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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 licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Gold Peak Industries (Holdings) Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.

金山工業(集團)有限公司
Gold Peak Industries (Holdings) Limited

(Incorporated in Hong Kong under the Companies Ordinance)

(Stock Code: 40)



PROPOSED RIGHTS ISSUE OF 235,407,885 RIGHTS SHARES
AT HK\$0.65 EACH
ON THE BASIS OF 3 RIGHTS SHARES FOR
EVERY 7 EXISTING SHARES HELD ON THE RECORD DATE

INCREASE IN AUTHORISED SHARE CAPITAL

Financial Adviser to the Company and Underwriter of the Rights Issue



A letter from the Board is set out on pages 5 to 19 of this circular.

A notice convening the EGM to be held at Tang Room I, 3/F, Sheraton Hong Kong Hotel & Towers, 20 Nathan Road, Kowloon, Hong Kong at 10:30 a.m. on Monday, 22 February 2010 is set out on pages 20 to 22 of this circular. Whether or not you are able to attend the EGM, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the registered office of the Company at 8th Floor, Gold Peak Building, 30 Kwai Wing Road, Kwai Chung, New Territories, Hong Kong as soon as possible and in any event, not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish.

1 February 2010



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EXPECTED TIMETABLE

Set out below is an indicative timetable for the Rights Issue. Dates or deadlines specified therein are indicative only and may be varied by agreement between the Company and the Underwriter. Any consequential changes to the expected timetable will be published or notified to the Shareholders appropriately.

Last day of dealings in the Shares on a cum-rights basis	Friday, 12 February 2010
Commencement of dealings in the Shares on an ex-rights basis	Wednesday, 17 February 2010
Latest time for lodging transfer of the Shares in order to be qualified for the Rights Issue	4:30 p.m. on Thursday, 18 February 2010
Register of members closes for determining entitlements under the Rights Issue and the eligibility of voting at the EGM	Friday, 19 February 2010 to Monday, 22 February 2010 (both days inclusive)
Date of EGM	Monday, 22 February 2010
Record Date for determining entitlements under the Rights Issue and the eligibility of voting at the EGM	Monday, 22 February 2010
Announcement of results of EGM	Monday, 22 February 2010
Register of members re-opens	Tuesday, 23 February 2010
Despatch of the Rights Issue Documents	Tuesday, 23 February 2010
First day of dealings in nil-paid Rights Shares	Thursday, 25 February 2010
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Monday, 1 March 2010
Last day of dealings in nil-paid Rights Shares	Thursday, 4 March 2010
Latest time for acceptance of, and payment for, the Rights Shares and application for excess Rights Shares	4:00 p.m. on Tuesday, 9 March 2010
Underwriting Agreement becomes unconditional	5:00 p.m. on Friday, 12 March 2010

EXPECTED TIMETABLE

Announcement of results of the Rights Issue to be published in the respective websites of the Stock Exchange and the Company on or before Tuesday, 16 March 2010

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares expected to be posted on or before Wednesday, 17 March 2010

Certificates for the Rights Shares expected to be despatched on or before Wednesday, 17 March 2010

Dealings in fully-paid Rights Shares commence Friday, 19 March 2010

Notes:

1. All times in this circular refer to Hong Kong times.
2. Effect of bad weather on the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares:

The latest time for acceptance of and payment for the Rights Shares will not take effect if there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning. If such circumstance is:

- (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on Tuesday, 9 March 2010, the latest time for acceptance of and payment for the Rights Shares and for application and payment for the excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Tuesday, 9 March 2010, the latest time for acceptance of and payment for the Rights Shares and for application and payment for the excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

3. If the latest time for acceptance of and payment for the Rights Shares and for application and payment for the excess Rights Share does not take effect on Tuesday, 9 March 2010, the dates mentioned above may be affected. The Company will notify Shareholders by way of announcement(s) on any change to the timetable as soon as practicable.

DEFINITIONS

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

“Acceptance Date”	Tuesday, 9 March 2010, being the last day for acceptance and payment of the Rights Shares, or such other date as the Company and the Underwriter may agree in writing
“Announcement”	an announcement dated Thursday, 28 January 2010 issued by the Company in respect of the Rights Issue and the increase in authorised share capital of the Company
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding a day on which either a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.) upon which the Stock Exchange is open for dealings
“Company”	Gold Peak Industries (Holdings) Limited (stock code: 40), a company incorporated under the laws of Hong Kong and the shares of which are listed on the Main Board
“Companies Ordinance”	Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	Director(s) of the Company
“EAF(s)”	the excess application form(s) to be issued to the Qualifying Shareholders in respect of applications for excess Rights Shares
“EGM”	the extraordinary general meeting of the Company to be convened (or any adjournment thereof) for the purposes of considering, the issue of the Rights Shares to the Qualifying Shareholders only and the increase in authorised share capital of the Company

