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**匯聚科技有限公司**  
**TIME Interconnect Technology Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1729)**

**DISCLOSEABLE AND CONNECTED TRANSACTION  
IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARE  
CAPITAL OF THE TARGET COMPANY**

**Financial adviser to the Company**

**FRONTPAGE 富比**

**THE ACQUISITION**

The Board is pleased to announce that on 31 May 2021 (after the trading hours), the Purchaser, a direct wholly-owned subsidiary of the Company, entered into the S&P Agreement with the Vendor, pursuant to which the Purchaser conditionally agreed to acquire, and the Vendor conditionally agreed to sell, the entire issued share capital of the Target Company at the initial consideration of HK\$69,000,000 (subject to adjustment), subject to the terms and conditions of the S&P Agreement. Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the consolidated financial statements of the Company.

**LISTING RULES IMPLICATIONS**

As the highest of the applicable percentage ratios (as defined under the Listing Rules) is greater than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. In addition, as at the date of this announcement, Linkz Industries, which in turn holds 63.85% equity interest of the Company through Time Holdings, is owned as to 38.13% by the Vendor (which is owned as to 85.47% by Gold Peak), 39.68% by Mr. Paul Lo, 20.14% by Nickson Holdings and 2.05% by the Linkz Individual Shareholders, respectively. For the purpose of the Listing Rules, the Vendor, Gold Peak, Mr. Paul Lo, Nickson Holdings and the Linkz Individual Shareholders are a group of Controlling Shareholders by virtue of their holding interests commonly through Linkz Industries. As

such, the Vendor is a connected person of the Company under Chapter 14A of the Listing Rules. The Acquisition is therefore subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee has been formed to consider, and to advise the Independent Shareholders on the terms of the S&P Agreement and the transactions contemplated thereunder. Asian Capital Limited has been appointed as the Independent Financial Adviser to make recommendations to the Independent Board Committee and the Independent Shareholders on the terms of the S&P Agreement and the transactions contemplated thereunder.

## **GENERAL**

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, approve the S&P Agreement and the transactions contemplated thereunder. A circular containing, among other things, (i) details of the Acquisition and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) other information as required to be disclosed under the Listing Rules; and (v) a notice of the EGM, is expected to be despatched to the Shareholders on or before 22 June 2021.

**Completion of the Acquisition is subject to fulfilment of the conditions precedent set out in the S&P Agreement, and the Acquisition may or may not proceed to Completion. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

## **INTRODUCTION**

On 31 May 2021 (after trading hours), the Purchaser, a direct wholly-owned subsidiary of the Company, entered into the S&P Agreement with the Vendor, pursuant to which the Purchaser conditionally agreed to acquire, and the Vendor conditionally agreed to sell, the entire issued share capital of the Target Company at the initial consideration of HK\$69,000,000 (subject to adjustment), subject to the terms and conditions of the S&P Agreement.

## **THE S&P AGREEMENT**

The principal terms of the S&P Agreement are set out below:

### **Date**

31 May 2021

## **Parties**

Purchaser: Time Interconnect Investment Limited, a direct wholly-owned subsidiary of the Company

Vendor: GP Industries Limited

As at the date of this announcement, Linkz Industries, which in turn holds 63.85% equity interest of the Company through Time Holdings, is owned as to 38.13% by the Vendor (which is owned as to 85.47% by Gold Peak), 39.68% by Mr. Paul Lo, 20.14% by Nickson Holdings and 2.05% by the Linkz Individual Shareholders, respectively. For the purpose of the Listing Rules, the Vendor, Gold Peak, Mr. Paul Lo, Nickson Holdings and the Linkz Individual Shareholders are a group of Controlling Shareholders by virtue of their holding interests commonly through Linkz Industries. As such, the Vendor is a connected person of the Company under Chapter 14A of the Listing Rules.

## **Assets to be acquired**

Pursuant to the S&P Agreement, the Purchaser conditionally agreed to acquire, and the Vendor conditionally agreed to sell, the entire issued share capital of the Target Company, subject to the terms and conditions of the S&P Agreement. Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the consolidated financial statements of the Company. For detailed information of the Target Group, please refer to the section headed “Information of the Target Group” below.

