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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)



(1) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY SIX (6) EXISTING SHARES HELD ON THE RECORD DATE; AND (2) CLOSURE OF REGISTER OF MEMBERS

Sole Financial Adviser and Sole Underwriter

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PROPOSED RIGHTS ISSUE

The Company proposes to raise gross proceeds of up to approximately HK\$81.0 million by way of the issue of 130,782,158 Rights Shares at the Subscription Price of HK\$0.62 per Rights Share on the basis of one (1) Rights Share for every six (6) existing Shares held on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders. Assuming full subscriptions of the Rights Issue, the net proceeds from the Rights Issue after deducting the expenses are estimated to be approximately HK\$77.5 million (assuming no change in the number of Shares in issue on or before the Record Date).

The Company intends to apply the net proceeds from the Rights Issue (i) as to approximately 80% for financing the expansion of the Rechargeable Batteries Business; and (ii) the remaining balance of approximately 20% for general working capital purposes.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and not be a Non-Qualifying Shareholder. In order to be registered as a member of the Company on the Record Date, all transfer documents of the Shares (together with the relevant share certificate(s)) must be lodged for registration with the Registrar, Tricor Abacus Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by not later than 4:30 p.m. on Monday, 28 February 2022.

IRREVOCABLE UNDERTAKINGS BY THE UNDERTAKING SHAREHOLDERS

As at the date of this announcement, Mr. Victor Lo, Ms. To, Ms. Karen Ng and Ms. Jessica Ng held 199,415,289 Shares, 81,888,764 Shares, 40,646,524 Shares and 40,646,524 Shares, respectively, representing approximately 25.41%, 10.44%, 5.18% and 5.18% of the total number of issued Shares, respectively.

Pursuant to the Irrevocable Undertakings, each of the Undertaking Shareholders has irrevocably undertaken and warranted to the Company and the Underwriter, among other things:

- (i) to subscribe for 33,235,881 Rights Shares, 13,648,127 Rights Shares, 6,774,420 Rights Shares and 6,774,420 Rights Shares to be provisionally allotted to each of Mr. Victor Lo, Ms. To, Ms. Karen Ng and Ms. Jessica Ng, respectively; and
- (ii) not to sell, dispose of or transfer, or agree to sell, dispose of or transfer any of the Shares held by them from the date of the Irrevocable Undertakings to the date of completion of the Rights Issue.

Further, pursuant to the Irrevocable Undertakings, each of the Undertaking Shareholders has irrevocably undertaken to the Company and the Underwriter that in the event he/she applies for Excess Rights Shares, he/she will observe the scale-down mechanism as mentioned in the paragraph headed “Scale-down of subscriptions to avoid triggering the GO Obligation and non-compliance with Public Float Requirement” in this announcement so that he/she will not trigger any GO Obligation or cause the Company to become non-compliant with the Public Float Requirement.

THE UNDERWRITING AGREEMENT

On 14 February 2022 (after trading hours), the Company and the Underwriter entered into the Underwriting Agreement, pursuant to which the Underwriter has conditionally agreed to underwrite, on a best effort basis, up to 70,349,310 Underwritten Shares, subject to the terms and conditions set out in the Underwriting Agreement, in particular the fulfilment or waiver (as applicable) of the conditions contained therein. Details of the major terms and conditions of the Underwriting Agreement are set out in the section headed “The Underwriting Agreement” in this announcement.

The Company will make an application to the Listing Committee for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be allotted and issued pursuant to the Rights Issue.

The Rights Issue is only underwritten on a best effort basis and there are no requirements for minimum levels of subscription in respect of the Rights Issue. Subject to fulfilment or satisfaction of the conditions precedent of the Rights Issue, the Rights Issue shall proceed regardless of its level of acceptances, and up to 130,782,158 Rights Shares can be subscribed subject, however, to any Scaling-down vis-a-vis the GO Obligation or the Public Float Requirement.

In the event of under-subscription, any Rights Shares not taken up by the Qualifying Shareholders whether under PAL(s) or EAF(s), or transferees of nil-paid Rights Shares, and not subscribed by subscribers procured by the Underwriter will not be issued, and hence, the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares.

LISTING RULES IMPLICATIONS FOR THE COMPANY

As the Company has not conducted any rights issue or open offer within the 12-month period prior to the date of this announcement and the Rights Issue will not increase the issued share capital or the market capitalization of the Company by more than 50% within the 12-month period immediately preceding the date of this announcement and the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective close associates), the Rights Issue is not subject to Shareholders' approval under the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY

The register of members of the Company will be closed from Tuesday, 1 March 2022 to Monday, 7 March 2022 (both days inclusive) for determining the entitlements to the Rights Issue during which period no transfer of Shares will be registered.

GENERAL

The Prospectus Documents containing information on the Rights Issue are expected to be despatched to the Qualifying Shareholders on or around Tuesday, 8 March 2022. The Company will not extend the Rights Issue to the Non-Qualifying Shareholders. The Company will, to the extent permitted under the relevant laws and regulations and reasonably practicable, send the Prospectus to the Non-Qualifying Shareholders for information purposes only but will not send any PAL or EAF to them.

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

Shareholders and potential investors of the Company should note that the proposed Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated or rescinded the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the sections headed "The Underwriting Agreement — Conditions of the Rights Issue and the Underwriting Agreement" and "The Underwriting Agreement — Rescission and Termination of the Underwriting Agreement" in this announcement). Accordingly, the Rights Issue may or may not proceed.

Any Shareholder or other person dealing in the existing Shares and/or the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue are fulfilled or waived (as applicable) (and the date on which the Underwriter's right of termination and rescission of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the existing Shares and/or the nil-paid Rights Shares. Any party (including Shareholders and potential investors of the Company) who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

PROPOSED RIGHTS ISSUE

The Company proposes to raise gross proceeds of up to approximately HK\$81.0 million by way of the issue of 130,782,158 Rights Shares at the Subscription Price of HK\$0.62 per Rights Share on the basis of one (1) Rights Share for every six (6) existing Shares held on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders.

