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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 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) EFFECTIVE DATE OF THE SCHEME**
- (3) CLOSE OF OPTION OFFER AND RESULTS OF OPTION OFFER**
- (4) WITHDRAWAL OF LISTING OF THE SHARES**
- AND**
- (5) RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR
AND CHANGE IN COMPOSITION OF BOARD COMMITTEES**

INTRODUCTION

References are made to (i) the scheme document (the “**Scheme Document**”) dated 21 January 2022 in relation to, among others, the Proposal (including the Option Offer) and the Scheme; (ii) the announcement dated 16 February 2022 in relation to, among others, the results of the Court Meeting and the EGM; and (iii) the announcement dated 9 March 2022 in relation to, among others, the sanction of the Scheme by the Grand Court (the “**Sanction Announcement**”), each jointly issued by the Company and the Offeror.

Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Scheme Document.

EFFECTIVE DATE OF THE SCHEME

As disclosed in the Sanction Announcement, the Scheme was sanctioned without modification by the Grand Court on Tuesday, 8 March 2022 (Cayman Islands time). The reduction of the issued share capital of the Company resulting from the cancellation and extinguishment of the Scheme Shares was also confirmed by the Grand Court on the same day.

Copies of the orders of the Grand Court sanctioning the Scheme and confirming the reduction of the issued share capital of the Company have been placed on the Public Register of Judgments and Orders for the Grand Court of the Cayman Islands, and were delivered to the Registrar of Companies in the Cayman Islands for registration on Wednesday, 23 March 2022 (Cayman Islands time) and the registration became effective on Wednesday, 23 March 2022 (Cayman Islands time).

After registration of copies of the orders of the Grand Court sanctioning the Scheme and confirming the reduction of the issued share capital of the Company, all of the Conditions as set out on pages 51 to 53 of the Scheme Document in the section headed “5. Conditions of the Proposal” in the “Explanatory Statement” have been fulfilled and the Scheme became effective on Wednesday, 23 March 2022 (Cayman Islands time).

PAYMENT UNDER THE SCHEME

Cheques for payment of the Cancellation Price under the Scheme will be despatched by the Offeror to the Scheme Shareholders as soon as possible but in any event on or before Friday, 1 April 2022 (Hong Kong time).

CLOSE OF OPTION OFFER AND RESULTS OF OPTION OFFER

As at the close of the Option Offer at 4:00 p.m. on Wednesday, 23 March 2022 (Hong Kong time), the Offeror had received valid acceptances of the Option Offer in respect of a total of 675,618 Options, representing 100% of the total number of outstanding Options as at the same date.

Further, we wish to clarify that due to an inadvertent error, the number of outstanding Options was stated as 683,922 in the Joint Announcement and the Scheme Document, instead of 675,618. Save and except for the said clarification, all information and contents of the Joint Announcement and the Scheme Document remain unchanged.

PAYMENT UNDER THE OPTION OFFER

Cheques for payment of the Option Offer Price under the Option Offer for the outstanding Options as at the Share Option Record Date in respect of which validly completed Forms of Acceptance were received at or before 4:00p.m. on Wednesday, 23 March 2022 (Hong Kong time) will be despatched by the Offeror to the relevant Option Holders as soon as possible but in any event on or before Friday, 1 April 2022 (Hong Kong time).

WITHDRAWAL OF LISTING

It is expected that 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 (Hong Kong time).

RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHANGE IN COMPOSITION OF BOARD COMMITTEES

The Board announces that Mr FAN Yan Hok, Philip (“**Mr Fan**”) has tendered his resignation as an independent non-executive director (“**INED**”) of the Company with effect from the close of business on 24 March 2022 so as to devote more time to his other business engagements.

Accordingly, Mr Fan will cease to be a member of each of the remuneration committee (the “**Remuneration Committee**”), audit committee (the “**Audit Committee**”) and nomination committee (the “**Nomination Committee**”) of the Company as well as the chairman of the Remuneration Committee on the same date.

Mr Fan has confirmed that he has no disagreement with the Board and there are no matters relating to his resignation that need to be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to express its gratitude and appreciation to Mr Fan for his valuable contributions to the Company during his tenure of services.

Following the resignation of Mr Fan, the Board comprises only two INEDs. As such, the Company fails to meet the requirements set out in Rule 5.05(1) of the GEM Listing Rules that the Company must have at least three INEDs.

Pursuant to Rule 5.28 of the GEM Listing Rules, the audit committee of a listed issuer must comprise a minimum of three members and the majority of the audit committee must be comprised of INEDs. Upon the resignation of Mr Fan, the number of members of the Audit Committee reduces to two and the number of INED members reduces to one which fail to meet the minimum requirements prescribed under Rule 5.28 of the GEM Listing Rules.

Pursuant to Rule 5.34 of the GEM Listing Rules, the Remuneration Committee must be chaired by an INED and comprise a majority of INEDs. Upon the resignation of Mr Fan, the Company fails to meet the requirements under Rule 5.34 of the GEM Listing Rules.

Pursuant to Rule 5.36A of the GEM Listing Rules, the Nomination Committee must comprise a majority of INEDs. Upon the resignation of Mr Fan, the Company fails to meet the requirement under Rule 5.36A of the GEM Listing Rules.

As 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, the Company will no longer be subject to the requirements of the GEM Listing Rules. As such, the Company will not seek to re-comply with the requirements of the GEM Listing Rules set out above.

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, 24 March 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 five directors namely Mr. YUNG Kwok Kee, Billy, Madam HSU Vivian, Mr. CHOW Kai Chiu, David, Mr. YUNG Isaac Cosmo 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.