DEFINITIONS

“Excluded Shareholder(s)”	Overseas Shareholder(s) to whom the Directors, based on legal opinions provided by legal advisers, consider it necessary or expedient not to offer the Rights Shares on account either of legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and any connected person(s) of the Company and not a connected person of the Company
“Latest Practicable Date”	29 January 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Letter(s) of Undertaking”	the letter(s) of undertaking dated 28 January 2010 given by the Undertaking Shareholders to the Company and the Underwriter undertaking, among other things, to accept the Rights Share
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
“Nominee”	in relation to each Undertaking Shareholder, its/his/her nominee, company(ies) controlled by it/him/her or its/his/her associates
“Overseas Shareholder(s)”	Shareholder(s) whose names appear on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong

DEFINITIONS

“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in respect of their assured entitlements under the Rights Issue
“Posting Date”	Tuesday, 23 February 2010 or such other date as the Underwriter may agree in writing with the Company for the despatch of the Rights Issue Documents
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company as at the close of business on the Record Date, other than the Excluded Shareholders
“Record Date”	Monday, 22 February 2010, the record date to determine entitlements to the Rights Issue and the eligibility of voting at the EGM
“Rights Issue”	the issue of 235,407,885 Rights Shares at the Subscription Price on the basis of 3 Rights Shares for every 7 existing Shares held on the Record Date payable in full on acceptance
“Rights Issue Documents”	the Prospectus, the PALs and the EAFs to be issued by the Company
“Rights Share(s)”	new Share(s) to be allotted and issued in respect of the Rights Issue
“Settlement Date”	the date falling three Business Days after the Acceptance Date
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.50 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.65 per Rights Share

DEFINITIONS

“Taken Up/take up/taking up”	those Rights Shares and/or Underwritten Shares in respect of which the relevant PALs and/or EAFs have been lodged and accompanied by cheques or other remittances for the full amount payable in respect thereof
“Undertaking Shareholders”	Victor LO Chung Wing, Andrew NG Sung On, TO May Mee, Kevin LO Chung Ping, NG Hang Lun Winnie, Paul LO Chung Wai and Well Glory
“Underwriter”	DBS Asia Capital Limited, which is licensed by the SFC to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Cap.571 of the laws of Hong Kong)
“Underwriting Agreement”	the underwriting agreement entered into between the Company and the Underwriter dated 28 January 2010 in relation to the Rights Issue
“Underwritten Shares”	all of the 124,115,703 Rights Shares
“Well Glory”	Well Glory International Limited, a company incorporated in the British Virgin Islands with limited liability, which is owned by Victor LO Chung Wing as to 50% and by Andrew NG Sung On as to 50%, respectively, as at the Latest Practicable Date
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent.

金山工業(集團)有限公司
Gold Peak Industries (Holdings) Limited

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Executive Directors:

Victor LO Chung Wing (*Chairman & Chief Executive*)

Andrew NG Sung On (*Vice Chairman*)

Kevin LO Chung Ping

Paul LO Chung Wai

LEUNG Pak Chuen

Richard KU Yuk Hing

Andrew CHUANG Siu Leung

Registered office:

8th Floor

Gold Peak Building

30 Kwai Wing Road

Kwai Chung

New Territories

Hong Kong

Non-Executive Directors:

CHAU Kwok Wai

Raymond WONG Wai Kan

Vincent CHEUNG Ting Kau

LUI Ming Wah*

Frank CHAN Chi Chung*

CHAN Kei Biu*

* *Independent Non-Executive Director*

1 February 2010

To the Shareholders

Dear Sir or Madam,

**PROPOSED RIGHTS ISSUE OF 235,407,885 RIGHTS SHARES
AT HK\$0.65 EACH
ON THE BASIS OF 3 RIGHTS SHARES FOR
EVERY 7 EXISTING SHARES HELD ON THE RECORD DATE
INCREASE IN AUTHORISED SHARE CAPITAL**

INTRODUCTION

Reference is made to the Announcement, pursuant to which the Directors proposed to raise approximately HK\$153 million before expenses by way of a rights issue of 235,407,885 Rights Shares at a price of HK\$0.65 per Rights Share on the basis of 3 Rights Shares for every 7 existing Shares held on the Record Date. Pursuant to the Rights Issue,

LETTER FROM THE BOARD

the Qualifying Shareholders will be provisionally allotted 3 Rights Shares in nil-paid form for every 7 existing Shares held on the Record Date.

As the Rights Shares may not be allotted to all Shareholders on a pro rata basis within the meaning of the Companies Ordinance, pursuant to the requirements under section 57B of the Companies Ordinance, a resolution will be proposed, and if thought fit, passed at the EGM to approve the issue of the Rights Shares to Qualifying Shareholders only.

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$400 million divided into 800,000,000 Shares. Most of the unissued Shares will be utilised pursuant to the Rights Issue. To cater for future issue of Shares, a resolution will be proposed, and if thought fit, passed at the EGM to approve the increase in the authorised share capital of the Company from HK\$400 million to HK\$600 million by the creation of an additional 400,000,000 Shares.

The purpose of this circular is to provide you with information in respect of the Rights Issue and the increase in authorised share capital of the Company and to convene the EGM to be held on Monday, 22 February 2010 to consider and, if thought fit, approve the issue of the Rights Shares to Qualifying Shareholders only and the increase in authorised share capital of the Company.