## **Consideration**

The Consideration is initially determined at approximately HK\$69,000,000 after arm’s length negotiation between the Vendor and the Purchaser having taken into consideration (i) the Unaudited NAV; and (ii) the factors set out in the section headed “Reasons for and the benefits of the proposed Acquisition” below.

The Consideration shall be payable by the Purchaser to the Vendor in cash upon Completion. It is expected that approximately HK\$50,000,000 of the Consideration will be financed by a term loan granted by a leading bank in Hong Kong and the remaining portion of the Consideration will be financed by internal resources of the Group. According to the latest negotiations with the leading bank and the indicative term sheet, the Group will be granted a term loan by the bank with a tenor of three years and an interest rate of applicable HIBOR plus an agreed margin per annum.

### ***Adjustment to Consideration***

Pursuant to the S&P Agreement, the initial Consideration is subject to adjustment. Prior to Completion, auditors (or other qualified public accountants firm acceptable to or agreed by the Purchaser and the Vendor) shall be appointed to prepare the audited financial statements of the Target Group for the year ended 31 March 2021 as soon as practicable. In the event that the difference between the Unaudited NAV and the Audited NAV is more than 5%, the final Consideration shall be adjusted proportionately in accordance with the percentage change of the Audited NAV against the Unaudited NAV, provided that following the Consideration adjustment, the final Consideration shall be capped at HK\$80,000,000.

### **Conditions precedent**

Unless otherwise agreed by the Vendor and the Purchaser in writing, Completion is conditional upon the following conditions precedent being satisfied on or before the Long Stop Date:

- (a) the Purchaser having obtained all necessary corporate authorisations including board resolutions and shareholder's resolutions approving the S&P Agreement and the transactions contemplated under the S&P Agreement;
- (b) the Vendor having obtained all necessary corporate authorisations including board resolutions, regulatory approvals, consent and certificates required under the listing rules of the Singapore Exchange and the Singapore Exchange's approval and clearance in connection with the S&P Agreement and the transactions contemplated under the S&P Agreement;
- (c) Gold Peak having obtained the approval of its shareholders at its general meeting (if required), all necessary regulatory approvals, consent and certificates required under the Listing Rules and the Stock Exchange's approval and clearance in connection with the S&P Agreement and the transactions contemplated under the S&P Agreement;
- (d) the Company having obtained the approval of its shareholders at its general meeting, all necessary regulatory approvals, consent and certificates required under the Listing Rules and the Stock Exchange's approval and clearance in connection with the S&P Agreement and the transactions contemplated under the S&P Agreement;
- (e) the Company having obtained a term loan facility from a bank in Hong Kong in connection with the S&P Agreement and the transactions contemplated under the S&P Agreement;
- (f) the reorganisation of the Target Group by transferring the entire equity interest of Huizhou GP Wiring to the Target Company having been completed;

- (g) the audited financial statements of the Target Group for the year ended 31 March 2021 having been prepared by auditors (or other qualified public accountants firm acceptable or agreed by the Purchaser and the Vendor);
- (h) each of the warranties made by the Vendor in the S&P Agreement remaining true and accurate in all material respects at the Completion Date;
- (i) the legal and financial due diligence on the business and operations of the Target Group by or on behalf of the Purchaser having completed to the satisfaction of the Purchaser; and
- (j) each of the Vendor and the Purchaser having obtained all necessary regulatory approvals, consent and certificates required pursuant to all applicable law, statute, regulation or ordinance and all necessary approvals, licenses, authorisations, consents, waivers or notifications necessary from third parties, governmental or regulatory authorities in the PRC, Singapore, Hong Kong, the BVI and the Cayman Islands in connection with the transactions required to be obtained having been granted and in effect.

If any of the conditions precedent shall not have been satisfied at or before 5:00 p.m. on the Long Stop Date, then unless otherwise agreed in writing between the parties, the S&P Agreement and the terms and conditions hereof will immediately and automatically terminate, in which case, no party to the S&P Agreement shall have any further obligations or liabilities under or arising from the S&P Agreement.

