

Gold Peak Industries (Holdings) Limited

金山工業(集團)有限公司



Interim Report 2002/03

Corporate Information

BOARD OF DIRECTORS

Executive

Victor LO Chung Wing, *Chairman & Chief Executive*

Andrew NG Sung On, *Vice Chairman*

Kevin LO Chung Ping

Paul LO Chung Wai

LEUNG Pak Chuen

Richard KU Yuk Hing

Andrew CHUANG Siu Leung

CHAU Kwok Wai

Raymond WONG Wai Kan

Non-Executive

Vincent CHEUNG Ting Kau

LUI Ming Wah

John LO Siew Kiong

AUDIT COMMITTEE

Vincent CHEUNG Ting Kau, *Chairman*

LUI Ming Wah

John LO Siew Kiong

SOLICITORS

Vincent T.K. Cheung, Yap & Co.

AUDITORS

Deloitte Touche Tohmatsu

SECRETARY AND REGISTERED OFFICE

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SHARE REGISTRARS AND TRANSFER OFFICE

Abacus Share Registrars Limited

5th Floor, Wing On Centre

111 Connaught Road Central, Hong Kong

ADR DEPOSITARY

The Bank of New York

101 Barclay Street, 22nd Floor

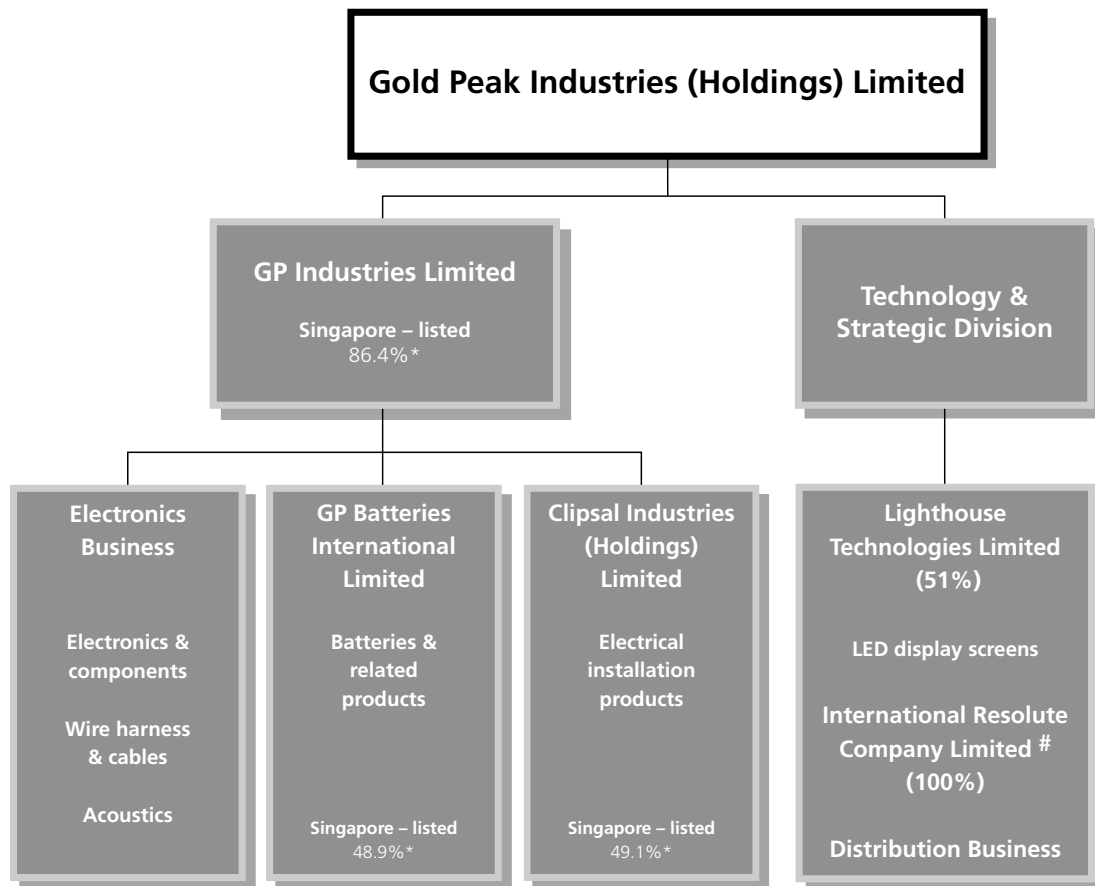
New York, NY10286, USA

KEY DATES

Closure of Register: January 14 to January 17, 2003

Interim Dividend: Payable on or about January 28, 2003

Group Structure



* Percentages stated denote respective shareholdings held by Gold Peak and GP Industries as at November 30, 2002

