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Alpha Luck Industrial Limited

安利實業有限公司

(Incorporated in Hong Kong with limited liability)

AKM Meadville Electronics (Xiamen) Co., Ltd.*

安捷利美維電子(廈門)有限責任公司

(Incorporated in the PRC with limited liability)



AKM Industrial Company Limited

安捷利實業有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 1639)

JOINT ANNOUNCEMENT

- (1) PROPOSAL FOR THE PRIVATISATION OF
AKM INDUSTRIAL COMPANY LIMITED BY
THE JOINT OFFERORS BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 673 OF THE COMPANIES ORDINANCE
AND
(2) PROPOSED WITHDRAWAL OF LISTING OF
THE SHARES OF AKM INDUSTRIAL COMPANY LIMITED
AND
(3) DESPATCH OF SCHEME DOCUMENT
AND
(4) CLOSURE OF REGISTER OF MEMBERS OF
AKM INDUSTRIAL COMPANY LIMITED**

Financial Adviser to the Joint Offerors



China International Capital Corporation Hong Kong Securities Limited

INTRODUCTION

Reference is made to: (i) the announcement jointly published by the Joint Offerors and the Company dated 14 January 2022 in relation to, among others, the pre-conditional proposal for the privatisation of the Company by the Joint Offerors by way of a scheme of arrangement under section 673 of the Companies Ordinance; (ii) the announcement jointly published by the Joint Offerors and the Company dated 28 January 2022 in relation to the delay in despatch of the Scheme Document; (iii) the announcement jointly published by the Joint Offerors and the Company dated 24 February 2022 in relation to the update on fulfilment of Condition; (iv) the monthly update announcement jointly published by the Joint Offerors and the Company dated 24 March 2022; (v) the announcement jointly published by the Joint Offerors and the Company dated 25 April 2022 in relation to the further delay in despatch of the Scheme Document; (vi) the announcement jointly published by the Joint Offerors and the Company dated 25 May 2022 in relation to the update on the despatch of the Scheme Document; and (vii) the Scheme Document jointly published by the Joint Offerors and the Company dated 31 May 2022 in relation to the Proposal and the Scheme. Unless the context requires otherwise, terms used herein shall bear the same respective meanings as those defined in the Scheme Document.

DESPATCH OF THE SCHEME DOCUMENT

The Scheme Document, together with the notices of the Court Meeting and EGM to be held on Wednesday, 22 June 2022 and the related proxy forms, will be despatched to the Shareholders on Tuesday, 31 May 2022.

The Scheme Document contains, among other things, (a) further details of the Proposal and the Scheme; (b) an explanatory statement of the Scheme; (c) the expected timetable relating to the Proposal and the Scheme; (d) the letter from the Independent Board Committee containing its recommendations to the Independent Scheme Shareholders and the Shareholders in respect of the Proposal and the Scheme; (e) the letter of advice from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Proposal and the Scheme; and (f) the notices of the Court Meeting and the EGM (including proxy forms relating to such meetings for use by the relevant Shareholders).

RECOMMENDATIONS OF THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising three non-executive Directors, namely Mr. Gao Xiaoguang, Mr. Jia Junan, Mr. Wang Chunsheng, and all the independent non-executive Directors, namely Mr. Hung Chi Yuen Andrew, Mr. Cui Zheng and Mr. Zhang Guo Qi, has been established by the Board in accordance with Rule 2.1 of the Takeovers Code to make a recommendation to the Independent Scheme Shareholders and the Shareholders as to: (a) whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable; and (b) whether to vote in favour of the Scheme at the Court Meeting and the EGM.

As two non-executive Directors, namely Ms. Zhang Xiaoming and Mr. Liu Jianzhe, are also directors of Alpha Luck, each of them is not a member of the Independent Board Committee.

Lego Corporate Finance Limited has been appointed by the Company, with the approval of the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code, as the Independent Financial Adviser to advise the Independent Board Committee as to: (a) whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable; and (b) voting by the Independent Scheme Shareholders at the Court Meeting and the Shareholders at the EGM.

In the letter from the Independent Financial Adviser set out in the Scheme Document, the Independent Financial Adviser has advised the Independent Board Committee that it is of the opinion that the terms of the Proposal and the Scheme are fair and reasonable so far as the Independent Scheme Shareholders are concerned and in the interest of the Company and Shareholders as a whole, and recommends the Independent Board Committee to advise (i) the Independent Scheme Shareholders to vote in favour of the resolution to approve the Scheme at the Court Meeting; and (ii) the Shareholders to vote in favour of the resolution(s) in respect of the Scheme at the EGM.