PROPOSED RIGHTS ISSUE

Issue Statistics

Basis of the Rights Issue:	3 Rights Shares for every 7 existing Shares held on the Record Date
Subscription Price:	HK\$0.65 per Rights Share
Number of existing Shares in issue:	549,285,067 Shares as at the Latest Practicable Date
Number of Rights Shares:	235,407,885 Rights Shares
Underwriter:	DBS Asia Capital Limited

Under the Rights Issue, 235,407,885 nil-paid Rights Shares would be provisionally allotted, representing approximately 42.86% of the existing issued share capital of the Company and approximately 30% of the issued share capital of the Company as enlarged by the issue of 235,407,885 Rights Shares.

As at the Latest Practicable Date, the Company had no outstanding convertible securities, options or warrants in issue which would otherwise confer any right to subscribe for, convert or exchange into the existing Shares.

LETTER FROM THE BOARD

Qualifying Shareholders

To qualify for the Rights Issue, a Qualifying Shareholder must be registered as a member of the Company as at the close of business on the Record Date.

In order to be registered as members of the Company at the close of business on the Record Date, all transfers of the Shares must be lodged (together with the relevant share certificate(s)) with the Company's share registrar by 4:30 p.m. (Hong Kong time) on Thursday, 18 February 2010. The last day of dealings in the Shares on a cum-rights basis is Friday, 12 February 2010. The Shares will be dealt with on an ex-rights basis from Wednesday, 17 February 2010.

The share registrar of the Company is:

Tricor Abacus Limited
26/F, Tesbury Centre
28 Queen's Road East
Wanchai, Hong Kong

The Company will send the Rights Issue Documents to the Qualifying Shareholders on the Posting Date. The Company will send only the Prospectus to the Excluded Shareholders (if any) for information purpose on the same date.

Excluded Shareholders

The Board will make enquiries pursuant to Rule 13.36(2)(a) of the Listing Rules as to the applicable securities legislation of the relevant overseas jurisdictions or the requirements of any relevant regulatory body or stock exchange for the issue of the Rights Shares to the Overseas Shareholders and the results of the enquiries will be included in the Prospectus. If, after making such enquiries, the Board is of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant jurisdiction or any requirement of the relevant regulatory body or stock exchange in that jurisdiction, not to offer Rights Shares to any of the Overseas Shareholders, no provisional allotment of nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders. Accordingly, the Rights Issue will not be extended to the Excluded Shareholders and no Rights Shares will be provisionally allotted to them. The Company will send the Prospectus to the Excluded Shareholders for their information only but will not send PALs or EAFs to them. The basis of exclusion of the Excluded Shareholders, if any, from the Rights Issue will be disclosed in the Prospectus.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence on the Stock Exchange and in any event before the last date for dealings in nil-paid Rights Shares, if a premium (net of expenses) can be obtained. Proceeds of each sale, less expenses and stamp duty, of HK\$100 or more will be paid to the relevant Excluded Shareholder pro rata to their shareholdings on the Record Date in Hong Kong dollars. The Company will retain individual amounts of less than HK\$100 for the benefit of the Company.

LETTER FROM THE BOARD

Overseas Shareholders should note that they will be entitled to vote at the EGM, but may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

Closure of Register of Members

The register of members of the Company will be closed from Friday, 19 February 2010 to Monday, 22 February 2010, both days inclusive. No transfers of Shares will be registered during this period for the purpose of determining the eligibility of voting at the EGM and the entitlements under the Rights Issue. To be entitled to vote at the EGM, a Shareholder must be registered as a member of the Company on the Record Date.

TERMS OF THE RIGHTS ISSUE

Subscription Price

The Subscription Price of HK\$0.65 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the provisional allotment of the Rights Shares under the Rights Issue or application for excess Rights Shares or when a renounee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares. The Subscription Price represents:

- (a) a discount of approximately 50.0% to the closing price of HK\$1.30 per Share as quoted on the Stock Exchange on Wednesday, 27 January 2010, being the last trading day of the Shares on the Stock Exchange prior to publication of the Announcement;
- (b) a discount of approximately 51.5% to the average closing price of approximately HK\$1.34 per Share as quoted on the Stock Exchange for the 5 previous consecutive trading days up to and including Wednesday, 27 January 2010, being the last trading day of the Shares on the Stock Exchange prior to publication of the Announcement;
- (c) a discount of approximately 50.8% to the average closing price of approximately HK\$1.32 per Share as quoted on the Stock Exchange for the 10 previous consecutive trading days up to and including Wednesday, 27 January 2010, being the last trading day of the Shares on the Stock Exchange prior to publication of the Announcement;
- (d) a discount of approximately 50.0% to the average closing price of approximately HK\$1.30 per Share as quoted on the Stock Exchange for the 30 previous consecutive trading days up to and including Wednesday, 27 January 2010, being the last trading day of the Shares on the Stock Exchange prior to publication of the Announcement;
- (e) a discount of approximately 41.4% to the theoretical ex-rights price of approximately HK\$1.11 based on the closing price of HK\$1.30 per Share as quoted on the Stock Exchange on Wednesday, 27 January 2010, being the last trading day of the Shares on the Stock Exchange prior to publication of the Announcement; and
- (f) a discount of approximately 38.7% to the closing price of HK\$1.06 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

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The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to the market price of the Shares under the prevailing market conditions. The Directors consider the terms of the Rights Issue to be fair and reasonable to, and in the best interests of, the Group and the Shareholders as a whole.