Holding an industrial building for own use

Group Profile

Gold Peak Group is an Asian multinational group which owns a diversified portfolio of high-quality industrial investments via its major industrial investment vehicle, the Singapore-listed GP Industries Limited. Its Technology and Strategic Division is engaged in the development of new product technologies and strategic investments. In the industrial sector, the Group has established a leadership position in Asia for most of its product categories including **GP Batteries** and **CLIPSAL** electrical installation products.

The parent company, Gold Peak Industries (Holdings) Limited [SEHK Stock Code: 40], was established in 1964 and has been listed in Hong Kong since 1984.

Currently, Gold Peak holds an 86.4%* interest in GP Industries while GP Industries holds a 48.9%* interest in GP Batteries International Limited and a 49.1% interest in Clipsal Industries (Holdings) Limited respectively. GP Industries, GP Batteries and Clipsal Industries have been listed in Singapore since 1995, 1991 and 1992 respectively.

In addition to its investments in GP Batteries and Clipsal Industries, GP Industries is also engaged in the development, manufacture and distribution of wire harness and cables, automotive electronics, specialty electronics, parts and components as well as loudspeakers.

Gold Peak Group has manufacturing, research and development, marketing and distribution operations in more than 10 countries around the world. Including the major operations of its various divisions, the Group is currently employing over 14,000 people worldwide.

(*as at November 30, 2002)

The Board of Directors of Gold Peak Industries (Holdings) Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended September 30, 2002. These results have been reviewed by the Company’s audit committee.

Highlights

- The Group achieved satisfactory growth in turnover and profit during the period.
- Consolidated turnover was HK\$910.1 million, an increase of 19.4%.
- Profit attributable to shareholders was HK\$38.8 million, an increase of 20.4%.
- Earnings per share amounted to 7.3 Hong Kong cents, an increase of 20.4%.
- Interim dividend per share: 3.0 Hong Kong cents (2001/02: 2.5 Hong Kong cents)

Business Review

GP Industries – 86.4% owned

- GP Industries achieved satisfactory results with turnover increased by 17.3%.
- Net profit grew strongly by 39.6%, despite an exceptional loss of HK\$4.9 million resulting from the closure of a loudspeaker factory in the UK. This was mainly attributed to the good performance of the electronic and component businesses as well as the strong contribution from GP Batteries.

Electronics Division

- Sales of electronic and component products rose by 22.5%, mainly due to the strong sales of professional audio products to the US and Europe, improved cost efficiency from merging two audio factories into one in Huizhou, China, and the strong contribution from the component associates.
- Export sales of wire harness remained steady but profit decreased slightly due to keen price competition whereas sales in China continued to grow satisfactorily due to strong demand from the automobile industry. Sales of LTK’s cable continued to grow satisfactorily but profit experienced a decrease because of intense price competition.
- Sales of branded loudspeakers registered an impressive growth. Sales grew strongly in the US and European markets as a result of increased activities in marketing and distribution.

GP Batteries – 48.9%-owned by GP Industries

- GP Batteries' turnover increased by 16.1%. The business recovered strongly. Sales of rechargeable batteries recorded an increase of over 20% due to the strong demand for high-capacity Nickel Metal Hydride batteries and the commencement of commercial production of Lithium Ion batteries.
- Net profit grew strongly by 42.3% due to increase in sales of products with better margin and improvement in operating efficiency.
- In September, it entered into two conditional sale and purchase agreements to acquire a 75% interest in Zhongyin (Ningbo) Battery Co Ltd, the second largest alkaline battery producer in China. This company has a strong distribution network in over 80 major cities throughout China and owns the "Pairdeer" trademark which is recognized as one of China's top brands in the alkaline battery market.

