 2022
Latest time for the Option Holders to exercise their Share Options to qualify for entitlements under the Scheme	4:30 p.m. on Thursday, 3 March 2022
Latest time for lodging transfers of Shares in order to qualify for the entitlements under the Scheme	4:30 p.m. on Thursday, 3 March 2022
Register of members of the Company in respect of the Shares closed for determining entitlements to qualify under the Scheme (<i>Note 1</i>)	From Friday, 4 March 2022 onwards

<i>Event</i>	<i>Date</i>
Court hearing of the petition to sanction the Scheme and to confirm the issued share capital reduction	Tuesday, 8 March 2022 (Cayman Islands time)
Announcement of: (i) the result of the court hearing; (ii) the expected Effective Date; (iii) the expected date of withdrawal of listing of the Shares on GEM of the Stock Exchange; and (iv) the Option Offer becoming unconditional	Wednesday, 9 March 2022
Scheme Record Date	Wednesday, 23 March 2022
Share Option Record Date	Wednesday, 23 March 2022
Latest time to accept the Option Offer and the closing date of the Option Offer	4:00 p.m. on Wednesday, 23 March 2022
Lapse of all Options	From 4:00 p.m. on Wednesday, 23 March 2022
Effective Date (<i>Note 2</i>)	Wednesday, 23 March 2022 (Cayman Islands time)
Announcement of: (i) the Effective Date; (ii) the withdrawal of listing of the Shares on GEM of the Stock Exchange; and (iii) the results of the Option Offer	Before 8:30 a.m. on Thursday, 24 March 2022
Expected withdrawal of listing of the Shares on GEM of the Stock Exchange becomes effective (<i>Note 3</i>)	4:00 p.m. on Friday, 25 March 2022
Latest time to despatch cheques for cash entitlements under the Scheme (<i>Note 4</i>)	on or before Friday, 1 April 2022
Latest time to despatch cheques for cash payment to the Option Holders (<i>Note 4</i>)	on or before Friday, 1 April 2022

Notes:

1. The register of members of the Company will be closed as from such date and on such date for the purpose of determining the Scheme Shareholders who are qualified for entitlement under the Scheme.
2. When all the Conditions are satisfied or waived (as applicable), a copy of the order of the Grand Court sanctioning the Scheme will be delivered to the Registrar of Companies in the Cayman Islands for registration pursuant to Section 86(3) of the Companies Act, at which point it shall become effective and binding on the Offeror, the Company and all Scheme Shareholders. The Effective Date would be earlier than the date of announcement of the Effective Date and the withdrawal of listing of the Shares on GEM of the Stock Exchange due to the timing difference between Hong Kong and the Cayman Islands.
3. If all the Conditions are fulfilled (or waived as applicable), the Offeror will implement the Proposal to cancel and extinguish the Scheme Shares and the Company will apply to the Stock Exchange for the withdrawal of listing of the Shares on GEM of the Stock Exchange.
4. Cheques for the cash entitlements to the Scheme Shareholders and the Option Holders will be despatched by ordinary post at the risk of the recipients to their registered addresses shown in the register of members of the Company at the Scheme Record Time on the Scheme Record Date on or before Friday, 1 April 2022.

All references to times and dates are references to Hong Kong times and dates, except as otherwise specified.

GENERAL

As at 11 November 2021 (being the commencement date of the offer period)(within the meaning of the Takeovers Code), the total number of Shares held, controlled or directed by the Offeror and the Offeror Concert Parties was 85,694,398 Shares, representing approximately 70.62% of the issued Shares.

As at the date of this joint announcement, the total number of Shares held, controlled or directed by the Offeror and the Offeror Concert Parties was 85,704,398 Shares, representing approximately 70.62% of the issued Shares.

Save for Ms. Li's acquisition of 10,000 Shares on 12 November 2021, none of the Offeror and the Offeror Concert Parties had acquired or agreed to acquire any Shares or any convertible securities, options or derivatives in respect of the Shares since 11 November 2021 up to the date of this joint announcement.

As at the date of this joint announcement, none of the Offeror and the Offeror Concert Parties had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

WARNING

Shareholders and potential investors of the Company should be aware that the implementation of the Proposal is subject to the Conditions being fulfilled or, where applicable, waived, and therefore the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

By Order of the board of
Lotus Atlantic Limited
YUNG Kwok Kee, Billy
Director

By Order of the board of
PFC Device Inc.
CHOW Kai Chiu, David
Executive Director

Hong Kong, 16 February 2022

As at the date of this joint announcement, the board of director of the Offeror comprises three directors namely Mr. YUNG Kwok Kee, Billy, Mr. TANG Che Yin and Mr. CHOW Kai Chiu, David.

As at the date of this joint announcement, the board of director of Sybond Venture Limited comprise of two directors namely Mr. YUNG Kwok Kee, Billy and Mr. CHOW Kai Chiu, David.

As at the date of this joint announcement, the board of director of Shell Holdings comprises four directors namely Mr. YUNG Kwok Kee, Billy, Madam HSU Vivian, Mr. CHOW Kai Chiu, David, and Madam LI Pik Mui, Cindy.

As at the date of this joint announcement, the sole director of Red Dynasty Investments Limited is Mr. YUNG Kwok Kee, Billy.

The directors of the Offeror, Sybond Venture Limited, Shell Holdings and Red Dynasty Investments Limited jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint 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 joint announcement, for which the Directors 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 joint 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

This joint 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 day of its posting and on the Company's website at www.pfc-device.com.