Basis of Provisional Allotments

3 Rights Shares (in nil-paid form) for every 7 existing Shares held by the Qualifying Shareholders as at the close of business on the Record Date.

Status of the Rights Shares

The Rights Shares (when allotted, issued and fully paid) will rank *pari passu* with the then existing Shares in issue in all respects. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the Rights Shares.

Certificates for the Rights Shares

Subject to the fulfillment of the conditions of the Rights Issue as set out below, certificates for all fully-paid Rights Shares are expected to be posted by ordinary post to those Qualifying Shareholders who have paid for and have accepted the Rights Shares by ordinary mail, at their own risk.

Fractions of the Rights Shares

The Company will not provisionally allot and issue and will not accept application for any fraction of the Rights Shares. No odd lot matching services will be provided. All fractions of Rights Shares will be aggregated (rounded down to the nearest whole number). All nil-paid Rights Shares arising from such aggregation will be provisionally allotted to a nominee of the Company to be agreed between the Company and the Underwriter, and will be sold in the market and retained by the Company for its own benefit, if a premium (net of expenses) can be obtained. Any unsold Rights Shares will be made available for excess application.

Application for Excess Rights Shares

Qualifying Shareholders shall be entitled to apply for (a) any unsold Rights Shares which would have been allotted to Excluded Shareholders had they been Qualifying Shareholders; (b) any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders; and (c) any unsold Rights Shares created by aggregating fractions of the Rights Shares. Application may be made by completing the EAFs and lodging the same with a separate remittance for the excess Rights Shares being applied for.

LETTER FROM THE BOARD

The Board will allocate the excess Rights Shares at its discretion and on a fair and reasonable basis with reference to the level of acceptance of the Rights Shares and the number of excess Rights Shares available on the following principles:

- (1) preference will be given to applications for topping-up odd-lot holdings to whole-lot holdings which will not be made with intention to abuse such mechanism; and
- (2) subject to availability of excess Rights Shares after allocation under principle (1) above, the excess Rights Shares will be allocated to the Qualifying Shareholders who have applied for excess Rights Shares on a basis approximately pro-rata to the excess Rights Shares applied by them, with allocations to be made to top-up odd lots on a best effort basis.

Shareholders with the Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually. Shareholders with their Shares held by a nominee company are advised to consider whether they would like to arrange for the relevant Shares to be registered in the name of the beneficial owner(s) prior to the Record Date.

Application for Listing

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. Nil-paid Rights Shares are expected to be traded in board lots of 1,000 (as the Shares are currently traded on the Stock Exchange in board lots of 1,000). Dealings in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee, the Securities and Futures Commission transaction levy and other applicable fees and charges in Hong Kong.

Conditions of the Rights Issue

The Rights Issue is conditional upon the following conditions being fulfilled:

- (a) the issue of the Announcement in accordance with the terms of the Underwriting Agreement;
- (b) the despatch of this circular and notice of the EGM and the form of proxy to all the Shareholders in accordance with the terms of the Underwriting Agreement;
- (c) the passing by the Shareholders at the EGM of ordinary resolution(s) to approve the issue of the Rights Shares to Qualifying Shareholders only;

LETTER FROM THE BOARD

- (d) the delivery to the Stock Exchange for authorisation and registration with the Registrar of Companies respectively one copy of each of the Rights Issue Documents duly signed by all Directors (or by their agents duly authorised in writing) as having been approved by resolution of the board of Directors or a duly authorised and established committee thereof (and all other documents required to be attached thereto under the Companies Ordinance) not later than the Posting Date and otherwise in compliance with the Listing Rules and the Companies Ordinance;
- (e) the posting of the Rights Issue Documents to the Qualifying Shareholders on the Posting Date;
- (f) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment), the listing of, and permission to deal in, the Rights Shares, in nil-paid and fully-paid forms prior to 25 February 2010, being the expected date of commencement of dealings in the Rights Shares in nil-paid form (or such other date as may be agreed between the Company and the Underwriter), and such listing and permission not being withdrawn or revoked prior to 5:00 p.m. on the Settlement Date;
- (g) the Letters of Undertaking having been duly executed by the Undertaking Shareholders to the Company and the Underwriter;
- (h) compliance by each of the Undertaking Shareholders with all of its/his/her undertakings and obligations under its/his/her Letter of Undertaking;
- (i) compliance by the Company with all of its undertakings and obligations under the Underwriting Agreement; and
- (j) the Underwriting Agreement having become unconditional and not being terminated by the Underwriter pursuant to the terms thereof on or before 5:00 p.m. on the Settlement Date.