Clipsal Industries – 49.1%-owned by GP Industries

- For the six months ended June 30, 2002, Clipsal Industries' turnover and profit decreased by 5.7% and 34.7% respectively.
- Most of the key Asian markets continued to be volatile and very competitive. However, its aggressive marketing efforts, introduction of new products, and expansion into new business segments and emerging markets all helped cushion a sharp decline in turnover.
- In Australia, trading conditions remained strong and the associate Gerard Industries continued to achieve growth in both sales and market share.
- Overall, despite the highly competitive trading environment, profit margin as compared to the second half of last year has slightly improved in its key markets due to improved operating efficiency.

Technology & Strategic Division

The 51%-owned Lighthouse Technologies Limited experienced a much tougher market in the US and Europe after the tragic 911 events. LED screens are typically capital goods and the market is expected to take longer to recover. However, it achieved an increase in turnover of about 30% due to successful introduction of new products, aggressive marketing activities and pricing strategy. Overall, Lighthouse's profit decreased during the period.

Financial Review

During the period, the Group's net bank borrowings decreased by HK\$23 million to HK\$1,860 million. As at September 30, 2002, the aggregate of the Group's shareholders' fund and minority interests was HK\$1,208 million. The Group's gearing ratio (the ratio of consolidated net bank borrowings to shareholders' fund and minority interests) was 1.54, as compared with 1.60 as at March 31, 2002. The gearing ratios of the Company and GP Industries were 0.92 (March 31, 2002: 0.93) and 0.54 (March 31, 2002: 0.58) respectively whereas those of GP Batteries and Clipsal Industries were 0.69 and 0.64 (as at June 30, 2002) respectively. There were no significant changes in the gearing ratios when compared to those as at the last balance sheet dates of the respective companies.

The Group and its major associated companies continued to manage foreign exchange and interest rate risks prudently. Forward contracts, borrowings in local currencies and local sourcing have been arranged to minimize foreign exchange risk. At September 30, 2002, 54% (March 31, 2002: 28%) of the Group's bank borrowings was revolving or repayable within one year whereas 46% (March 31, 2002: 72%) was mostly repayable between one to five years. Most of these bank borrowings are based on floating interest rates. About 67% and 19% of the Group's bank borrowings are in US dollars and Hong Kong dollars respectively.

Prospects

Most of the Group's export markets have shown signs of recovery since the first half year although the global business environment remains very volatile and highly competitive.

Looking ahead, the Electronics Division of GP Industries as well as GP Batteries are expected to maintain their strong performance in the second half year. Clipsal Industries is expected to continue facing a very competitive operating environment. However, when the building industry around Asia starts to recover, Clipsal is well-placed to capture the growth opportunities. For Lighthouse, there are signs of stronger sales in the second half year and margin is expected to improve.

To maximize shareholders' value, we are dedicated to improve our profitability and financial position. We will continue to strengthen our cost competitiveness and enhance our market shares in respective markets in the region. We believe the recent acquisition of Zhongyin (Ningbo) Battery will further enhance the Group's position in the China market.

Barring unforeseen circumstances, the Group is expected to perform satisfactorily for the current financial year.

Consolidated Income Statement

For the six months ended September 30

	<i>Notes</i>	2002 (Unaudited) HK\$'000	2001 (Unaudited) HK\$'000
Turnover	2	910,079	762,024
Cost of sales		<u>(726,309)</u>	<u>(601,607)</u>
Gross profit		183,770	160,417
Other income		18,124	34,262
Distribution costs		(81,733)	(52,589)
Administrative expenses		(89,262)	(85,880)
Net investment loss	3	(3,557)	(7,288)
Other operating expenses	4	<u>(5,384)</u>	<u>(25)</u>
Profit from operations	5	21,958	48,897
Finance costs		(45,419)	(66,810)
Share of results of associates		100,470	86,416
Amortisation of goodwill on acquisition of associates		(3,568)	(3,091)
Amortisation of negative goodwill on acquisition of associates		558	209
Loss on disposal/deemed partial disposal of subsidiaries		(482)	(55)
Gain on disposal/deemed partial disposal of associates		<u>1,037</u>	<u>438</u>
Profit before taxation		74,554	66,004
Taxation	6	<u>(23,323)</u>	<u>(19,838)</u>
Profit before minority interests		51,231	46,166
Minority interests		<u>(12,435)</u>	<u>(13,952)</u>
Net profit for the period		<u>38,796</u>	<u>32,214</u>
Interim dividend		<u>15,957</u>	<u>13,298</u>
Earnings per share	7		
Basic		7.3 cents	6.1 cents
Diluted		<u>7.3 cents</u>	<u>5.8 cents</u>