The Independent Board Committee, having considered the terms of the Proposal and the Scheme, and having taken into account the opinion of the Independent Financial Adviser, and in particular the factors, reasons and recommendations set out in its letter, considers that the terms of the Proposal and the Scheme are fair and reasonable so far as the Independent Scheme Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Independent Scheme Shareholders to vote in favour of the Scheme at the Court Meeting and the Shareholders to vote in favour of the resolution(s) in respect of the Scheme at the EGM.

Shareholders are urged to read and consider carefully the recommendations of the Independent Board Committee and the advice of the Independent Financial Adviser in relation to the Proposal and the Scheme as set out in the letter from the Independent Board Committee and the letter from the Independent Financial Adviser as contained in the Scheme Document.

COURT MEETING AND THE EGM

The Court Meeting and the EGM are scheduled to be held at 10:00 a.m. and 10:30 a.m. (or if later, on the same day and at the same place immediately after the Court Meeting shall have been concluded or adjourned), respectively, on Wednesday, 22 June 2022 at Rooms 2708-11, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong.

The Court has directed that the Court Meeting be convened for the purpose of considering and, if thought fit, approving the Scheme (with or without modification).

Immediately following the conclusion of the Court Meeting, the EGM will be held for the purpose of considering and, if thought fit, passing (a) the special resolution to approve and give effect to the reduction of the issued share capital of the Company on the Effective Date by the cancellation and extinguishment of the Scheme Shares in issue on the Scheme Record Date; and (b) the ordinary resolution to approve and give effect to, immediately after such cancellation, extinguishment and reduction, the restoration of the issued share capital of the Company to the amount immediately prior to such cancellation, extinguishment and reduction by the issue by the Company to the Joint Offerors of such number of new Shares (credited as fully-paid by applying the reserve created as a result of such cancellation, extinguishment and reduction) as is equal to the number of the Scheme Shares so cancelled and extinguished.

Notices of the Court Meeting and the EGM are contained in the Scheme Document.

The Joint Offerors and the Company will make an announcement in relation to the results of the Court Meeting and the EGM in accordance with Rule 19.1 of the Takeovers Code to the extent applicable.

CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY

For the purpose of determining the entitlement of the holders of the Scheme Shares to attend and vote at the Court Meeting and the entitlement of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 17 June 2022 to Wednesday, 22 June 2022 (both days inclusive) (or such other dates as may be notified by the Company by way of announcement(s)), and during such period, no transfer of the Shares will be registered. In order to qualify to attend and vote at the Court Meeting and the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. (Hong Kong time) on Thursday, 16 June 2022.

Assuming that the Scheme Record Date falls on Tuesday, 19 July 2022, it is proposed that the register of members of the Company will be closed from Tuesday, 5 July 2022 (or such other date as the Shareholders may be notified by an announcement) onwards in order to determine entitlements under the Scheme. In order to qualify for entitlements under the Scheme, holders of Scheme Shares should ensure that the transfers of the Shares to them are lodged with the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited of Shops 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration in their names or in the names of their nominees no later than 4:30 p.m. (Hong Kong time) on Monday, 4 July 2022.

CONDITIONS OF THE PROPOSAL

Shareholders and potential investors should be aware that the implementation of the Proposal and the Scheme are subject to the Conditions described in the section headed “CONDITIONS OF THE PROPOSAL” in the Explanatory Statement of the Scheme Document being fulfilled or waived (as applicable). Accordingly, the Proposal may or may not be implemented and the Scheme may or may not become effective.

All of the Conditions would have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal and the Scheme shall lapse.

Assuming that all of the Conditions are fulfilled or, as applicable, waived, the Scheme will become effective on the Effective Date, which is expected to be Tuesday, 26 July 2022, and the listing of the Shares on the Stock Exchange is expected to be withdrawn at 9:00 a.m. on Thursday, 28 July 2022 pursuant to Rule 6.15(2) of the Listing Rules.