Further details of the Rights Issue are set out below:

Issue statistics

Basis of the Rights Issue: : One (1) Rights Share for every six (6) existing Shares held by the Qualifying Shareholders on the Record Date

Subscription Price : HK\$0.62 per Rights Share

Number of Shares in issue as at the date of this announcement : 784,692,952 Shares

Number of Rights Shares to be issued under the Rights Issue : 130,782,158 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)

Number of issued Shares upon completion of the Rights Issue (assuming the Rights Issue is fully subscribed) : 915,475,110 Shares (assuming no change in the number of Shares in issue on or before the Record Date)

Maximum amount to be raised before expenses (assuming the Rights Issue is fully subscribed) : approximately HK\$81.0 million before expenses (based on the number of existing Shares in issue as at the date of this announcement, and assuming no Shares have been allotted and issued on or before the Record Date)

Rights of excess applications : Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotment.

Number of Rights Shares undertaken to be taken up by the Undertaking Shareholders: : 1) Mr. Victor Lo has undertaken to take up an aggregate of 33,235,881 Rights Shares (representing approximately 25.41% of the total Rights Shares) to be provisionally allotted to him by the Company

- 2) Ms. To has undertaken to take up an aggregate of 13,648,127 Rights Shares (representing approximately 10.44% of the total Rights Shares) to be provisionally allotted to her by the Company
- 3) Ms. Karen Ng has undertaken to take up an aggregate of 6,774,420 Rights Shares (representing approximately 5.18% of the total Rights Shares) to be provisionally allotted to her by the Company
- 4) Ms. Jessica Ng has undertaken to take up an aggregate of 6,774,420 Rights Shares (representing approximately 5.18% of the total Rights Shares) to be provisionally allotted to her by the Company

As at the date of this announcement, the Company had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares prior to the Record Date.

Assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 130,782,158 Rights Shares proposed to be issued pursuant to the Rights Issue represent approximately 14.29% of the total number of issued Shares as enlarged by the allotment and issue of the Rights Shares.

The Rights Issue is only underwritten on a best effort basis and there are no requirements for minimum levels of subscription in respect of the Rights Issue. Subject to fulfilment or satisfaction of the conditions precedent of the Rights Issue, the Rights Issue shall proceed regardless of its level of acceptances, and up to 130,782,158 Rights Shares can be subscribed subject, however, to any Scaling-down vis-a-vis the GO Obligation or the Public Float Requirement.

In the event of under-subscription, any Rights Shares not taken up by the Qualifying Shareholders whether under PAL(s) or EAF(s), or transferees of nil-paid Rights Shares, and not subscribed by subscribers procured by the Underwriter will not be issued, and hence, the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares.

Qualifying Shareholders and Non-Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders. The Company will not extend the Rights Issue to the Non-Qualifying Shareholders. The Company will, to the extent permitted under the relevant laws and regulations and reasonably practicable, send the Prospectus to the Non-Qualifying Shareholders for information purposes only but will not send any PAL or EAF to them.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and not be a Non-Qualifying Shareholder. Shareholders having an address in Hong Kong as shown on the register of members of the Company at the close of business on the Record Date will qualify for the Rights Issue.

Shareholders having an address outside Hong Kong as shown on the register of members of the Company at the close of business on the Record Date will not qualify for the Rights Issue if the Board, after making relevant enquiries with the legal advisers in the relevant jurisdictions, considers that the exclusion of such Overseas Shareholders from the Rights Issue would be necessary or expedient on account either of legal restrictions under the laws of the relevant place or any requirements of the relevant regulatory body or stock exchange in that place.

Shareholders with their Shares held by nominee(s) (or held in CCASS) should note that the Board will consider the said nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee(s) (or held in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

In order to be registered as a member of the Company by the Record Date, all transfer documents of the Shares (together with the relevant share certificate(s)) must be lodged for registration with the Registrar, Tricor Abacus Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by not later than 4:30 p.m. on Monday, 28 February 2022. The last day for dealing in the Shares on a cum-rights basis is Thursday, 24 February 2022.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a cheque or banker's cashier order for the Rights Shares being applied for with the Registrar, Tricor Abacus Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong on or before the Latest Time for Acceptance.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Rights of the Overseas Shareholders

If, at the close of business on the Record Date, a Shareholder's address on the Company's register of members is in a place outside Hong Kong, such Shareholder may not be eligible to take part in the Rights Issue. The Prospectus Documents to be despatched in connection with the Rights Issue will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong.

The Board notes the requirements specified in Rule 13.36(2)(a) of the Listing Rules and is in the process of making enquiries in the relevant jurisdictions as to the feasibility of extending the Rights Issue to the Overseas Shareholders. 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 place or any requirements of the relevant regulatory body or stock exchange in that place, not to offer the Rights Shares to the relevant Overseas Shareholders, no provisional allotment of nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders. In such circumstances, such Overseas Shareholders will become Non-Qualifying Shareholders and the Rights Issue will not be extended to them. The Company will, to the extent permitted under the relevant laws and regulations and reasonably practicable, send the Prospectus to the Non-Qualifying Shareholders for information purposes only but will not send any PAL or EAF to them.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying 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 and before the last day for dealing in the nil-paid Rights Shares, if a premium (net of expenses) can be obtained. Any net proceeds of sale thereof, after deduction of expenses, will be paid in Hong Kong dollars to the Non-Qualifying Shareholders pro rata to their respective entitlements as at the close of business on the Record Date, provided that if any of such persons would be entitled to a sum not exceeding HK\$100, such sum will be retained by the Company for its own benefit. Any such unsold nil-paid Rights Shares to which such Non-Qualifying Shareholders would otherwise have been entitled will be made available for excess application by the Qualifying Shareholders under the EAF(s).

Overseas Shareholders should note that they 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, the Overseas Shareholders should exercise caution when dealing in the Shares.

Closure of register of members of the Company

The register of members of the Company will be closed from Tuesday, 1 March 2022 to Monday, 7 March 2022 (both days inclusive) for determining the entitlements to the Rights Issue during which period no transfer of Shares will be registered.

Basis of provisional allotments

The basis of the provisional allotment shall be one (1) Rights Share for every six (6) existing Shares held by the Qualifying Shareholders as at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Prospectus Documents.