Consolidated Balance Sheet

		September 30, 2002 (Unaudited) HK\$'000	March 31, 2002 (Audited) HK\$'000
	<i>Notes</i>		
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties		89,700	89,700
Property, plant and equipment	8	293,092	300,712
Interests in associates		1,625,536	1,563,734
Trademarks		62,741	64,832
Investments in securities		187,825	191,825
Advances to trade associates		109,000	117,000
Deferred expenditure		23,898	24,448
Goodwill		9,637	10,129
		<u>2,401,429</u>	<u>2,362,380</u>
Current assets			
Inventories		388,984	342,023
Debtors, bills receivable and prepayments	9	650,378	600,427
Investments in securities		179,640	183,389
Dividends receivable		11,699	9,388
Taxation recoverable		66	218
Bank balances, deposits and cash		304,698	365,542
		<u>1,535,465</u>	<u>1,500,987</u>
Current liabilities			
Creditors and accrued charges	10	467,785	345,596
Obligations under finance leases		2,396	3,033
Taxation payable		7,984	3,989
Bank loans, overdrafts and import loans		1,157,031	626,573
		<u>1,635,196</u>	<u>979,191</u>
Net current (liabilities) assets		<u>(99,731)</u>	<u>521,796</u>
Total assets less current liabilities		<u>2,301,698</u>	<u>2,884,176</u>
Minority interests		<u>238,540</u>	<u>226,723</u>
Non-current liabilities			
Borrowings		1,005,151	1,618,911
Convertible note		84,662	83,423
Deferred taxation		3,831	4,675
		<u>1,093,644</u>	<u>1,707,009</u>
Net assets		<u>969,514</u>	<u>950,444</u>
CAPITAL AND RESERVES			
Share capital		265,953	265,953
Reserves		703,561	684,491
Shareholders' funds		<u>969,514</u>	<u>950,444</u>

Condensed Consolidated Cash Flow Statement

For the six months ended September 30

	2002 (Unaudited) <i>HK\$'000</i>	2001 (Unaudited) <i>HK\$'000</i>
Net cash inflow from operating activities	53,929	1,200
Net cash inflow (outflow) from investing activities	6,321	(17,065)
Net cash (outflow) inflow from financing	(122,658)	100,843
(Decrease) Increase in cash and cash equivalents	(62,408)	84,978
Cash and cash equivalents at beginning of the period	355,500	69,482
Effect of foreign exchange rate changes	2,012	1,250
Cash and cash equivalents at end of the period	<u>295,104</u>	<u>155,710</u>

Consolidated Statement of Changes in Equity

For the six months ended September 30, 2002

	Share Capital <i>HK'000</i>	Share Premium <i>HK'000</i>	Legal Reserve <i>HK'000</i>	Properties Revaluation Reserve <i>HK'000</i>	Translation Reserve <i>HK'000</i>
At April 1, 2002	265,953	449,243	9,745	100,603	(212,319)
Disposal of a subsidiary	–	–	–	–	638
Share of reserves of associates	–	–	–	–	195
Net profit for the period	–	–	–	–	–
Dividend paid – 2002 final dividend	–	–	–	–	–
Dividend proposed – 2003 interim dividend	–	–	–	–	–
Currency realignment	–	–	–	–	(13,161)
At September 30, 2002	<u>265,953</u>	<u>449,243</u>	<u>9,745</u>	<u>100,603</u>	<u>(224,647)</u>

For the six months ended September 30, 2001

	Share Capital <i>HK'000</i>	Share Premium <i>HK'000</i>	Legal Reserve <i>HK'000</i>	Properties Revaluation Reserve <i>HK'000</i>	Translation Reserve <i>HK'000</i>
At April 1, 2001	265,803	448,976	9,514	100,603	(203,105)
Issue of shares, net of expenses	150	267	–	–	–
Transfer of reserves	–	–	21	–	–
Share of reserves of associates	–	–	–	–	12,331
Net profit for the period	–	–	–	–	–
Dividend declared – 2001 final dividend	–	–	–	–	–
Dividend proposed – 2002 interim dividend	–	–	–	–	–
Currency realignment	–	–	–	–	4,196
At September 30, 2001	<u>265,953</u>	<u>449,243</u>	<u>9,535</u>	<u>100,603</u>	<u>(186,578)</u>