An announcement will be made by the Joint Offerors and the Company in relation to the results of the Court Meeting and the EGM and, if all the resolutions are passed at those meetings, further announcements will be made in relation to, among other things, the results of the hearing of the petition for the sanction of the Scheme by the Court, the Effective Date and the date of withdrawal of listing of the Shares on the Stock Exchange in accordance with the requirements of the Takeovers Code and the Listing Rules.

EXPECTED TIMETABLE

The following timetable takes into account the procedures of the Court for the Scheme. The expected timetable is indicative only and is subject to change. Further announcement(s) will be made if there is any change to the following expected timetable.

Hong Kong time

Despatch of the Scheme Document Tuesday, 31 May 2022

Latest time for lodging transfers of the Shares
in order to become entitled to attend and
vote at the Court Meeting and the EGM 4:30 p.m. on
Thursday, 16 June 2022

Register of members of the Company closed for determining entitlement to attend and vote at the Court Meeting and the EGM (<i>Note 1</i>)	Friday, 17 June 2022 to Wednesday, 22 June 2022 (both days inclusive)
Latest time for lodging the pink form of proxy in respect of the Court Meeting (<i>Note 2</i>)	10:00 a.m. on Monday, 20 June 2022
Latest time for lodging the white form of proxy in respect of the EGM (<i>Note 2</i>)	10:30 a.m. on Monday, 20 June 2022
Meeting Record Date	Wednesday, 22 June 2022
Court Meeting (<i>Notes 3 and 4</i>)	10:00 a.m. on Wednesday, 22 June 2022
EGM (<i>Notes 3 and 4</i>)	10:30 a.m. on Wednesday, 22 June 2022 (or immediately after the conclusion or adjournment of the Court Meeting)
Announcement of the results of the Court Meeting and the EGM posted on the website of the Stock Exchange	no later than 7:00 p.m. on Wednesday, 22 June 2022
Expected latest time for trading in the Shares on the Stock Exchange	4:10 p.m. on Tuesday, 28 June 2022
Latest time for lodging transfers of the Shares in order to qualify for entitlements under the Scheme	4:30 p.m. on Monday, 4 July 2022
Register of members of the Company closed for determining entitlements to qualify under the Scheme (<i>Note 5</i>)	from Tuesday, 5 July 2022 onwards
Court hearing of the petition for the sanction of the Scheme (<i>Note 6</i>)	Tuesday, 19 July 2022

Announcement of (1) the result of the Court hearing,
(2) the expected Effective Date and
(3) the expected date of withdrawal of listing of the
Shares on the Stock Exchange posted on the website of
the Stock Exchange no later than 7:00 p.m.
on Tuesday, 19 July 2022

Scheme Record Date for determining
the entitlement of the Scheme Shareholders
under the Scheme Tuesday, 19 July 2022

Effective Date (*Note 6*) Tuesday, 26 July 2022

Announcement of (1) the Effective Date and
(2) the withdrawal of listing of the Shares on
the Stock Exchange posted on the website of
the Stock Exchange no later than 7:00 p.m.
on Tuesday, 26 July 2022

Expected withdrawal of listing of the Shares on
the Stock Exchange becomes effective (*Note 7*) 9:00 a.m. on Thursday, 28 July 2022

Latest time to despatch cheques for
the cash payment of the Cancellation Price to
the Scheme Shareholders (*Note 8*). on or before Thursday, 4 August 2022

Notes:

1. The register of members of the Company will be closed during such period for the purposes of determining the entitlement of the Scheme Shareholders to attend and vote at the Court Meeting and of the Shareholders to attend and vote at the EGM. This book closure period is not for determining entitlements under the Scheme.
2. The **pink** form of proxy in respect of the Court Meeting and the **white** form of proxy in respect of the EGM should be completed and signed in accordance with the instructions respectively printed thereon and should be lodged with the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by the times and dates stated above. The **pink** form of proxy for use at the Court Meeting and the **white** form of proxy for use at the EGM must be lodged no later than the time and date stated above in order for them to be valid. In the case of the pink form of proxy in respect of the Court Meeting, it may also be handed to the Chairman of the Court Meeting at the Court Meeting who shall have absolute discretion as to whether or not to accept it if it is not so lodged. Delivery of an instrument appointing a proxy for the Court Meeting and/or the EGM shall not preclude a Shareholder from attending and voting in person at the relevant meeting or any adjournment thereof if he/she/it so wishes, and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