Subscription Price

The Subscription Price is HK\$0.62 per Rights Share, payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares and, where applicable, application for Excess Rights Shares under the Rights Issue, or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 21.52% to the closing price of HK\$0.790 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 20.92% to the average closing price of approximately HK\$0.784 per Share for the last five trading days as quoted on the Stock Exchange up to and including the Last Trading Day;
- (iii) a discount of approximately 18.21% to the average closing price of approximately HK\$0.758 per Share for the last ten trading days as quoted on the Stock Exchange up to and including the Last Trading Day;

- (iv) a discount of approximately 19.06% to the theoretical ex-rights price of approximately HK\$0.766 per Share, based on the closing price of HK\$0.790 per Share as quoted on the Stock Exchange on the Last Trading Day and number of Shares in issue as at the date of this announcement;
- (v) a discount of approximately 81.38% to the latest published unaudited consolidated net asset value per Share as at 30 September 2021 of approximately HK\$3.33 (as shown in the interim report of the Company for the six months ended 30 September 2021); and
- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 3.04%, represented by the theoretical diluted price of approximately HK\$0.766 per Share to the benchmarked price (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price on the Last Trading Day of HK\$0.790 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five previous consecutive trading days prior to the date of this announcement of approximately HK\$0.776 per Share) of approximately HK\$0.790 per Share.

The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the provisional allotment of Rights Shares will be approximately HK\$0.59. Since the Company is incorporated in Hong Kong, the Rights Shares have no nominal value.

The Subscription Price was determined by the Company with reference to, among others, (i) the recent closing prices of the Shares; (ii) prevailing market conditions and financial position of the Group; and (iii) the amount of funds the Company intends to raise under the Rights Issue.

The Directors consider that the discount of the Subscription Price would encourage Shareholders to participate in the Rights Issue and accordingly maintain their shareholdings in the Company and participate in the future growth and development of the Group. After taking into consideration the reasons for the Rights Issue as stated in the section headed “Reasons for the Rights Issue and use of proceeds of the Rights Issue” below, the Directors consider the terms of the Rights Issue, including the Subscription Price, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Status of Rights Shares

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

Stamp duty and other applicable fees and charges

Dealings in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, and any other applicable fees and charges in Hong Kong.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfilment or waiver (as applicable) of the conditions of the Rights Issue as set out in the section headed “The Underwriting Agreement — Conditions of the Rights Issue and the Underwriting Agreement” in this announcement, share certificates for all fully-paid Rights Shares are expected to be posted on or about Wednesday, 30 March 2022 by ordinary post to the allottees, at their own risk, to their registered addresses. If the Underwriting Agreement is terminated or rescinded or does not become unconditional, refund cheques will be posted on or before Wednesday, 30 March 2022 by ordinary post to the respective Shareholders, at their own risk, to their registered addresses. Refund cheques in respect of wholly or partially unsuccessful applications for Excess Rights Shares (if any) are expected to be posted on or before Wednesday, 30 March 2022, by ordinary post to the applicants, at their own risk, to their registered addresses.

Fractions of Rights Shares

The Company will not provisionally allot and issue and will not accept application for any fraction of the Rights Shares and the entitlements of the Qualifying Shareholders will be rounded down to the nearest whole number. 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 (in nil-paid form) and sold in the market for the benefit of the Company if a premium (net of expenses) can be obtained, and the Company will retain the proceeds from such sale. Any unsold fractions of Rights Shares will be made available for excess application by the Qualifying Shareholders under the EAFs. Should there be no excess application by the Qualifying Shareholders, those Rights Shares created from the aggregation of fraction of the Rights Shares may or may not be taken up by the Underwriter. No odd lot matching services will be provided.

Application for Excess Rights Shares

Subject always to the Scaling-down mechanism as described in the paragraph headed “Scale-down of subscriptions to avoid triggering the GO Obligation and non-compliance with Public Float Requirement” below, the Company shall make the Excess Rights Shares available for subscription by the Qualifying Shareholders by means of EAFs, and the Excess Rights Shares represent:

- (i) any Rights Shares provisionally allotted but not accepted by any of the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares prior to the Latest Time for Acceptance;
- (ii) any entitlements of the Non-Qualifying Shareholders provisionally allotted to a nominee of the Company which are left unsold;
- (iii) any of the Rights Shares created from the aggregation of fractions of the Rights Shares which are left unsold; and
- (iv) the Scaled-down PAL Shares (if any) and the Scaled-down EAF Shares (if any).

Subject to the requirements of Rule 7.21(3)(b) of the Listing Rules, the Company will, upon consultation with the Underwriter, allocate the Excess Rights Shares (if any) at their discretion on a fair and equitable basis on the following principles:

- (i) any Excess Rights Shares will be allocated to Qualifying Shareholders who apply for them on a pro rata basis by reference to the number of the Excess Rights Shares applied for;
- (ii) reference will only be made to the number of Excess Rights Shares being applied for but no reference will be made to the Rights Shares comprised in applications by the PALs or the existing number of Shares held by Qualifying Shareholders;
- (iii) if the aggregate number of Rights Shares not taken up by the Qualifying Shareholders and/or transferees of nil-paid Rights Shares under the PALs is greater than the aggregate number of Excess Rights Shares applied for through the EAFs, the Company will allocate to each Qualifying Shareholder who applies for Excess Rights Shares in full application; and
- (iv) no preference will be given to applications for topping up odd lots to whole board lots.

Application for Excess Rights Shares can be made only by duly completing and signing an EAF (in accordance with the instructions printed therein) and lodging the same with a separate remittance for the Excess Rights Shares being applied for with the Registrar, Tricor Abacus Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by not later than 4:00 p.m. on Tuesday, 22 March 2022 or such later date as may be agreed by the Company and the Underwriter in writing.

Shareholders with their Shares held by a nominee company (or which are deposited in CCASS) should note that the Board will regard such nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, 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 save and except for the beneficial owner(s) which the Company may permit in its absolute discretion. Shareholders with their Shares held by a nominee company (or which are deposited in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names on or prior to the Record Date for the purpose of the Rights Issue. Shareholders should consult their professional advisors if they are in any doubt as to their status. Shareholders who would like to have their names registered on the register of members of the Company on the Record Date, must lodge all necessary documents with the Registrar for registration by not later than 4:30 p.m. on Monday, 28 February 2022.