Goodwill Reserve <i>HK'000</i>	Capital Reserve <i>HK'000</i>	Capital Redemption Reserve <i>HK'000</i>	Dividend Reserve <i>HK'000</i>	Accumulated Profits <i>HK'000</i>	Total <i>HK'000</i>
(652,350)	36,886	35,358	7,979	909,346	950,444
604	(33)	–	–	–	1,209
–	10	–	–	–	205
–	–	–	–	38,796	38,796
–	–	–	(7,979)	–	(7,979)
–	–	–	15,957	(15,957)	0
–	–	–	–	–	(13,161)
<u>(651,746)</u>	<u>36,863</u>	<u>35,358</u>	<u>15,957</u>	<u>932,185</u>	<u>969,514</u>
Goodwill Reserve <i>HK'000</i>	Capital Reserve <i>HK'000</i>	Capital Redemption Reserve <i>HK'000</i>	Dividend Reserve <i>HK'000</i>	Accumulated Profits <i>HK'000</i>	Total <i>HK'000</i>
(652,542)	48,233	35,358	21,266	894,891	968,997
–	–	–	–	–	417
–	–	–	–	(21)	0
–	3,579	–	–	–	15,910
–	–	–	–	32,214	32,214
–	–	–	(21,266)	(10)	(21,276)
–	–	–	13,298	(13,298)	0
–	–	–	–	–	4,196
<u>(652,542)</u>	<u>51,812</u>	<u>35,358</u>	<u>13,298</u>	<u>913,776</u>	<u>1,000,458</u>

Notes to the Unaudited Interim Financial Statements

1. Significant accounting policies

The unaudited interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Statement of Standard Accounting Practice (“SSAP”) 25 “Interim Financial Reporting” issued by the Hong Kong Society of Accountants. The accounting policies adopted are consistent with those followed in the Company’s annual financial statements for the year ended March 31, 2002 except for the following new/revised accounting standards which have been adopted for the first time in the preparation of this interim financial statements:

SSAP 1 (Revised)	:	Presentation of Financial Statements
SSAP 11 (Revised)	:	Foreign Currency Translation
SSAP 15 (Revised)	:	Cash Flow Statements
SSAP 25 (Revised)	:	Interim Financial Reporting
SSAP 34	:	Employee Benefits

In adopting SSAP 11 (Revised) “Foreign Currency Translation” (“SSAP 11 (Revised)”), the results of the Company’s foreign subsidiaries and associates should be translated into Hong Kong dollars at an average rate by using the net investment method. In the previous years, the results of the Company’s foreign subsidiaries and associates were translated into Hong Kong dollars by using the closing rate method. The adoption of SSAP 11 (Revised) has not been applied retrospectively to the prior periods as it is impractical to calculate its effect to the prior periods and the effect of the adoption of SSAP 11 (Revised) is not significant to the net profit of the Group for the six months ended September 30, 2002.

The adoption of the other new/revised standards during the period has no material effect on the Group’s results of the current and prior periods other than the changes in the format of presentation of consolidated cash flow statement and the consolidated statement of changes in equity. Certain comparative figures have been reclassified to conform with the current period’s presentation.

Notes to the Unaudited Interim Financial Statements (Continued)

2. Segment information

The analyses of the Group's segment information are as follows:

(a) Business segment

For the six months ended September 30, 2002

	Technology & Strategic HK\$'000	Electronics HK\$'000	Batteries HK\$'000	Electrical HK\$'000	Elimination HK\$'000	Total HK\$'000
Turnover						
External sales	214,029	696,050	–	–	–	910,079
Inter-segment sales	15	408	–	–	(423)	0
	<u>214,044</u>	<u>696,458</u>	<u>–</u>	<u>–</u>	<u>(423)</u>	<u>910,079</u>

Inter-segment sales are charged at prevailing market rates.

