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金山科技工業有限公司

Gold Peak Technology Group Limited

(Incorporated in Hong Kong under the Companies Ordinance)
(Stock Code: 40)



POSSIBLE MAJOR TRANSACTION

MANDATE FOR ON-MARKET DISPOSAL OF INTERESTS IN AN EQUITY INVESTMENT

PREVIOUS DISPOSALS, THE DISPOSAL(S) AND THE DISPOSAL MANDATE

As disclosed in the Previous Announcements, GP Battery Technology, an indirect wholly-owned subsidiary of GP Industries, disposed of a total of 15,900,000 STL Shares during 6 April 2022 to 6 June 2022, which were conducted within a 12-month period and when aggregated as a series of transactions for the Company pursuant to Rule 14.22 of the Listing Rules constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

As at the date of this announcement, GP Industries is an 85.59%-owned subsidiary of the Company and a company listed on the Singapore Exchange Securities Trading Limited.

The Company proposes to seek an approval for the Disposal Mandate from the Shareholders at the General Meeting in advance to allow GP Battery Technology to dispose of up to 2,741,614 STL Shares, representing approximately 4.29 % of the total issued share capital of STL Technology as at the date of this announcement, during the Mandate Period.

LISTING RULES IMPLICATIONS

Assuming that all 2,741,614 STL Shares held by GP Battery Technology would have been disposed of within the Mandate Period at the Minimum Selling Price, one or more applicable percentage ratios of the Disposal(s), when aggregated with the Previous Disposals conducted in the previous 12-month period from the relevant Disposal, will exceed 25% but less than 75%. Accordingly, the Disposal(s) will constitute major transaction for the Company under Chapter 14 of the Listing Rules and will be subject to the Shareholders' approval at the General Meeting.

The Company will seek the approval of the Shareholders at the General Meeting for the Disposal Mandate and the Disposal(s) to allow GP Battery Technology to dispose of up to 2,741,614 STL Shares during the Mandate Period.

A circular containing, among other things, further details of the Disposal Mandate, the Disposal(s), the notice of the General Meeting and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 3 August 2022.

There is no assurance that GP Battery Technology will proceed with the Disposal(s) after obtaining the Disposal Mandate. Whether and when GP Battery Technology will proceed with the Disposal(s) or not will depend on a number of factors including without limitation the prevailing market sentiments and market conditions at the proposed time of executing the Disposal(s). Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the securities of the Company.

PREVIOUS DISPOSALS, THE DISPOSAL(S) AND THE DISPOSAL MANDATE

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As at the date of this announcement, the Group, through GP Battery Technology, beneficially owned 2,741,614 STL Shares, representing approximately 4.29 % of the total issued share capital of STL Technology as at the date of this announcement. Depending on the prevailing market conditions, GP Battery Technology may dispose of up to 2,741,614 STL Shares in tranches from time to time during the Mandate Period. The Disposal Mandate shall be conditional upon the approval of the Shareholders having been obtained at the General Meeting.

Terms of the Disposal Mandate

The Disposal Mandate to be sought from the Shareholders at the General Meeting will be on the following terms:

1. *Mandate Period*

The Disposal Mandate is for the Mandate Period, i.e. a period of 12 months from the date of passing of the relevant ordinary resolution at the General Meeting.

2. *Maximum number of STL Shares to be disposed*

The Disposal Mandate shall authorise and empower GP Battery Technology to sell up to 2,741,614 STL Shares, representing approximately 4.29 % of the total issued share capital of STL Technology as at the date of this announcement.

3. *Scope of Authority*

GP Battery Technology, through the indirect control of the Company, shall be authorised and empowered to determine, decide, execute and implement with full discretion all matters relating to the Disposal(s), including but not limited to the number of batches of Disposal, the number of STL Shares to be sold in each Disposal and the timing of each Disposal.