Irrevocable Undertakings by the Undertaking Shareholders

As at the date of this announcement, Mr. Victor Lo, Ms. To, Ms. Karen Ng and Ms. Jessica Ng held 199,415,289 Shares, 81,888,764 Shares, 40,646,524 Shares and 40,646,524 Shares, respectively, representing approximately 25.41%, 10.44%, 5.18% and 5.18% of the total number of issued Shares, respectively.

Pursuant to the Irrevocable Undertakings, each of the Undertaking Shareholders has irrevocably undertaken and warranted to the Company and the Underwriter, among other things:

- (i) to subscribe for 33,235,881 Rights Shares, 13,648,127 Rights Shares, 6,774,420 Rights Shares and 6,774,420 Rights Shares to be provisionally allotted to each of Mr. Victor Lo, Ms. To, Ms. Karen Ng and Ms. Jessica Ng, respectively; and
- (ii) not to sell, dispose of or transfer, or agree to sell, dispose of or transfer any of the Shares held by them from the date of the Irrevocable Undertakings to the date of completion of the Rights Issue.

Further, pursuant to the Irrevocable Undertakings, each of the Undertaking Shareholders has irrevocably undertaken to the Company and the Underwriter that in the event he/she applies for Excess Rights Shares, he/she will observe the scale-down mechanism as mentioned in the paragraph headed “Scale-down of subscriptions to avoid triggering the GO Obligation and non-compliance with Public Float Requirement” in this announcement so that he/she will not trigger any GO Obligation or cause the Company to become non-compliant with the Public Float Requirement.

Scale-down of subscriptions to avoid triggering the GO Obligation and non-compliance with Public Float Requirement

Pursuant to the Underwriting Agreement, as the Rights Issue is only underwritten by the Underwriter on a best effort basis, and so as to avoid the unwitting triggering of the GO Obligation and/or any non-compliance with the Public Float Requirement, all applications for Rights Shares whether under the PAL(s) or the EAF(s), or by transferees of nil-paid Rights Shares, or by subscribers procured by the Underwriter will be made on the basis that the applications are to be scaled-down by the Company to a level which (i) does not trigger an GO Obligation on the part of the applicant or parties acting in concert with him/her/it; and/or (ii) does not result in the non-compliance of the Public Float Requirement on the part of the Company. Any subscription monies for the Scaled-down PAL Shares or the Scaled-down EAF Shares will be refunded to the applicants, and the Scaled-down PAL Shares and the Scaled-down EAF Shares will be made available for subscription by other Qualifying Shareholders through the EAF(s).

Such Scaling-down of applications of Rights Shares shall operate on a fair and equitable basis under the following principles: (a) EAF(s) should be scaled down before PAL(s); (b) where the scale-down is necessitated by the exceeding of shareholding by a group of Qualifying Shareholders acting in concert (the “**Affected Group(s) of Shareholders**”) rather than an individual Qualifying Shareholder, the allocations of EAF(s) and PAL(s) to members of the Affected Group of Shareholders should be made by reference to the number of Shares held by the affected applicants on the Record Date; and (c) the allocations of EAF(s) and PAL(s) to different Affected Groups of Shareholders and/or affected individual Qualifying Shareholders should be made by reference to the number of Shares held by the affected applicant(s) and/or affected group(s) of applicant(s) on the Record Date, but for avoidance of any doubt, any or any such onward allocation(s) shall be subject to the Scaling-down as well so as to avoid triggering the GO Obligation and non-compliance with Public Float Requirement.

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

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 their nil-paid and fully-paid forms. The nil-paid Rights Shares and fully-paid Rights Shares are expected to have the same board lot size as the Shares, i.e. 1,000 Rights Shares in one board lot. No part of the securities of the Company in issue or for which listing or permission to deal is being or is proposed to be sought is listed or dealt in on any stock exchange other than the Stock Exchange.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

THE UNDERWRITING AGREEMENT

On 14 February 2022 (after trading hours), the Company and the Underwriter entered into the Underwriting Agreement, pursuant to which the Underwriter has conditionally agreed to underwrite, on a best effort basis, up to 70,349,310 Underwritten Shares, subject to the terms and conditions set out in the Underwriting Agreement, in particular the fulfilment or waiver (as applicable) of the conditions contained therein. Further details of the Underwriting Agreement are set out below:

Underwriting Agreement

Date	:	14 February 2022 (after trading hours)
Issuer	:	The Company
Underwriter	:	UOB Kay Hian (Hong Kong) Limited, a licensed corporation carrying out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO and its ordinary course of business includes underwriting of securities.

The Underwriter and its ultimate beneficial owners are, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Independent Third Parties. The Underwriter confirmed that it has complied with Rule 7.19(1)(a) of the Listing Rules.

- Number of Rights Shares to be underwritten : Up to 70,349,310 Rights Shares underwritten by the Underwriter on a best effort basis pursuant to the terms and conditions of the Underwriting Agreement, excluding the Undertaken Shares to be taken up by the Undertaking Shareholders.
- Underwriting fee : A fixed sum in the amount of HK\$2.0 million for the Underwriter's services in connection with the Rights Issue.

Pursuant to the Underwriting Agreement, the Underwriter shall ensure that (i) each of the subscribers of the Untaken Shares procured by it shall be an Independent Third Party; (ii) none of the subscribers of the Untaken Shares shall own 10% or more of the total number of Shares in issue immediately upon completion of the Rights Issue and otherwise being a core connected person of the Company; (iii) none of the subscribers, together with any party(ies) acting in concert with it/them, will hold in aggregate 30% (or such percentage which will trigger any GO Obligation under the Takeovers Code) or more of the voting rights of the Company upon completion of the Rights Issue; and (iv) the Public Float Requirement remains fulfilled by the Company upon completion of the Rights Issue.

The terms of the Underwriting Agreement (including the underwriting fee) were determined after arm's length negotiation between the Company and the Underwriter by reference to the existing financial position of the Company, the size of the Rights Issue, and the current and expected market condition. The Directors consider that the terms of the Underwriting Agreement including the underwriting fee, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. None of the Directors has a material interest in the transaction contemplated under the Underwriting Agreement.