## **Completion**

Completion shall take place on the tenth business day (or on any other day as the Vendor and the Company may agree in writing) following the notice issued by the Purchaser to the Vendor informing the satisfaction of all the conditions precedent in the S&P Agreement. As at the date of this announcement, none of the conditions precedent has been fulfilled.

## **INFORMATION ON THE PARTIES**

### **Information on the Purchaser**

The Purchaser is an investment holding company incorporated in the BVI with limited liability and is a direct wholly-owned subsidiary of the Company. The Group is principally engaged in the manufacturing and sales of cable assembly products and networking cables.

### **Information on the Vendor**

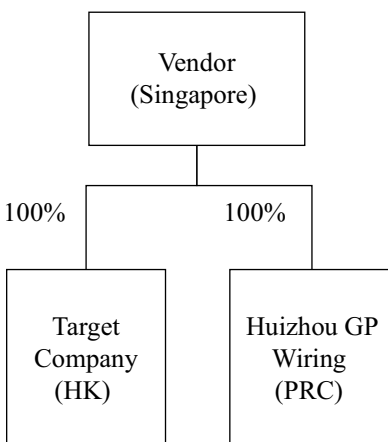
The Vendor is a company incorporated in Singapore whose shares are listed on the Singapore Exchange (stock code: G20). The Vendor and its subsidiaries specialise in the development, manufacture and distribution of a wide range of products including electronics and acoustic products, batteries and battery-related products, and automotive wire harness. As at the date of

this announcement, the Vendor is owned as to 85.47% by Gold Peak, which is a company incorporated in Hong Kong with limited liability with its shares listed on the Main Board of Stock Exchange (stock code: 40).

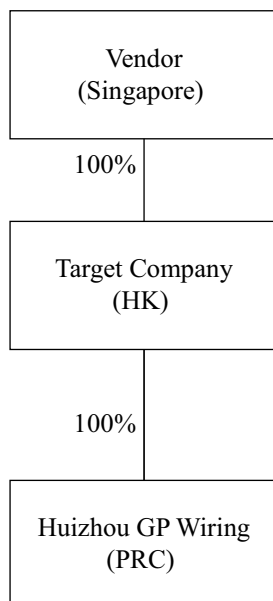
### **Information of the Target Group**

The Vendor carries on its manufacturing and sales of automotive wire harness business through the Target Company and Huizhou GP Wiring. The Target Company was incorporated in Hong Kong with limited liability on 14 January 1992 and is principally engaged in the marketing and trading of automotive wire harness products. The Vendor acquired all issued shares of the Target Company by December 1996 at a total costs of approximately HK\$27,294,000. Established on 14 January 2000 in the PRC, Huizhou GP Wiring is mainly responsible for producing the automotive wire harness products. Huizhou GP Wiring has a production facility located in Huizhou with a total gross floor area of approximately 12,125 square meters. The products manufactured by Huizhou GP Wiring are generally sold to customers in the PRC directly by Huizhou GP Wiring or to the Target Company for further distribution to overseas customers. The Vendor shall undertake and complete the reorganisation for the Target Group by transferring the entire equity interest in Huizhou GP Wiring to the Target Company prior to Completion pursuant to the S&P Agreement as shown below.

### ***The shareholding structure of the Target Group as at the date of this announcement***



### *The shareholding structure of the Target Group immediately before Completion*



### *Financial information of the Target Group*

Based on the unaudited management accounts of the Target Group for the years ended 31 March 2020 and 2021, the turnover, the net profit (before and after taxation) and the net assets of the Target Group are as follows:

	<b>For the year ended 31 March 2020</b> (unaudited) <i>HK\$'000</i>	<b>For the year ended 31 March 2021</b> (unaudited) <i>HK\$'000</i>
Revenue	203,801	190,575
Profit before tax	12,499	10,014
Profit after tax	9,858	8,141

According to the unaudited management accounts of the Target Group, the Target Group recorded net assets of approximately HK\$72,171,000 as at 31 March 2021.