4. *Manner of Disposal(s)*

The Disposal(s) shall be conducted (i) in the open market on the Taipei Exchange to Independent Third Party(ies) through the trading system of the Taipei Exchange; and/or (ii) in the off-market by directly entering into contract note(s) or through block trades by entering into placing agreements, to dispose of, in part or in whole, the Approved Sale Shares to third party purchaser(s), who and whose ultimate beneficial owner(s) are Independent Third Party(ies). As at the date of this announcement, there is no potential purchaser who has indicated its intention to purchase the STL Shares from GP Battery Technology.

The selling price of the STL Shares shall be at the then market price(s) of STL Shares at the relevant material time, provided that: (i) each Disposal in the open market or in the off market shall be at market price of no more than 20% discount to the average closing price as quoted on the Taipei Exchange for the five (5) consecutive trading days immediately before the date of each Disposal during the Mandate Period; (ii) the Minimum Selling Price of the Disposals shall be no less than TWD25 per STL Share; and (iii) the total aggregate gross selling proceeds for twelve-month period including each Disposal shall not be 75% or more of the market capitalisation of the Company, being the product of total number of Shares of the Company in issue and the average closing price per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately before the date of each Disposal.

Based on the closing price of STL Shares in the past one year immediately before the date of this announcement, the highest closing price is TWD49 and the lowest closing price is TWD17.5, the average closing price is TWD26.01 and the standard deviation is TWD7.86. The highest daily trading volume of STL Shares was 85,973,000 STL Shares while the lowest daily trading volume of STL Shares was 25,000 STL Shares and the average daily trading volume for the past one year of STL Shares was approximately 6,395,900 STL Shares. The total number of 2,741,614 STL Shares to be disposed under the Disposal Mandate represents approximately 0.43 times of the average daily trading volume of STL Shares.

5. *Regulatory Compliance*

The Disposal(s) shall comply with relevant applicable laws and regulations, including any applicable trading regulations in Taiwan and Hong Kong. The Group will also report on the progress of the Disposal(s) in the relevant interim report as well as the annual report of the Company in compliance with the Listing Rules.

The Company will re-comply with the Listing Rules requirements and seek another shareholders' approval for the Disposal(s) in the event that the Disposal(s) cannot be completed within the Disposal Mandate.

6. *Minimum Selling Price*

The Company considers that the Minimum Selling Price will allow flexibility for the Directors to accommodate fluctuation in market conditions in the exercise of the Disposal Mandate and at the same time reflect the lowest acceptable price to dispose of the STL Shares, and is thus fair and reasonable as far as the Company and the Shareholders are concerned.

The Minimum Selling Price was determined with reference to (i) the net asset value per STL Share; and (ii) the market performance of STL Shares as quoted on the Taipei Exchange for the past twelve months.

The Minimum Selling Price of TWD25 per STL Shares represents:

- (a) a discount of approximately 19.4% to the closing price of TWD31 per STL Share as quoted on the Taipei Exchange on the Last Trading Day; and
- (b) a premium of approximately 79.6% over net asset value per STL Share of approximately TWD13.92 per STL Share based on the audited net asset value of STL and 63,645,261 STL Shares in issue as at 31 December 2021.

GP Battery Technology will effect the Disposal(s) in the open market or in the off market which include either directly entering into contract note(s) with independent third party purchaser(s) or through block trades by entering into placing agreements with licensed placing agents. For any block trade, the terms and conditions of the sale would be negotiated on an arm's length basis. It is expected that the purchasers of the STL Shares and their respective ultimate beneficial owners will be Independent Third Parties. In the event that any purchaser of the STL Shares is a connected person of the Company, the Company will strictly comply with the announcement, reporting and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Assuming that all 2,741,614 STL Shares would have been disposed of, GP Battery Technology will no longer hold any STL Shares. The Company will comply with the Listing Rules when the Group undergoes further transactions in respect of STL Shares.

INFORMATION ON THE GROUP

The Company is an investment holding company. The activities of its principal subsidiaries and associated companies are investment holding and manufacturing, marketing and trading of batteries, electronics and acoustics products.

GP Battery Technology is an investment holding company whose subsidiaries are principally engaged in manufacturing, marketing and trading of batteries. As at the date of this announcement, GP Battery Technology is indirectly wholly owned by GP Industries, which is in turn an approximately 85.59%-owned subsidiary of the Company.