Subject to the fulfilment or waiver (as applicable) of all the conditions contained in the Underwriting Agreement and provided that the Underwriting Agreement is not terminated or rescinded prior to the Latest Time for Termination in accordance with the terms thereof, the Underwriter shall subscribe for or procure the subscription for, on a best effort basis, the Untaken Shares.

Conditions of the Rights Issue and the Underwriting Agreement

The completion of the Rights Issue and the obligations of the Underwriter under the Underwriting Agreement are conditional upon:

- (i) the filing and registration of all the Prospectus Documents (together with any other documents required by applicable law or regulation to be annexed thereto) with the Registrar of Companies in Hong Kong by no later than the Posting Date;
- (ii) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus to the Non-Qualifying Shareholders for information only, if any, by no later than the Posting Date;
- (iii) the Listing Committee granting or agreeing to grant (subject only to allotment and despatch of the appropriate documents of title) and not having withdrawn or revoked the approval for the listing of, and permission to deal in, all the Rights Shares (in their nil-paid and fully-paid forms) prior to the Latest Time for Termination;
- (iv) the Underwriting Agreement not being terminated or rescinded by the Underwriter pursuant to the terms of the Underwriting Agreement on or before the Latest Time for Termination;
- (v) there being no breach of the undertakings and obligations of the Company under the Underwriting Agreement at the Latest Time for Termination;
- (vi) the Company having complied with all applicable laws and regulations in all material respect;
- (vii) the Company and the Underwriter having obtained all necessary consent and/or approval for entering into the Underwriting Agreement or the transactions contemplated in the Underwriting Agreement;
- (viii) each condition to enable the Rights Shares in their nil-paid or fully-paid forms to be admitted as eligible securities for deposit, clearance and settlement in CCASS (other than the listing approval of the Rights Shares under the Rights Issue) having been satisfied on or before the Business Day prior to the commencement of trading of the Rights Shares (in their nil paid and fully-paid forms, respectively) and no notification having been received by the Company from the HKSCC by such time that such admission or facility for holding and settlement has been or is to be refused;
- (ix) there being no event occurring or matter arising on or after the date of execution of the Underwriting Agreement and prior to the Latest Time for Termination which, if it had occurred or arisen before the date of execution of the Underwriting Agreement, would have rendered any of the representations and warranties of the Company referred to in the Underwriting Agreement untrue or incorrect in any material respect;
- (x) the Underwriter having received from the Company all the documents as set out in the Underwriting Agreement in such form and substance satisfactory to the Underwriter and in such time as specified in the Underwriting Agreement;

- (xi) the Rights Shares (in nil-paid form) having been provisionally allotted by a resolution of the Board (or a committee thereof) on the terms set out in the Prospectus Documents;
- (xii) the representations and warranties of the Company referred to in the Underwriting Agreement remaining true and accurate in all material respects and none of the undertakings of the Company referred to in the Underwriting Agreement and the Irrevocable Undertakings having been breached; and
- (xiii) each of the Undertaking Shareholders having provided their respective Irrevocable Undertakings.

Apart from the conditions precedent (v), (xi) and (xii) which can be waived in whole or in part by the Underwriter by notice in writing to the Company prior to the Latest Time for Termination, all other conditions precedent are incapable of being waived. If any of the conditions precedent (save and except conditions precedent (v), (xi) and (xii) which have been waived by the Underwriter in accordance with the Underwriting Agreement) are not satisfied in whole by the Latest Time for Termination or such other date as the Underwriter and the Company may agree in writing, the Underwriting Agreement shall terminate (save and except certain specified provisions under the Underwriting Agreement) and no party shall have any claim against the other party for costs, damages, compensation or otherwise save for any antecedent breaches of the Underwriting Agreement.

Rescission and Termination of the Underwriting Agreement

The Underwriter shall be entitled to terminate the Underwriting Agreement by notice in writing served on the Company on or prior to the Latest Time for Termination if prior to the Latest Time for Termination:

- (i) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affects the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic, industrial, legal, fiscal, regulatory or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affects the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or

- (c) the imposition of any moratorium, suspension or restriction on trading in securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the London Stock Exchange, the New York Stock Exchange or any major disruption of any securities settlement or clearing services in Hong Kong or on commercial banking activities in Hong Kong, due to exceptional financial circumstances or otherwise; or
- (ii) the Company's application to the Main Board of the Stock Exchange for permission for the listing of the Rights Shares (nil-paid and fully-paid) and permission to deal in the Rights Shares (nil-paid and fully-paid) on the Stock Exchange is withdrawn by the Company and/or refused by the Stock Exchange; or
- (iii) any material adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction on trading in securities) occurs which in the reasonable opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (iv) there is any material change in the circumstances of the Company or any member of the Group which in the reasonable opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (v) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion or unrest, fire, flood, explosion, epidemic, pandemic, terrorism, strike or lock-out which would, in the reasonable opinion of the Underwriter materially and adversely affects the business or the financial or trading position or prospects of the Group as a whole; or
- (vi) in the reasonable opinion of the Underwriter, there occurs any material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole; or
- (vii) any matter arises or discovered which, had it arisen or been discovered immediately before the Posting Date and not having been disclosed in the Prospectus Documents, would have constituted, in the reasonable opinion of the Underwriter, a material omission in the context of the Rights Issue; or
- (viii) the Company commits any material breach of any of the obligations or undertakings expressed to be assumed by it under the Underwriting Agreement; or
- (ix) any of the representations or warranties contained in the Underwriting Agreement was, when given, untrue or inaccurate in any material respect or would in any material respect be untrue or inaccurate if repeated as provided in the Underwriting Agreement and the Underwriter shall in its reasonable opinion determine that any such untrue representation or warranty represents or is likely to represent a material and adverse change in the business, financial or trading position or prospects of the Group as a whole or is otherwise likely to have a material and adverse effect on the Rights Issue; or

- (x) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than twenty (20) consecutive trading days of the Stock Exchange otherwise than due to or in connection with or in relation to the Underwriting Agreement and/or the Rights Issue and excluding any suspension in connection with the clearance of this announcement or other matters in connection with the Underwriting Agreement and/or the Rights Issue, or
- (xi) the Prospectus Documents when published contains information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the reasonable opinion of the Underwriter be material to the Group as a whole upon completion of the Rights Issue and is likely to affect materially and adversely the success of the Rights Issue.