If any of the conditions above is not fulfilled (or in the case of the conditions set out in (h) and (i) above, waived by the Underwriter) on or before the time and date specified above (or if no time or date is specified, by 5:00 p.m. on the Settlement Date (or such later time and/or date as the Company and the Underwriter may agree in writing)), the Rights Issue will not proceed.

As at the Latest Practicable Date, conditions (a) and (g) have been fulfilled.

LETTER FROM THE BOARD

UNDERWRITING ARRANGEMENT

Underwriting Agreement

Date	:	28 January 2010
Underwriter	:	DBS Asia Capital Limited
Number of the Rights Shares	:	235,407,885 Rights Shares
Number of Underwritten Shares	:	124,115,703 Underwritten Shares (this figure excludes 111,292,182 Rights Shares to be provisionally allotted to the Undertaking Shareholders, which they have undertaken to subscribe for pursuant to the Letters of Undertaking.)
Commission	:	2.75% of the aggregate Subscription Price of the total Underwritten Shares which amounts to approximately HK\$2.2 million

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Underwriter, its associates and its ultimate beneficial owners are Independent Third Parties.

Subject to the fulfillment (or waived, as the case may be, by the Underwriter) of the conditions contained in the Underwriting Agreement and the Underwriting Agreement is not terminated in accordance with the terms thereof, the Underwriter has agreed to subscribe or procure subscribers to subscribe, for all Underwritten Shares that are not Taken Up by the Qualifying Shareholders.

Conditions of the Underwriting Agreement

The Underwriting Agreement is conditional upon the following conditions being fulfilled:

- (a) the issue of the Announcement in accordance with the terms of the Underwriting Agreement;
- (b) the despatch of this circular and notice of the EGM and the form of proxy to all the Shareholders in accordance with the terms of the Underwriting Agreement;
- (c) the passing by the Shareholders at the EGM of ordinary resolution(s) to approve the issue of the Rights Shares to Qualifying Shareholders only;

LETTER FROM THE BOARD

- (d) the delivery to the Stock Exchange for authorisation and registration with the Registrar of Companies respectively one copy of each of the Rights Issue Documents duly signed by all Directors (or by their agents duly authorised in writing) as having been approved by resolution of the board of Directors or a duly authorised and established committee thereof (and all other documents required to be attached thereto under the Companies Ordinance) not later than the Posting Date and otherwise in compliance with the Listing Rules and the Companies Ordinance;
- (e) the posting of the Rights Issue Documents to the Qualifying Shareholders on the Posting Date;
- (f) the Listing Committee granting or agreeing to grant (subject to allotment), the listing of, and permission to deal in, the Rights Shares, in nil-paid and fully-paid forms prior to 25 February 2010, being the expected date of commencement of dealings in the Rights Shares in nil-paid form (or such other date as may be agreed between the Company and the Underwriter), and such listing and permission not being withdrawn or revoked prior to 5:00 p.m. on the Settlement Date;
- (g) the Letters of Undertaking having been duly executed by the Undertaking Shareholders to the Company and the Underwriter;
- (h) compliance by each of the Undertaking Shareholders with all of its/his/her undertakings and obligations under its/his/her Letter of Undertaking;
- (i) compliance by the Company with all of its undertakings and obligations under the Underwriting Agreement; and
- (j) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof on or before 5:00 p.m. on the Settlement Date.

If any of the conditions above is not fulfilled (or in the case of the conditions set out in (h) and (i) above, waived by the Underwriter) on or before the time and date specified above (or if no time or date is specified, by 5:00 p.m. on the Settlement Date (or such later time and/or date as the Company and the Underwriter may agree in writing)), the Underwriting Agreement shall terminate and the obligations of the parties shall immediately cease and be null and void and none of the parties shall have any right against or liability towards the other party arising out of or in connection with the Underwriting Agreement save for, among others, any right or liability accrued before such termination and save that the Company shall reimburse all such reasonable costs and expenses as have been properly incurred by the Underwriter in connection with the Rights Issue. If the Underwriting Agreement terminates in accordance with its terms, the Rights Issue will not proceed.

As at the Latest Practicable Date, conditions (a) and (g) have been fulfilled.

LETTER FROM THE BOARD

Termination of the Underwriting Agreement

If at any time prior to 5:00 p.m. on the Settlement Date:

- (a) there shall develop, occur, exist or come into effect:
 - (i) any new law or regulation or any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other place in which any member of the Group conducts or carries on business; or
 - (ii) any event or series of events resulting or likely to result in any change in local, national or international financial, political, military, industrial, economic or market conditions; or
 - (iii) any change in the conditions of local, national or international securities markets (including but without limitation, the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise); or
 - (iv) any change or development involving a prospective change in Hong Kong taxation or exchange control which will or may affect the Group or a proportion of the existing Shareholders of the Company in their capacity as such; or
 - (v) any withdrawal of the listing of the Shares on the Stock Exchange, or receipt of indication of such withdrawal from the Stock Exchange; or any suspension in the trading of the Shares on the Stock Exchange for a consecutive period of more than 10 Business Days,

which:

- (1) in the opinion of the Underwriter is or will or is likely to have a material adverse effect on the business or financial condition of the Group taken as a whole; or
 - (2) in the opinion of the Underwriter has or will have or is likely to have a material adverse effect on the success of the Rights Issue or the level of Rights Shares taken up; or
 - (3) in the opinion of the Underwriter makes it inadvisable or inexpedient for the Company to proceed with the Rights Issue; or
- (b) there comes to the notice of the Underwriter:
 - (i) any matter or event showing any of the warranties given by the Company to be untrue, inaccurate or misleading or as having been breached in any respect with reference to the facts and circumstances then subsisting; or

LETTER FROM THE BOARD

- (ii) any breach of its obligations or undertakings by any party to the Letters of Undertaking,

then in any such case, the Underwriter may, upon giving notice in writing to the Company, terminate the Underwriting Agreement with immediate effect.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

The changes in the shareholding structure of the Company arising from the Rights Issue are as follows:

	As at the Latest Practicable Date		Shareholding upon completion of the Rights Issue 0% taken up by the Qualifying Shareholders other than the Undertaking Shareholders			
	No. of Shares	%	100% taken up by all Qualifying Shareholders			
	No. of Shares	%	No. of Shares	%	No. of Shares	%
– Victor LO Chung Wing	74,951,811	13.65	107,074,014	13.65	107,074,014	13.65
– Andrew NG Sung On	69,771,957	12.70	99,674,223	12.70	99,674,223	12.70
– TO May Mee	417,000	0.08	595,713	0.08	595,713	0.08
– Kevin LO Chung Ping	625,000	0.11	892,855	0.11	892,855	0.11
– NG Hang Lun Winnie	3,239,066	0.59	4,627,235	0.59	4,627,235	0.59
– Paul LO Chung Wai	22,611,518	4.12	32,302,166	4.12	32,302,166	4.12
– Well Glory (Note 1)	88,065,432	16.03	125,807,760	16.03	125,807,760	16.03
– Other relatives	3,975,048	0.72	3,975,048	0.51	5,678,640	0.72
Sub-total	263,656,832	48.00	374,949,014	47.79	376,652,606	48.00
The Underwriter	0	0	124,115,703	15.82	0	0
Public Shareholders	285,628,235	52.00	285,628,235	36.39	408,040,346	52.00
Total	549,285,067	100.00	784,692,952	100.00	784,692,952	100.00

Note:

- Well Glory is beneficially owned by Victor LO Chung Wing as to 50% and by Andrew NG Sung On as to 50%.

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PUBLIC FLOAT

The Company has always complied with and will continue to comply with the public float requirement under Rule 8.08 of the Listing Rules after completion of the Rights Issue.

IRREVOCABLE UNDERTAKINGS OF THE UNDERTAKING SHAREHOLDERS

Each of the Undertaking Shareholders has provided an irrevocable undertaking dated 28 January 2010 to the Company and the Underwriter, undertaking, among other things, that it/he/she will remain as the beneficial shareholder, and will procure its/his/her Nominee to remain as the registered shareholder, of those Shares which are beneficially owned or controlled by such Undertaking Shareholder and are registered in its/his/her name or in the name of its/his/her Nominee, from the date of the Letter of Undertaking up to the Record Date (or such other later date as the Company and the Underwriter may agree in writing). Each of them has further agreed to, not later than 4:00 p.m. on the Acceptance Date, (i) subscribe, and procure its/his/her Nominee to subscribe, for all the Rights Shares provisionally allotted to it/him/her and its/his/her Nominee under the Rights Issue; and (ii) lodge, and procure the lodgement of, the relevant application form together with remittance for the full amount payable on acceptance of subscription of such Rights Shares in accordance with the terms of the Rights Issue and the instructions for acceptance contained in the Rights Issue Documents. In addition, each of the Undertaking Shareholders has also undertaken that it/he/she shall not and shall procure that its/his/her Nominee shall not, without the prior written consent of the Company and the Underwriter, sell, transfer or otherwise dispose of (including without limitation the creation of any option, charge or other encumbrances or rights over or in respect of) or acquire or exercise any subscription rights under (except by taking up the Rights Shares pursuant to the Rights Issue) any Share or any interest therein or enter into any agreement, arrangement, obligation or undertaking in relation to any Share or any interest therein which might restrict or impede its/his/her acceptance or its/his/her Nominee's acceptance of the Rights Shares at any time between the date of the Letter of Undertaking up to and including 5:00 p.m. on the Settlement Date. Each of the Undertaking Shareholders undertakes that it/he/she will not dispose of any Rights Shares allotted and issued to it/him/her pursuant to the Rights Issue, or any interest therein, for a period of 30 days from the Acceptance Date without the prior written consent of the Company and the Underwriter. In addition, each of the Undertaking Shareholders has undertaken that it/he/she shall vote at the EGM in favour of the resolution(s) which are necessary for approving the issue of the Rights Shares to the Qualifying Shareholders only.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