### **REASONS FOR AND BENEFIT OF THE ACQUISITION**

Over the past years, China has remained as the largest automotive market and automotive manufacturing country in the world. With the launch of certain industrial plans by the PRC government which focus on the technological advancements and the expectation that fossil fuel will be run out in the future, large corporations in China have announced their action to research and develop electric vehicles and/or autonomous driving technology. In October 2020, the State Council formulated a goal that by 2025, sales of new energy automobiles in China should account for 20% of the total sales of new vehicles. Against this backdrop, the Directors have

noted that one of the Group's major customers has partnered with automotive manufacturers and launched their first electric model with the customer's brand name. The Directors considered that the Target Group's product of automotive wire harness will be a good opportunity for the Group to extend its product mix offered to this major customer and also tap into the new business sector so as to diversify the Group's business portfolio and broaden its income stream with distinct customer base.

As disclosed in the section headed "Information on the Target Group" above, the Target Group is principally engaged in the manufacturing and sales of automotive wire harness which is one of the key components used to convey information and power in a vehicle. As the Target Group has a proven operating history of over 20 years, the Acquisition allows the Group to leverage on the Target Group's extensive know-how and existing production facilities to immediately deliver reliable and high quality products to its customers. Given that smart vehicles generally need reliable and high-speed data transfer for the autonomous driving technology, the Directors believe that the Acquisition can integrate the research and development resources of the Group, which has expertise in high-speed and high-capacity cable assembly products, with the Target Group to produce products that can meet the highest standards and specifications for new smart vehicles. In addition, the Target Group's production facilities are located within the close proximity of the Group's existing production facilities in Huizhou and thereby optimise the efficiency in managing the operations of the Target Group by the Group's local management.

In view of the above, the Directors (other than the independent non-executive Directors who will express their views after receiving advice from the Independent Financial Adviser) are of the view that the transactions contemplated under the S&P Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the highest of the applicable percentage ratios (as defined under the Listing Rules) is greater than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. In addition, as at the date of this announcement, Linkz Industries, which in turn holds 63.85% equity interest of the Company through Time Holdings, is owned as to 38.13% by the Vendor (which is owned as to 85.47% by Gold Peak), 39.68% by Mr. Paul Lo, 20.14% by Nickson Holdings and 2.05% by the Linkz Individual Shareholders, respectively. For the purpose of the Listing Rules, the Vendor, Gold Peak, Mr. Paul Lo, Nickson Holdings and the Linkz Individual Shareholders are a group of Controlling Shareholders by virtue of their holding interests commonly through Linkz Industries. As such, the Vendor is a connected person of the Company under Chapter 14A of the Listing Rules. The Acquisition is therefore subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.



The Independent Board Committee has been formed to consider, and to advise the Independent Shareholders on the terms of the S&P Agreement and the transactions contemplated thereunder. Asian Capital Limited has been appointed as the Independent Financial Adviser to make recommendations to the Independent Board Committee and the Independent Shareholders on the terms of the S&P Agreement and the transactions contemplated thereunder.

## GENERAL

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, approve the S&P Agreement and the transactions contemplated thereunder. A circular containing, among other things, (i) details of the Acquisition and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) other information as required to be disclosed under the Listing Rules; and (v) a notice of the EGM, is expected to be despatched to the Shareholders on or before 22 June 2021.

**Completion of the Acquisition is subject to fulfilment of the conditions precedent set out in the S&P Agreement, and the Acquisition may or may not proceed to Completion. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

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

“Acquisition”	the acquisition of the entire issued capital of the Target Company as contemplated under the S&P Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audited NAV”	the audited net assets value of the Target Group as at 31 March 2021 based on the audited financial statements of the Target Group for the year ended 31 March 2021
“Board”	the board of Directors
“business day(s)”	any day(s) except Saturday, Sunday or public holiday on which banks are open in Hong Kong and Singapore to the general public for business
“BVI”	the British Virgin Islands