3. The Court Meeting and the EGM will be held at Rooms 2708-11, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong at the times and dates specified above. Please see the notice of the Court Meeting set out in Appendix V to the Scheme Document and the notice of the EGM set out in Appendix VI to the Scheme Document for details.
4. If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above or post-super typhoon extreme conditions in force at or after 8:00 a.m. on Wednesday, 22 June 2022 and/or the Hong Kong Observatory has announced at or before 8:00 a.m. on Wednesday, 22 June 2022 that any of the above mentioned warnings is to be issued within the next two hours, the Court Meeting and the EGM shall be automatically postponed to the next Business Day on which no “black” rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted and no post-super typhoon extreme conditions are in force between the hours from 8:00 a.m. to 10:00 a.m. and in such case, the Court Meeting and the EGM shall be held at 10:00 a.m. and 10:30 a.m. respectively, on that Business Day at Rooms 2708-11, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong. For the avoidance of doubt, the Court Meeting and the EGM will be held as scheduled even when a tropical cyclone warning signal number 3 or below is hoisted or an amber or red rainstorm warning signal is in force. The Shareholders should make their own decision as to whether to attend the Court Meeting and the EGM under bad weather conditions bearing in mind their own situation and, if they should choose to do so, they are advised to exercise care and caution.
5. The register of members of the Company will be closed during such period for the purpose of determining which holders of the Scheme Shares are qualified for the entitlements under the Scheme.
6. The Court hearing of the petition for the sanction of the Scheme will be held at the Court at the High Court Building, 38 Queensway, Hong Kong. The Scheme will become effective upon all the Conditions having been fulfilled or waived (as applicable). The Scheme shall become effective when an office copy of the order of the Court sanctioning the Scheme (with or without modification) and confirming the reduction of the share capital of the Company involved in the Scheme together with a minute and a return that comply with subsections (2) and (3) of section 230 of the Companies Ordinance shall have been delivered and registered by the Registrar of Companies.
7. If the Proposal becomes unconditional and the Scheme becomes effective, it is expected that the listing of the Shares on the Stock Exchange will be withdrawn at 9:00 a.m. on Thursday, 28 July 2022.
8. Cheques for entitlements of Scheme Shareholders will be despatched by ordinary post in postage pre-paid envelopes addressed to the Scheme Shareholders at their respective addresses as appearing in the register of members of the Company as at the Scheme Record Date or, in the case of joint holders, at the address appearing in the register of members of the Company as at the Scheme Record Date of the joint holder whose name then stands first in the register of members of the Company in respect of the relevant joint holding as soon as possible but in any event within seven (7) business days (as defined in the Takeovers Code) following the Effective Date. Cheques shall be posted at the risk of the addressees and none of the Joint Offerors, the Company, CICC, the Independent Financial Adviser and the Company’s share registrar and transfer office and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal shall be responsible for any loss or delay in transmission.

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

WARNING

Shareholders and potential investors should be aware that the implementation of the Proposal and the Scheme are subject to the Conditions being fulfilled or waived (as applicable). Accordingly, the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors are advised to exercise extreme 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 directors of
ALPHA LUCK INDUSTRIAL LIMITED

Zhang Xiaoming

Director

By order of the board of directors of
AKM MEADVILLE ELECTRONICS

(XIAMEN) CO., LTD.*

Xiong Zheng Feng

Director

By order of the Board
AKM Industrial Company Limited

Hung Ching Yuen

Company Secretary

* *For identification purposes only*

Hong Kong, 31 May 2022

As at the date of this announcement, the directors of Alpha Luck are Xiong Zheng Feng, Zhang Xiaoming and Liu Jianzhe.

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

As at the date of this announcement, the directors of CNIC are Jiao Kai He, Xu Xian Ping, Zhang Guan Jie, Zhi Yu Lin, Yang Xiao Qing, Li Tie Nan and Gong Yan De.

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

As at the date of this announcement, the directors of AKM Meadville are Xiong Zheng Feng, Kan Guo Liang, Du Feng, Zhu Xin Gui, Wang Hui Lian, Kong Ling Wen and Fang Zhi Rong.

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

As at the date of this announcement, the executive Director of the Company is Xiong Zheng Feng; the non-executive Directors of the Company are Gao Xiaoguang, Jia Junan, Wang Chunsheng, Zhang Xiaoming and Liu Jianzhe; and the independent non-executive Directors of the Company are Hung Chi Yuen Andrew, Cui Zheng and Zhang Guo Qi.

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