INFORMATION ON STL TECHNOLOGY

STL Technology is a company incorporated and listed in Taiwan and is principally engaged in design, manufacturing and sales of battery packs for power tools, energy storage system and light electric vehicle.

Based on the audited accounts of STL Technology for each of the three years ended 31 December 2021, the revenue, the net profit (before and after taxation) and the net assets of STL Technology are as follows:

	For the year ended 31 December					
	2021		2020		2019	
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
	<i>TWD'000</i>	<i>HK\$'000</i>	<i>TWD'000</i>	<i>HK\$'000</i>	<i>TWD'000</i>	<i>HK\$'000</i>
Revenue	1,494,870	392,702	1,626,744	427,346	1,993,051	523,574
(Loss) Profit before tax	(49,158)	(12,914)	83,175	21,850	143,498	37,697
(Loss) Profit after tax	(39,667)	(10,421)	63,245	16,614	142,575	37,454

According to the audited accounts of STL Technology, STL Technology recorded audited net assets of approximately TWD885,780,000 (equivalent to approximately HK\$232,694,000) as at 31 December 2021.

FINANCIAL EFFECTS ON THE DISPOSAL(S) AND USE OF PROCEEDS

Based on the closing price of per STL Share of TWD31 as at the date of this announcement, the value of 2,741,614 STL Shares was approximately TWD84,990,000 (equivalent to approximately HK\$22,327,000).

For illustrative purpose only, set out below is the expected gain on the Disposal(s) on the assumptions that all 2,741,614 STL Shares would have been disposed of at (i) TWD31 per STL Share, being the closing price of each STL Share as at the date of this announcement; and (ii) the Minimum Selling Price:

	Assuming all 2,741,614 STL Shares are disposed at TWD31 per STL Share <u>HK\$'000</u>	Assuming all 2,741,614 STL Shares are disposed at the Minimum Selling Price <u>HK\$'000</u>
Net proceeds for the Disposal(s)	22,228	17,926
Less: Carrying amount of the investment in STL Technology for the Disposal(s) as at 31 March 2022	(10,944)	(10,944)
Unaudited profit before and after tax (before non-controlling interest) on the Disposal(s)	<u>11,284</u>	<u>6,982</u>

For illustrative purpose only, set out below is the expected gain on the Disposal(s) and the Previous Disposals, in aggregate, on the assumption that all 2,741,614 STL Shares would have been disposed of at (i) TWD31 per STL Share, being the closing price of each STL Share as at the date of this announcement; and (ii) the Minimum Selling Price:

	Assuming all 2,741,614 STL Shares are disposed at TWD31 per STL Share <u>HK\$'000</u>	Assuming all 2,741,614 STL Shares are disposed at the Minimum Selling Price <u>HK\$'000</u>
Net proceeds for the Disposal(s) and the Previous Disposals	162,161	157,859
Less: Carrying amount of the investment in STL Technology for the Disposal(s) and the Previous Disposals as at 31 March 2022	(74,415)	(74,415)
Translation deficits as at 31 March 2022	(22,428)	(22,428)
Unaudited profit before and after tax (before non-controlling interest) on the Disposal(s) and the Previous Disposals	<u>65,318</u>	<u>61,016</u>

As disclosed in the Previous Announcements, as STL Technology is a non-core business of the Group with limited contribution to the Group, the Disposal(s) is not expected to have material impact on the earnings (other than the profits on the Disposal(s) and the Previous Disposals disclosed above) and net assets of the Group.

The Group intends to use the net proceeds from the Disposal(s) to strengthen the Group's cashflow and to repay bank loans.

REASONS FOR THE DISPOSAL MANDATE

As disclosed in the Previous Announcements, the Board believes that the Previous Disposals represent a good opportunity for the Group to realise a majority portion of its non-core investment in STL Technology to enhance the capital strength of the Group and devote more resources to its core businesses. The Disposal(s) would be consistent with such intention of the Company on the investment in STL Technology.