For avoidance of any doubt, even if the Underwriter, in its sole and reasonable opinion considers any COVID-19 related event to have caused a material adverse impact over the implementation of the Underwriting Agreement or the Rights Issue, it shall not be entitled to rely on such impact or its aftermath thereof as ground or reason to terminate or rescind the Underwriting Agreement and/or the Rights Issue.

The Underwriter shall also be entitled by a notice in writing to the Company to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (i) any material breach of any of the representations, warranties or undertakings of the Company referred to in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (ii) any event occurring or matter arising on or after the date of execution of the Underwriting Agreement and prior to the Latest Time for Termination which, if it had occurred or arisen before the date of execution of the Underwriting Agreement, would have rendered any of the representations and warranties of the Company referred to in the Underwriting Agreement untrue or incorrect in any material respect, comes to the knowledge of the Underwriter.

If the Underwriter terminates or rescinds the Underwriting Agreement, the Rights Issue will not proceed. A further announcement will be made by the Company if the Underwriting Agreement is terminated or rescinded by the Underwriter.

EXPECTED TIMETABLE FOR THE RIGHTS ISSUE

Set out below is the expected timetable for the Rights Issue, which is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled or otherwise waived:

Event

Last day of dealings in the Shares on a cum-rights basis	Thursday, 24 February 2022
Commencement of dealings in the Shares on an ex-rights basis	Friday, 25 February 2022
Latest time for lodging transfer documents of the Shares in order to be qualified for the Rights Issue	4:30 p.m. on Monday, 28 February 2022
Closure of the register of members of the Company for determining entitlements under the Rights Issue.....	Tuesday, 1 March 2022 to Monday, 7 March 2022 (both days inclusive)
Record Date for determining entitlements under the Rights Issue.....	Monday, 7 March 2022
Re-opening of the register of members of the Company	Tuesday, 8 March 2022
Despatch of the Prospectus Documents (in the case of the Non-Qualifying Shareholders, the Prospectus only).....	Tuesday, 8 March 2022
First day for dealings in nil-paid Rights Shares.....	Thursday, 10 March 2022
Latest time for splitting PALs.....	4:30 p.m. on Monday, 14 March 2022
Last day for dealings in nil-paid Rights Shares	Thursday, 17 March 2022
Latest time for acceptance of and payment for the Rights Shares and for application and payment for Excess Rights Shares	4:00 p.m. on Tuesday, 22 March 2022
Latest time for terminating or rescinding the Underwriting Agreement and for the Rights Issue to become unconditional	4:00 p.m. on Wednesday, 23 March 2022

Announcement of results of the Rights Issue
to be published on the respective websites of
the Stock Exchange and the CompanyTuesday, 29 March 2022

Despatch of Share certificates for fully-paid
Rights Shares.....Wednesday, 30 March 2022

Despatch of refund cheques, if any,
for wholly or partially unsuccessful
excess applications or
if the Rights Issue is terminated or rescindedWednesday, 30 March 2022

Commencement of dealings in fully-paid
Rights Shares..... 9:00 a.m. on Thursday,
31 March 2022

All times and dates in this announcement refer to Hong Kong local times and dates. The dates or deadlines specified in this announcement for events in the timetable for (or otherwise in relation to) the Rights Issue are indicative only and may be extended or varied by the Company in agreement with the Underwriter in accordance with the Listing Rules. The Company will make an announcement to notify the Shareholders and the Stock Exchange in the event of any changes to the expected timetable as and when appropriate.

EFFECT OF BAD WEATHER OR EXTREME CONDITIONS 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 Rights Shares and application and payment for Excess Rights Shares will not take place at the time indicated above if there is a tropical cyclone warning signal number 8 or above, a “black” rainstorm warning or “extreme conditions” caused by super typhoons as announced by the Government of Hong Kong:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Tuesday, 22 March 2022. Instead, the latest time for acceptance of and payment for the Rights Shares and for application and payment for Excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Tuesday, 22 March 2022. Instead, the latest time for acceptance of and payment for the Rights Shares and for application and payment for 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.

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for Excess Rights Shares does not take place on Tuesday, 22 March 2022, the dates mentioned in the section headed “Expected timetable for the Rights Issue” above may be affected. The Company will notify the Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDINGS IN THE COMPANY

For illustration purposes only, set out below is the shareholding structure of the Company as at the date of this announcement, and the effect on the shareholding structure of the Company immediately after completion of the Rights Issue assuming no new Shares (other than the Rights Shares) are allotted and issued and no Share being repurchased by the Company on or before the Record Date:

	As at the date of this announcement		Shareholding upon completion of the Rights Issue			
	<i>No. of Shares</i>	<i>Approximate %</i>	Assuming all Rights Shares are taken up by the Qualifying Shareholders and the Underwriter is not required to underwrite any Underwritten Shares		Assuming no Rights Shares are taken up by the Qualifying Shareholders except the Undertaking Shareholders and with all the Underwritten Shares being subscribed for through the Underwriter	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Undertaking Shareholders						
Mr. Victor Lo	199,415,289	25.41	232,651,170	25.41	232,651,170	25.41
Ms. To	81,888,764	10.44	95,536,891	10.44	95,536,891	10.44
Ms. Karen Ng	40,646,524	5.18	47,420,944	5.18	47,420,944	5.18
Ms. Jessica Ng	40,646,524	5.18	47,420,944	5.18	47,420,944	5.18
Other relatives	8,631,757	1.10	10,070,383	1.10	8,631,757	0.94
Sub-Total	371,228,858	47.31	433,100,332	47.31	431,661,706	47.15
Directors						
Mr. Richard Ku Yuk Hing	2,629,684	0.34	3,067,964	0.34	2,629,684	0.29
Mr. Brian Li Yiu Cheung	300,000	0.04	350,000	0.04	300,000	0.03
Mr. Waltery Law Wang Chak	354,000	0.05	413,000	0.05	354,000	0.04
Underwriter	-	-	-	-	70,349,310	7.68
Public shareholders	410,180,410	52.26	478,543,814	52.26	410,180,410	44.81
Total	784,692,952	100.00	915,475,110	100.00	915,475,110	100.00

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS OF THE RIGHTS ISSUE

The Company is an investment holding company. The activities of its principal subsidiaries and associates are marketing, sales, research and development, and manufacturing of single-use and rechargeable batteries, sound technology products. The Company also has a number of industrial investments.

