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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)



**DISCLOSEABLE TRANSACTION
IN RELATION TO LEASING OF THE PREMISES**

THE OFFER LETTERS AND THE LEASE AGREEMENTS

The Board wishes to announce that on 21 July 2023, the Tenants (comprising the Company and two direct wholly-owned subsidiaries of GP Industries) accepted the Offer Letters issued by HKSTP as landlord in respect of the lease of the Premises for a term of 3 years from 1 August 2023 to 31 July 2026 (both days inclusive), respectively.

The Offer Letters constitute valid and binding agreements between the Tenants and HKSTP for the leasing of the Premises on the terms and conditions as set out in the Offer Letters until superseded by the execution of the Lease Agreements, respectively. According to the terms of the respective Offer Letters, the Tenants shall execute the respective Lease Agreements in respect of the Premises within 14 days after delivery of the same to the Tenants. As at the date of this announcement, the Tenants have signed and returned the Lease Agreements to HKSTP as landlord.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to HKFRS 16 “Leases”, the Company will recognise a right-of-use asset on its consolidated statement of financial position in connection with the lease of the Premises under the Offer Letters and, subsequently, the Lease Agreements. Accordingly, the entering into of the Offer Letters and, subsequently, the Lease Agreements will be regarded as an acquisition of asset by the Group under the Listing Rules.

As one or more of the applicable percentage ratios calculated in respect of the estimated value of the right-of-use asset to be recognised by the Group under the Offer Letters and, subsequently, the Lease Agreements exceeds 5% but is less than 25%, the transactions contemplated under the Offer Letters and, subsequently, the Lease Agreements constitute a discloseable transaction for

the Company and is subject to the reporting and announcement requirements but is exempt from Shareholders' approval under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board wishes to announce that on 21 July 2023, the Tenants (comprising the Company and two direct wholly-owned subsidiaries of GP Industries) accepted the Offer Letters issued by HKSTP as landlord in respect of the lease of the Premises for a term of 3 years from 1 August 2023 to 31 July 2026 (both days inclusive), respectively.

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PRINCIPAL TERMS OF THE OFFER LETTERS AND THE LEASE AGREEMENTS

1. Offer Letter A and Lease Agreement A

- Parties:** HKSTP as landlord; and
The Company as tenant
- Premises A:** (i) Premises A1
Units 901 to 908 of the 9th Floor of Building 12W, Phase Three, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong
- (ii) Premises A2
Units 909 to 918 of the 9th Floor of Building 12W, Phase Three, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong
- Term of the lease:** 3 years commencing from 1 August 2023 to 31 July 2026 (both days inclusive)

- Rent:**
- (i) Premises A1
HK\$341,901.50 per calendar month
 - (ii) Premises A2
HK\$409,943.68 per calendar month
- Service charges:**
- (i) Premises A1
HK\$88,748.90 per calendar month which is subject to increase by the landlord in accordance with the Lease Agreement A
 - (ii) Premises A2
HK\$106,774.40 per calendar month which is subject to increase by the landlord in accordance with the Lease Agreement A
- Deposits:** HK\$3,022,548.27, i.e. 3 months' rent, service charges and Government rent and rates (the latter two items based on 8% of the monthly rental) which is subject to increase in accordance with the Lease Agreement A
- Permitted use:** Research and development of products, services and processes including engineering and advanced manufacturing (but not mass production) and related customer support, sales and marketing services
- Rent-free periods:**
- (i) Premises A1
A total of 3 months' rent free to be taken during the period from 1 September 2023 to 30 November 2023 (both days inclusive) or at such time and in such manner as HKSTP may determine in its sole and absolute discretion; and

An additional rent-free period of 2 months to be taken from 1 December 2023 to 31 January 2024 (both days inclusive) or at such time and in such manner as HKSTP may determine in its sole and absolute discretion
 - (ii) Premises A2
A total of 3 months' rent free to be taken during the period from 1 September 2023 to 30 November 2023 (both days inclusive) or at such time and in such manner as HKSTP may determine in its sole and absolute discretion

2. Offer Letter B and Lease Agreement B

- Parties:** HKSTP as landlord; and
GP Electronics as tenant
- Premises B:**
- (i) Premises B1
Unit 801 of the 8th Floor of Building 12W, Phase Three, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong
 - (ii) Premises B2
Units 809 to 810 of the 8th Floor of Building 12W, Phase Three, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong
 - (iii) Premises B3
Units 811 to 818 of the 8th Floor of Building 12W, Phase Three, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong
- Term of the lease:** 3 years commencing from 1 August 2023 to 31 July 2026 (both days inclusive)
- Rent:**
- (i) Premises B1
HK\$90,400.00 per calendar month
 - (ii) Premises B2
HK\$68,471.00 per calendar month
 - (iii) Premises B3
HK\$344,345.50 per calendar month
- Service charges:**
- (i) Premises B1
HK\$22,057.60 per calendar month which is subject to increase by the landlord in accordance with the Lease Agreement B
 - (ii) Premises B2
HK\$21,136.70 per calendar month which is subject to increase by the landlord in accordance with the Lease Agreement B