“Chairman”	chairman of the Board
“Chief Executive Officer”	chief executive officer of the Company
“Company”	Time Interconnect Technology Limited (匯聚科技有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Acquisition pursuant to the terms and conditions of the S&P Agreement
“Completion Date”	the date of Completion, which shall take place on the tenth business days after the issue of the notice by the Purchaser that the last of the conditions precedent under the S&P Agreement has been satisfied, or any other date as the Vendor and the Purchaser may agree
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the purchase price of the entire issued share capital of the Target Company initially determined at HK\$69,000,000 payable by the Purchaser to the Vendor for the Acquisition, subject to adjustment in accordance with the S&P Agreement
“Controlling Shareholder(s)”	has the meaning ascribed to it under Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve the S&P Agreement and the transactions contemplated thereunder
“Gold Peak”	Gold Peak Industries (Holdings) Limited (金山工業(集團)有限公司), a company incorporated in Hong Kong, whose shares are listed on the Main Board of the Stock Exchange (stock code: 40) and a Controlling Shareholder of the Company
“Group”	the Company and its subsidiaries
“HIBOR”	Hong Kong Interbank Offered Rate
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huizhou GP Wiring”	Huizhou GP Wiring Technology Ltd. (惠州金山線束科技有限公司), a company established in the PRC with limited liability and registered and paid-up capital of US\$4,093,000
“Independent Board Committee”	the independent board committee of the Company comprising Mr. Ho Hin Shun, Mr. Luk Wai Shing and Mr. Chan Chung Shun Eric, being all the independent non-executive Directors, which is formed to advise the Independent Shareholders on the S&P Agreement and the transactions contemplated thereunder
“Independent Financial Adviser”	Asian Capital Limited (卓亞融資有限公司), a licensed corporation permitted to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition
“Independent Shareholders”	Shareholders who are entitled to attend and vote at the EGM, other than: (i) the Vendor and its associates; and (ii) all other Shareholders (if any) who are involved or interested in the Acquisition
“Linkz Individual Shareholders”	consists of six individuals, namely Mr. Cua Tin Yin Simon, Mr. Sy Yuk Tsan, Mr. Li Ping Kuen, Mr. Chan Ting Hei, Ms. Lo Ching Yee and Mr. Wong Wai Hung, holding 1.09%, 0.72%, 0.09%, 0.09%, 0.04% and 0.02% (together representing 2.05%) of the issued ordinary share capital of Linkz Industries, respectively
“Linkz Industries”	Linkz Industries Limited, a company incorporated in Hong Kong with limited liability and a Controlling Shareholder of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Long Stop Date”	30 September 2021

“Mr. Paul Lo”	Mr. Lo Chung Wai Paul, the non-executive Director, the Chairman and a Controlling Shareholder of the Company
“Nickson Holdings”	Nickson Holdings Limited, a company incorporated in the BVI with limited liability, a Controlling Shareholder of the Company and is wholly owned by Mr. Paul Lo
“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Time Interconnect Investment Limited, a direct wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Singapore”	the Republic of Singapore
“Singapore Exchange”	Singapore Exchange Securities Trading Limited
“S&P Agreement”	the conditional sale and purchase agreement dated 31 May 2021 entered into between the Purchaser and the Vendor in relation to the Acquisition
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Target Company”	GP Industries Marketing Limited(金山工業貿易有限公司), a company incorporated in Hong Kong with limited liability and issued and paid-up share capital of HK\$21,000,000 which comprises of 1,300,000 ordinary shares and 800,000 non-voting deferred shares
“Target Group”	the Target Company and its subsidiaries after the implementation of the reorganisation of the Target Group prior to Completion, namely Huizhou GP Wiring

“Time Holdings”	Time Interconnect Holdings Limited, a company incorporated in the BVI with limited liability, a Controlling Shareholder of the Company and is wholly-owned by Linkz Industries
“Unaudited NAV”	the net asset value of the Target Group as at 31 March 2021 based on the unaudited management accounts of the Target Group for the year ended 31 March 2021
“US\$”	United States Dollars, the lawful currency of the United States
“Vendor”	GP Industries Limited, a company incorporated in Singapore whose shares are listed on the Singapore Exchange (stock code: G20) and a Controlling Shareholder of the Company
“%”	per cent.

By order of the Board  
**Time Interconnect Technology Limited**  
**Cua Tin Yin Simon**  
*Executive Director and Chief Executive Officer*

Hong Kong, 31 May 2021

*As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Cua Tin Yin Simon and Mr. Wong Chi Kuen, one non-executive Director, namely Mr. Lo Chung Wai Paul and three independent non-executive Directors, namely Mr. Ho Hin Shun, Mr. Luk Wai Shing and Mr. Chan Chung Shun Eric.*