Reasons for the Rights Issue

Develop the sustainable energy storage business and invest in global battery technology investment opportunities: The Company believes in the growth potential of global sustainable energy storage market. As the world progresses towards wider use of sustainable energy sources, the Company is committed to the development of advance sustainable energy storage solutions business and intends to upgrade and expand its existing Rechargeable Batteries Business production capacity, as well as invest its research and development capability on innovative battery technology, including Nickel-zinc technology which has good environmental benefit as well as quality performance, reliability and exceptional safety as confirmed by third-party expert analysis. The Company also intends to invest in global battery tech and climate change investment opportunities. These future development will further enhance the Company's leadership positioning.

General working capital of the Company: The Board believes the Rights Issue will enable the Company to strengthen its working capital base and enhance its financial position. The Company intends to apply part of the net proceeds as the general working capital of the Company.

It is considered that the Rights Issue would give the Qualifying Shareholders an equal opportunity to participate in the growth of the Group. Given it is pre-emptive in nature, it allows Qualifying Shareholders to maintain their proportional shareholdings in the Company through participation in the Rights Issue. The Rights Issue also allows the Qualifying Shareholders to (a) increase their respective shareholding interests in the Company by acquiring additional rights entitlement in the open market (subject to the availability) and/or through excess applications; or (b) reduce their respective shareholding interests in the Company by disposing of their rights entitlements in the open market (subject to the market demand). Further, the Rights Issue will enable the Group to strengthen its capital base and to enhance its financial position without increasing its debt or finance costs. Apart from the Rights Issue, the Directors have considered other debt/equity fund raising alternatives such as bank borrowings, placing or an open offer. The Directors noted that bank borrowings will carry interest costs and may require the provision of security and creditors will rank before the Shareholders, and placings will dilute the interests of Shareholders without giving them the opportunity to take part in the exercise. As opposed to an open offer, the Rights Issue enables the Shareholders to sell the nil-paid rights in the market. Accordingly, the Board considers that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

Use of Proceeds

Assuming full subscriptions of the Rights Issue, the net proceeds from the Rights Issue after deducting the expenses are estimated to be approximately HK\$77.5 million (assuming no change in the number of Shares in issue on or before the Record Date).

The Company intends to apply the net proceeds from the Rights Issue as to:

- (i) approximately 80% of the net proceeds (representing approximately HK\$62.0 million assuming full subscriptions) for financing the expansion of the Rechargeable Batteries Business; and
- (ii) the remaining balance of approximately 20% of the net proceeds (representing approximately HK\$15.5 million assuming full subscriptions) for general working capital purposes.

In the event that there is an under-subscription of the Rights Issue, the net proceeds of the Rights Issue will be utilised in proportion to the above uses.

FUND RAISING ACTIVITIES BY THE COMPANY DURING THE PAST 12 MONTHS

During the past 12 months immediately preceding the date of this announcement, the Company has not conducted any equity fund raising activities.

LISTING RULES IMPLICATIONS FOR THE COMPANY

As the Company has not conducted any rights issue or open offer within the 12-month period prior to the date of this announcement and the Rights Issue will not increase the issued share capital or the market capitalization of the Company by more than 50% within the 12-month period immediately preceding the date of this announcement and the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective close associates), the Rights Issue is not subject to Shareholders' approval under the Listing Rules.

GENERAL

The Prospectus Documents containing information on the Rights Issue are expected to be despatched to the Qualifying Shareholders on or around Tuesday, 8 March 2022. The Company will not extend the Rights Issue to the Non-Qualifying Shareholders. The Company will, to the extent permitted under the relevant laws and regulations and reasonably practicable, send the Prospectus to the Non-Qualifying Shareholders for information purposes only but will not send any PAL or EAF to them.

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

Shareholders and potential investors of the Company should note that the proposed Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated or rescinded the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the sections headed "The Underwriting Agreement — Conditions of the Rights Issue and the Underwriting Agreement" and "The Underwriting Agreement — Rescission and Termination of the Underwriting Agreement" in this announcement). Accordingly, the Rights Issue may or may not proceed.

Any Shareholder or other person dealing in the existing Shares and/or the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue are fulfilled or waived (as applicable) (and the date on which the Underwriter’s right of termination and rescission of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the existing Shares and/or the nil-paid Rights Shares. Any party (including Shareholders and potential investors of the Company) who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/ its own professional adviser(s).

DEFINITIONS

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

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which banks in Hong Kong are generally open for business (other than a Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which “extreme conditions” caused by a super typhoon or a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon)
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Company”	Gold Peak Industries (Holdings) Limited (stock code: 40), a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company

“EAF(s)”	the excess application form(s) for use by the Qualifying Shareholders who wish to apply for the Excess Rights Shares
“Excess Rights Shares”	any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares prior to the Latest Time for Acceptance, any entitlements of the Non-Qualifying Shareholders provisionally allotted to a nominee of the Company which are left unsold, the Scaled-down PAL Shares (if any), the Scaled-down EAF Shares (if any) and shall (for avoidance of any doubt) include any of the Rights Shares created from the aggregation of fractions of the Rights Shares which are left unsold
“GO Obligation”	the mandatory obligation to make a general offer under Rule 26 of the Takeovers Code
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any individual or company not being the connected persons (as defined under the Listing Rules) of the Company, independent of the Company and its connected persons and not connected with any of them or their respective associates
“Irrevocable Undertakings”	the irrevocable undertakings dated 14 February 2022 given by each of the Undertaking Shareholders in favour of the Company and the Underwriter
“Last Trading Day”	14 February 2022, being the last trading day for the Shares on the Stock Exchange immediately before the publication of this announcement
“Latest Time for Acceptance”	4:00 p.m. on 22 March 2022, or such later time or date as may be agreed by the Company and the Underwriter in writing, being the latest time and date for acceptance of and payment for the Rights Shares and application for and payment for Excess Rights Shares as described in the Prospectus Documents
“Latest Time for Termination”	4:00 p.m. on 23 March 2022, or such later time or date as may be agreed by the Company and the Underwriter in writing, being the latest time for termination or rescission of the Underwriting Agreement