Given the volatility of the stock market, disposing of shares at the best possible price requires prompt disposal actions at the right timing and it would not be practicable to seek prior Shareholders' approval for each disposal of STL Shares. To allow flexibility in effecting future disposals of STL Shares at appropriate time(s) and price(s) so as to maximise the returns to the Group, the Company proposes to seek approval for the Disposal Mandate and the Disposal(s) from the Shareholders at the General Meeting in advance to allow the Directors to dispose of STL Shares during the Mandate Period.

The Disposal(s) will be made with reference to the market prices on open market. The Board is of the view that the Disposal Mandate and the Disposal(s) are on normal commercial terms, and that the terms are fair, reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Assuming that all 2,741,614 STL Shares held by GP Battery Technology would have been disposed of within the Mandate Period at the Minimum Selling Price, one or more applicable percentage ratios of the Disposal(s), when aggregated with the Previous Disposals conducted in the previous 12-month period from the relevant Disposal, will exceed 25% but less than 75%. Accordingly, the Disposal(s) will constitute major transaction for the Company under Chapter 14 of the Listing Rules and will be subject to the Shareholders' approval at the General Meeting.

The Company will seek the approval of the Shareholders at the General Meeting for the Disposal Mandate and the Disposal(s) to allow GP Battery Technology to dispose of up to 2,741,614 STL Shares during the Mandate Period.

A circular containing, among other things, further details of the Disposal Mandate, the Disposal(s), the notice of the General Meeting and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 3 August 2022.

There is no assurance that GP Battery Technology will proceed with the Disposal(s) after obtaining the Disposal Mandate. Whether and when GP Battery Technology will proceed with the Disposal(s) or not will depend on a number of factors including without limitation the prevailing market sentiments and market conditions at the proposed time of executing the Disposal(s). Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this announcement:

“Approved Sale Shares”	up to 2,741,614 STL Shares
“Board”	the board of Directors
“Company”	Gold Peak Technology Group 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 same meanings ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Disposal(s)”	the proposed disposal(s) of up to 2,741,614 STL Shares by the Group under the Disposal Mandate
“Disposal Mandate”	the general and conditional mandate to be granted by the Shareholders to the Company at the General Meeting to dispose of up to 2,741,614 STL Shares during the Mandate Period
“General Meeting”	the general meeting of the Company to be held and convened to consider, among others, the Disposal Mandate and the Disposal(s)
“GP Battery Technology”	GP Battery Technology (HK) Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of GP Industries
“GP Industries”	GP Industries Limited, a company incorporated in the Republic of Singapore with limited liability, the shares of which are listed on the Singapore Exchange Securities Trading Limited and is owned as to 85.59% by the Company as at the date of this announcement

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	party(ies) independent of and not connected with the Company and its connected persons
“Last Trading Day”	13 July 2022, being the last full trading day of the STL Shares on the Taipei Exchange prior to the publication of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mandate Period”	the 12-month period from the date of passing of the relevant resolution(s) approving the Disposal Mandate and the Disposal(s) at the General Meeting
“Minimum Selling Price”	TWD25 per STL Share
“percentage ratios”	has the same meaning ascribed to it under Rule 14.07 of the Listing Rules
“Previous Announcements”	the four announcements of the Company dated 6 April 2022, 31 May 2022, 2 June 2022 and 6 June 2022, respectively, in respect of the Previous Disposals
“Previous Disposals”	the disposal of an aggregate 15,900,000 STL Shares by GP Battery Technology in the open market from 6 April 2022 to 6 June 2022 as disclosed in the Previous Announcements
“Shareholder(s)”	holder(s) of share(s) issued by the Company
“STL Share(s)”	the issued share(s) of STL Technology
“STL Technology”	STL Technology Co., Ltd., a company established in Taiwan whose shares are traded on the Taipei Exchange (stock code: 4931.TWO)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TWD”	New Taiwan Dollar, the lawful currency of Taiwan

“%”

per cent.

For reference purposes only and unless otherwise specified, TWD amount has been translated into HK\$ using the rate of TWD1.00 to HK\$0.2627.

By Order of the Board of
Gold Peak Technology Group Limited
Louis WONG Man Kon
Company Secretary

Hong Kong, 13 July 2022
www.goldpeak.com

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.