- (iii) Premises B3
HK\$89,383.30 per calendar month which is subject to increase by the landlord in accordance with the Lease Agreement B

Deposits: HK\$2,028,154.26, i.e. 3 months' rent, service charges and Government rent and rates (the latter two items based on 8% of the monthly rental) which is subject to increase in accordance with the Lease Agreement B

Permitted use: Research and development of products, services and processes including engineering and advanced manufacturing (but not mass production) and related customer support, sales and marketing services

Rent-free periods: (i) Premises B1
A total of 3 months' rent free to be taken during the period from 1 September 2023 to 30 November 2023 (both days inclusive) or at such time and in such manner as HKSTP may determine in its sole and absolute discretion; and

An additional rent-free period of 2 months to be taken from 1 December 2023 to 31 January 2024 (both days inclusive) or at such time and in such manner as HKSTP may determine in its sole and absolute discretion

(ii) Premises B2
A total of 3 months' rent free to be taken during the period from 1 September 2023 to 30 November 2023 (both days inclusive) or at such time and in such manner as HKSTP may determine in its sole and absolute discretion

(iii) Premises B3
A total of 3 months' rent free to be taken during the period from 1 September 2023 to 30 November 2023 (both days inclusive) or at such time and in such manner as HKSTP may determine in its sole and absolute discretion

3. Offer Letter C and Lease Agreement C

Parties: HKSTP as landlord; and
GP Batteries as tenant

Premises C:	(i) <u>Premises C1</u> Units 701 to 707 and 710 to 716 of the 7th Floor of Building 16W, Phase Three, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong
	(ii) <u>Premises C2</u> Units 708 to 709 of the 7th Floor of Building 16W, Phase Three, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong
Term of the lease:	3 years commencing from 1 August 2023 to 31 July 2026 (both days inclusive)
Rent:	(i) <u>Premises C1</u> HK\$713,467.80 per calendar month
	(ii) <u>Premises C2</u> From 1 August 2023 to 31 July 2024, HK\$105,841.14 per calendar month; From 1 August 2024 to 31 July 2025, HK\$111,388.86 per calendar month; and From 1 August 2025 to 31 July 2026, HK\$116,970.00 per calendar month
Service charges:	(i) <u>Premises C1</u> HK\$179,248.50 per calendar month which is subject to increase by the landlord in accordance with the Lease Agreement C
	(ii) <u>Premises C2</u> HK\$28,072.80 per calendar month which is subject to increase by the landlord in accordance with the Lease Agreement C
Deposits:	HK\$3,312,582.36, i.e. 3 months' rent, service charges and Government rent and rates (the latter two items based on 8% of the monthly rental) which is subject to increase in accordance with the Lease Agreement C
Permitted use:	Research and development of products, services and processes including engineering and advanced manufacturing (but not mass production) and related customer support, sales and marketing services

- Rent-free periods:**
- (i) Premises C1
A total of 3 months' rent free to be taken during the period from 1 September 2023 to 30 November 2023 (both days inclusive) or at such time and in such manner as HKSTP may determine in its sole and absolute discretion

 - (ii) Premises C2
A total of 3 months' rent free to be taken during the period from 1 September 2023 to 30 September 2023, 1 September 2024 to 30 September 2024 and 1 September 2025 to 30 September 2025 (both days inclusive) or at such time and in such manner as HKSTP may determine in its sole and absolute discretion

RIGHT-OF-USE ASSET

Pursuant to HKFRS 16, as a result of the entering into of the Offer Letters, the unaudited value of the right-of-use asset to be HK\$70.6 million, being the present value of the aggregate rent under the Offer Letters.

INFORMATION ON HKSTP

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, HKSTP is (i) a public corporation set up by the Hong Kong Government in 2001 under the Hong Kong Science Parks Corporation Ordinance (Chapter 565 of the Laws of Hong Kong). It manages facilities and provides value-added services for the technology, research and development sector in Hong Kong which include the Hong Kong Science Park where the Premises are located; and (ii) a third party independent of the Company and its connected persons (as defined under the Listing Rules).