“Listing Committee”	has the meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Mr. Victor Lo”	Mr. Victor Lo Chung Wing, an executive Director, the chairman of the Board, the Chief Executive of the Company and the holder of 199,415,289 Shares as at the date of this announcement, representing approximately 25.41%, of the total number of issued Shares as at the date of this announcement
“Ms. Jessica Ng”	Ms. Jessica Ng Sheen Fai, the holder of 40,646,524 Shares as at the date of this announcement, representing approximately 5.18% of the total number of issued Shares as at the date of this announcement
“Ms. Karen Ng”	Ms. Karen Ng Kai Fai, the non-executive Director and the holder of 40,646,524 Shares as at the date of this announcement, representing approximately 5.18% of the total number of issued Shares as at the date of this announcement
“Ms. To”	Ms. To May Mee, the holder of 81,888,764 Shares as at the date of this announcement, representing approximately 10.44% of the total number of issued Shares as at the date of this announcement
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) in respect of whom the Board, after making relevant enquiries with the legal advisers in the relevant jurisdictions, considers it necessary or expedient not to offer the Rights Shares to such Overseas Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	the Shareholder(s) whose registered address(es) as shown in the register of members of the Company as at the close of business on the Record Date is/are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) for the Rights Shares to be issued to the Qualifying Shareholders in respect of their entitlements under the Rights Issue
“Posting Date”	Tuesday, 8 March 2022, or such other date as the Company and the Underwriter may agree in writing for the despatch of the Prospectus Documents

“Prospectus”	the prospectus to be issued by the Company to the Qualifying Shareholders in connection with the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF to be issued by the Company
“Public Float Requirement”	the public float requirement under Rules 8.08(1)(a) and 13.32(1) of the Listing Rules
“Qualifying Shareholder(s)”	Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date, other than the Non-Qualifying Shareholder(s)
“Rechargeable Batteries Business”	the Group’s rechargeable batteries business which is principally engaged in the development, manufacturing and sale of rechargeable batteries products
“Record Date”	Monday, 7 March 2022, or such other date as the Company and the Underwriter may agree in writing, being the date by reference to which entitlements of the Shareholders to participate in the Rights Issue will be determined
“Registrar”	Tricor Abacus Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, the Company’s share registrar and transfer office
“Rights Issue”	the proposed issue by way of rights of the Rights Shares to the Qualifying Shareholders on the basis of one (1) Rights Share for every six (6) existing Shares held on the Record Date at the Subscription Price, payable in full on acceptance and on the terms and subject to the conditions of the Underwriting Agreement and the Prospectus Documents
“Rights Share(s)”	up to 130,782,158 new Share(s) to be allotted and issued in respect of the Rights Issue
“Scaled-down EAF Shares”	such number of Rights Shares applied for as excess application under the EAF(s) which would, if allotted by the Company, result in either the triggering of a GO Obligation on the part of the applicant or the failure to comply with the Public Float Requirement on the part of the Company
“Scaled-down PAL Shares”	such number of Rights Shares applied for under the PAL(s) which would, if allotted by the Company, result in either the triggering of a GO Obligation on the part of the applicant or the failure to comply with the Public Float Requirement on the part of the Company

“Scaling-down”	the scale-down mechanisms of the Rights Issue as determined by the Company to which any application for the Rights Shares, whether under the PALs or EAFs, or transferees of nil-paid Rights Shares shall be subject to ensure that no application for the Rights Shares or the allotment thereof by the Company shall be at such level which may trigger any GO Obligation or non-compliance with the Public Float Requirement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) 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\$0.62 for each Rights Share under the Rights Issue
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs, as amended, supplemented or otherwise modified from time to time
“Undertaken Shares”	60,432,848 Rights Shares, being the aggregate number of Rights Shares for which the Undertaking Shareholders have undertaken to subscribe pursuant to the Irrevocable Undertakings
“Undertaking Shareholders”	collectively, each of Mr. Victor Lo, Ms. To, Ms. Karen Ng and Ms. Jessica Ng
“Underwriter”	UOB Kay Hian (Hong Kong) Limited, a licensed corporation carrying out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO and its ordinary course of business includes underwriting of securities
“Underwriting Agreement”	the underwriting agreement dated 14 February 2022 entered into among the Company and the Underwriter in relation to the Rights Issue, as revised, supplemented or amended from time to time in accordance with its terms

“Underwritten Shares”	up to 70,349,310 Rights Shares underwritten by the Underwriter on a best effort basis pursuant to the terms and conditions of the Underwriting Agreement, excluding the Undertaken Shares to be taken up by the Undertaking Shareholders
“Untaken Shares”	such number of Rights Shares in respect of which duly completed PAL(s) or EAF(s) have not been lodged for acceptance or not fully paid or otherwise rejected by the Latest Time for Acceptance, including any Rights Shares to which the Non-Qualifying Shareholders would otherwise have been entitled under the Rights Issue if they were to be Qualifying Shareholders, together with the Scaled-down PAL Shares and the Scaled-down EAF Shares not being applied (whether validly or otherwise) and/or fully paid for under the EAFs, and unsold aggregation of fractions of Rights Shares
“%”	per cent

By order of the Board
Gold Peak Industries (Holdings) Limited
Louis WONG Man Kon
Company Secretary

Hong Kong, 14 February 2022

As at the date of this announcement, the Board consists of Messrs. Victor LO Chung Wing (Chairman & Chief Executive), Brian LI Yiu Cheung (Vice Chairman & Executive Vice President), Michael LAM Hin Lap, Brian WONG Tze Hang, Victor CHONG Toong Ying and Waltery LAW Wang Chak as Executive Directors, Ms. Karen NG Ka Fai as Non-Executive Director and Messrs. LUI Ming Wah, Frank CHAN Chi Chung, CHAN Kei Bui and Timothy TONG Wai Cheung as Independent Non-Executive Directors.