Existing Shares will be dealt with on an ex-rights basis from Wednesday, 17 February 2010. The Rights Shares will be dealt with in their nil-paid form from Thursday, 25 February 2010 to Thursday, 4 March 2010 (both days inclusive). If prior to 5:00 p.m. on the Settlement Date, the Underwriter terminates the Underwriting Agreement (see the sub-section headed "Termination of the Underwriting Agreement" above) or the conditions of the Rights Issue (see the sub-section headed "Conditions of the Rights Issue" above) cannot be fulfilled (or waived, as the case may be, by the Underwriter), the Rights Issue will not proceed. Any dealings in the Shares from the date of this circular up to the date on which all the conditions of

LETTER FROM THE BOARD

the Rights Issue are fulfilled (or waived, as the case may be, by the Underwriter), and any dealings in the Rights Shares in their nil-paid form between Thursday, 25 February 2010 to Thursday, 4 March 2010, both days inclusive, are accordingly subject to the risk that the Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors should therefore exercise caution when dealing in the Shares or Rights Shares in their nil-paid form, and if they are in any doubt about their position, they are recommended to consult their professional adviser.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The gross proceeds from the Rights Issue are expected to be approximately HK\$153 million before expenses. The net proceeds from the Rights Issue after deducting expenses are estimated to be HK\$148 million. The net Subscription Price per Rights Share is expected to be approximately HK\$0.63.

The net proceeds of the Rights Issue are intended to be used by the Company for general working capital purposes. The Directors consider that it is in the best interests of the Company and its Shareholders as a whole to raise further capital pursuant to the Rights Issue as it offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables the Qualifying Shareholders to maintain their proportionate interests in the Company. **However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.**

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

The Company has not engaged in or initiated any equity fund raising exercises or any rights issue exercise during the past 12 months immediately before the date of the Announcement.

GENERAL

The Company is an investment holding company which was incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange. The principal business activities of the Company's subsidiaries and associated companies are manufacturing, marketing and trading of acoustics and electronic products, automotive wire harness, parts and components, and battery products.

LETTER FROM THE BOARD

EXTRAORDINARY GENERAL MEETING

Under the Rights Issue, the Rights Shares will be offered to all Shareholders pro rata to their existing holdings in the Company other than such Overseas Shareholders, to whom the Directors, based on legal opinions provided by legal advisers, consider such exclusion to be necessary or expedient on account of either the legal restrictions for issue of Rights Shares to such Overseas Shareholders under the laws of the relevant places or the requirements of the relevant regulatory body or stock exchange in those places. Accordingly, the Rights Shares that will be issued and allotted under the Rights Issue may not be allotted to all Shareholders on a pro rata basis within the meaning of the Companies Ordinance. As such, pursuant to the requirements under section 57B of the Companies Ordinance, a resolution will be proposed, and if thought fit, passed at the EGM to approve the issue of the Rights Shares to Qualifying Shareholders only. No Shareholders are required to abstain from voting to approve such resolution.

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$400 million divided into 800,000,000 Shares. Most of the unissued Shares will be utilised pursuant to the Rights Issue. To cater for future issue of Shares, a resolution will be proposed, and if thought fit, passed at the EGM to approve the increase in the authorised share capital of the Company from HK\$400 million to HK\$600 million by the creation of an additional 400,000,000 Shares.

The notice convening the EGM to be held at Tang Room I, 3/F, Sheraton Hong Kong Hotel & Towers, 20 Nathan Road, Kowloon, Hong Kong at 10:30 a.m. on Monday, 22 February 2010 at which ordinary resolutions will be proposed to consider and, if thought fit, to approve the issue of the Rights Shares to Qualifying Shareholders only and the increase in authorised share capital contemplated thereunder is set out on pages 20 to 22 of this circular.

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the registered office of the Company at 8th Floor, Gold Peak Building, 30 Kwai Wing Road, Kwai Chung, New Territories, Hong Kong as soon as possible and, in any event, not later than 48 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjourned meeting in person if you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, voting at the EGM will be conducted by poll. The poll results will be published on the Stock Exchange's website following the EGM. No Shareholders are required to abstain from voting to approve the resolutions to be proposed thereat.

LETTER FROM THE BOARD

PROCEDURES FOR DEMANDING A POLL AT GENERAL MEETINGS

Under the Company's articles of association, at any general meeting of the members, a resolution shall be decided on a show of hands unless voting by way of a poll is required by the Listing Rules or a poll is (before or on the declaration of the result of the show of hands) demanded by:

- (1) the chairman of the meeting; or
- (2) at least three members present in person or by proxy for the time being entitled to vote at the meeting; or
- (3) any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (4) a member or members present in person or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

RECOMMENDATION

The Directors believe that (1) the issue of the Rights Shares to Qualifying Shareholders only and (2) the increase in authorised share capital of the Company are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the notice of the EGM.