INFORMATION ON THE GROUP

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

GP Electronics and GP Batteries are direct wholly-owned subsidiaries of GP Industries, which as at the date of this announcement is an approximately 85.59% owned subsidiary of the Company and a company listed on the Singapore Stock Exchange. GP Electronics is principally engaged in marketing and trading of audio products and GP Batteries is an investment holding company and its subsidiaries are principally engaged in manufacturing, marketing and trading of batteries.

REASONS AND BENEFITS OF THE ENTERING INTO THE OFFER LETTERS AND THE LEASE AGREEMENTS

The Premises have been occupied by the Group as its headquarters in Hong Kong on lease and the original lease agreements in respect of the Premises will expire on 31 July 2023. As the Hong Kong Science Park is a technological infrastructure in Hong Kong that aims to create a suitable environment for research and development of, among others, electronics and high tech industries which coincides with the Group's principal business activities, the leases of the Premises in the Hong Kong Science Park is complementary and beneficial to the Group's operation in Hong Kong. In addition, the renewal of the leases of the Premises by way of the entering into of the Offer Letters and the Lease Agreements will allow the Group to operate its business in Hong Kong on an uninterrupted basis and save the Group from relocation expenses.

The terms (including the rents payable) of the Offer Letters and the Lease Agreements were arrived at after arm's length negotiations between HKSTP and the Group by reference to the prevailing market rentals for comparable properties in the vicinity of the Premises.

The Board considers that the entering into of the Offer Letters and the Lease Agreements is in the ordinary and usual course of business of the Group, is on normal commercial terms and such terms are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Pursuant to HKFRS 16 "Leases", the Company will recognise a right-of-use asset on its consolidated statement of financial position in connection with the lease of the Premises under the Offer Letters and, subsequently, the Lease Agreements. Accordingly, the entering into of the Offer Letters and, subsequently, the Lease Agreements will be regarded as an acquisition of asset by the Group under the Listing Rules.

As one or more of the applicable percentage ratios calculated in respect of the estimated value of the right-of-use asset to be recognised by the Group under the Offer Letters and, subsequently, the Lease Agreements exceeds 5% but is less than 25%, the transactions contemplated under the Offer Letters and, subsequently, the Lease Agreements constitute a discloseable transaction for the Company and is subject to the reporting and announcement requirements but is exempt from Shareholders' approval under Chapter 14 of the Listing Rules.

DEFINITIONS

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

"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

“Director(s)”	director(s) of the Company
“GP Batteries”	GP Batteries International Limited, a company incorporated in the Republic of Singapore with limited liability and a wholly-owned subsidiary of GP Industries
“GP Electronics”	GP Electronics (HK) Limited, a company incorporated in Hong Kong with limited liability and a 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 Stock Exchange and is owned as to 85.59% by the Company as at the date of this announcement
“Group”	the Company and its subsidiaries
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“HKSTP”	Hong Kong Science and Technology Parks Corporation, a public corporation formed under the Hong Kong Science Parks Corporation Ordinance (Chapter 565 of the Laws of Hong Kong)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Lease Agreement A”	the lease agreement to be mutually agreed and signed between HKSTP as landlord and the Company as tenant in relation to the lease of the Premises A pursuant to the terms of the Offer Letter A
“Lease Agreement B”	the lease agreement to be entered into between HKSTP as landlord and GP Electronics as tenant in relation to the lease of the Premises B pursuant to the terms of the Offer Letter B
“Lease Agreement C”	the lease agreement to be entered into between HKSTP as landlord and GP Batteries as tenant in relation to the lease of the Premises C pursuant to the terms of the Offer Letter C

“Lease Agreements”	collectively, Lease Agreement A, Lease Agreement B and Lease Agreement C
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer Letter A”	the offer letter issued by HKSTP as landlord and accepted by the Company as tenant on 18 July 2023 in relation to the lease of the Premises A
“Offer Letter B”	the offer letter issued by HKSTP as landlord and accepted by GP Electronics as tenant on 18 July 2023 in relation to the lease of the Premises B
“Offer Letter C”	the offer letter issued by HKSTP as landlord and accepted by GP Batteries as tenant on 18 July 2023 in relation to the lease of the Premises C
“Offer Letters”	collectively, Offer Letter A, Offer Letter B and Offer Letter C
“percentage ratio(s)”	has the same meaning ascribed to it under Rule 14.07 of the Listing Rules
“Premises”	collectively, Premises A, Premises B and Premises C
“Premises A”, “Premises B” and “Premises C”	has the respective meaning attributable to them under the section headed “Principal Terms of the Offer Letters and the Lease Agreements” in this announcement
“Share(s)”	ordinary shares in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Tenants” collectively, the Company, GP Electronics and GP Batteries

"% " per cent.

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

Hong Kong, 21 July 2023

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.