Yours faithfully,
For and on behalf of
Gold Peak Industries (Holdings) Limited
Victor LO Chung Wing
Chairman & Chief Executive

金山工業(集團)有限公司
Gold Peak Industries (Holdings) Limited

(Incorporated in Hong Kong under the Companies Ordinance)

(Stock Code: 40)



NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “EGM”) of Gold Peak Industries (Holdings) Limited (the “Company”) will be held at Tang Room I, 3/F, Sheraton Hong Kong Hotel & Towers, 20 Nathan Road, Kowloon, Hong Kong at 10:30 a.m. on Monday, 22 February 2010 for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

(1) “THAT:

- (a) the offer, by way of a rights issue (the “**Rights Issue**”), of new shares of HK\$0.5 each in the capital of the Company (the “**Rights Shares**”), on the basis of 3 Rights Shares for every 7 shares of HK\$0.50 each in the capital of the Company (the “**Shares**”) held, to holders of the Shares (the “**Shareholders**”) whose names appear on the register of members of the Company on Monday, 22 February 2010 (the “**Record Date**”) (the “**Qualifying Shareholders**”), other than those Shareholders with registered addresses outside the Hong Kong Special Administrative Region of the People’s Republic of China (“**Hong Kong**”) and whom the directors of the Company (the “**Directors**”), after making relevant enquiries, consider their exclusion from the Rights Issue to be necessary or expedient on account either of the legal restrictions under the laws of the relevant jurisdiction or any requirements of the relevant regulatory body or stock exchange in that jurisdiction (the “**Excluded Shareholders**”), substantially pursuant to and in accordance with the terms and conditions of the Rights Issue set out in the circular dated 1 February 2010 (the “**Circular**”) despatched by the Company to the Shareholders (a copy of which has been produced to the meeting marked “A” and signed by the Chairman of the meeting for the purpose of identification) be and is hereby generally and unconditionally approved and in accordance with the requirements of Section 57B of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), the Directors be and are hereby authorised to exercise the power of the Company to allot and issue any and all of the Rights Shares under the Rights Issue substantially on the terms and conditions of the Rights Issue as set out in the Circular notwithstanding that the same may be offered, allotted or issued otherwise than pro rata to the Shareholders and, in particular, the Directors may make such exclusions or other arrangements in relation to Excluded Shareholders (as shall be determined at the discretion of the Directors on the basis as aforesaid) as the Directors may deem necessary or expedient;

NOTICE OF EGM

- (b) the Directors be and are hereby authorised to issue the Rights Shares to the Qualifying Shareholders pursuant to or in connection with the Rights Issue, and to do all such acts and execute all such documents with or without amendments as they may consider necessary, desirable or expedient to carry out or give effect to or otherwise in connection with or in relation to the Rights Issue.”

(2) “THAT:

- (a) the authorised share capital of the Company be increased from HK\$400,000,000 divided into 800,000,000 shares of HK\$0.50 each to HK\$600,000,000 by the creation of an additional 400,000,000 shares of HK\$0.50 each (the “**Proposed Increase in Authorised Share Capital**”); and
- (b) the Directors be and are hereby authorised to increase the authorised share capital of the Company, and to do all such acts and execute all such documents with or without amendments as they may consider necessary, desirable or expedient to carry out or give effect to or otherwise in connection with or in relation to the Proposed Increase in Authorised Share Capital.”

By order of the Board
WONG Man Kit
Company Secretary

Hong Kong, 1 February 2010

Registered Office:

8th Floor
Gold Peak Building
30 Kwai Wing Road
Kwai Chung
New Territories
Hong Kong

www.goldpeak.com

NOTICE OF EGM

Notes:

1. A form of proxy for use at the EGM is enclosed.
2. Any member entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
3. Where there are joint registered holders of any Share, any one of such persons may vote at the EGM, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such Share shall alone be entitled to vote in respect thereof.
4. The form of proxy and the power of attorney, if any, under which it is signed or a notarially certified copy of such power of attorney must be deposited at the registered office of the Company at 8th Floor, Gold Peak Building, 30 Kwai Wing Road, Kwai Chung, New Territories, Hong Kong not later than 48 hours before the time appointed for the holding of the EGM or any adjourned meeting (as the case may be) and in default, the proxy shall not be treated as valid. Completion and return of the form of proxy shall not preclude members from attending and voting in person at the EGM or at any adjourned meeting should they so wish.
5. The Register of Members of the Company will be closed from Friday, 19 February 2010 to Monday, 22 February 2010 (both dates inclusive), during which period no transfer of Shares will be registered for the purpose of determining the entitlements under the Rights Issue and the eligibility of voting at the EGM. In order to be entitled to vote or to qualify for the Rights Issue, all transfers of the Shares must be lodged (together with the relevant share certificate(s)) with the Company's Registrar, Tricor Abacus Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, by 4:30 p.m. (Hong Kong time) on Thursday, 18 February 2010.
6. As at the date of this notice, the board of Directors consists of Mr. Victor LO Chung Wing (Chairman & Chief Executive), Mr. Andrew NG Sung On (Vice Chairman), Mr. Kevin LO Chung Ping, Mr. Paul LO Chung Wai, Mr. LEUNG Pak Chuen, Mr. Richard KU Yuk Hing and Mr. Andrew CHUANG Siu Leung as Executive Directors, Mr. CHAU Kwok Wai, Mr. Raymond WONG Wai Kan and Mr. Vincent CHEUNG Ting Kau as Non-Executive Directors and Mr. LUI Ming Wah, Mr. Frank CHAN Chi Chung and Mr. CHAN Kei Biu as Independent Non-Executive Directors.