Results						
Segmental results	11,061	10,450	–	–	–	21,511
Unallocated corporate expenses						(10,618)
Other corporate income						11,065
Profit from operations						21,958
Finance costs						
– Segment	(3,350)	(17,800)	–	–	–	(21,150)
– Corporate						(24,269)
Share of results of associates	(1,723)	50,508	36,850	14,835	–	100,470
Amortisation of goodwill on acquisition of associates						(3,568)
Amortisation of negative goodwill on acquisition of associates						558
Loss on disposal/deemed partial disposal of subsidiaries						(482)
Gain on disposal/deemed partial disposal of associates						1,037
Profit before taxation						74,554
Taxation						(23,323)
Profit before minority interests						51,231
Minority interests						(12,435)
Net profit for the period						<u>38,796</u>

Notes to the Unaudited Interim Financial Statements (Continued)

For the six months ended September 30, 2001

	Technology & Strategic HK\$'000	Electronics HK\$'000	Batteries HK\$'000	Electrical HK\$'000	Elimination HK\$'000	Total HK\$'000
Turnover						
External sales	165,486	596,538	–	–	–	762,024
Inter-segment sales	26	453	–	–	(479)	0
	<u>165,512</u>	<u>596,991</u>	<u>–</u>	<u>–</u>	<u>(479)</u>	<u>762,024</u>

Inter-segment sales are charged at prevailing market rates.

Results						
Segmental results	27,634	8,320	–	–	–	35,954
Unallocated corporate expenses						(9,443)
Other corporate income						<u>22,386</u>
Profit from operations						48,897
Finance costs						
– Segment	(4,080)	(28,571)	–	–	–	(32,651)
– Corporate						(34,159)
Share of results of associates	(1,008)	43,502	23,899	20,023	–	86,416
Amortisation of goodwill on acquisition of associates						(3,091)
Amortisation of negative goodwill on acquisition of associates						209
Loss on deemed partial disposal of a subsidiary						(55)
Gain on disposal/deemed partial disposal of associates						<u>438</u>
Profit before taxation						66,004
Taxation						<u>(19,838)</u>
Profit before minority interests						46,166
Minority interests						<u>(13,952)</u>
Net profit for the period						<u>32,214</u>

(b) *Geographical segment*

	Turnover		Profit (Loss) before taxation	
	2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000
The People's Republic of China				
– Hong Kong	48,234	55,428	8,813	6,999
– Mainland China	48,022	43,204	12,418	13,570
Other Asian countries	268,739	313,993	10,537	18,866
Europe	186,268	189,881	3,099	9,703
North and South America	290,274	144,140	24,000	10,354
Australia and New Zealand	63,012	13,691	14,230	7,631
Others	5,530	1,687	1,457	(1,119)
	<u>910,079</u>	<u>762,024</u>	<u>74,554</u>	<u>66,004</u>

Notes to the Unaudited Interim Financial Statements (Continued)

3. Net investment loss

	For the six months ended September 30,	
	2002	2001
	HK\$'000	HK\$'000
Net unrealised holding loss on other investments	7,887	13,946
Dividend income from investments in securities	(4,330)	(5,411)
Net realised gain on disposal of other investments	–	(1,247)
	<u>3,557</u>	<u>7,288</u>

4. Other operating expenses

	For the six months ended September 30,	
	2002	2001
	HK\$'000	HK\$'000
Amortisation of goodwill of subsidiaries/business	492	25
Expenses incurred for the closure of a factory in the UK	4,892	–
	<u>5,384</u>	<u>25</u>

5. Profit from operations

	For the six months ended September 30,	
	2002	2001
	HK\$'000	HK\$'000
Profit from operations has been arrived at after charging:		
Amortisation of deferred expenditure	5,564	4,128
Amortisation of trademarks	2,091	2,091
Depreciation and amortisation of property, plant and equipment		
Owned assets	21,297	22,156
Assets held under finance leases	1,325	1,636

6. Taxation

	For the six months ended September 30,	
	2002	2001
	HK\$'000	HK\$'000
The Company and its subsidiaries:		
Hong Kong Profits Tax	4,354	2,898
Taxation in jurisdictions other than Hong Kong	4,159	4,615
Deferred taxation	(868)	1,430
	<u>7,645</u>	<u>8,943</u>
Share of taxation of associates:		
Hong Kong Profits Tax	2,262	1,752
Taxation in jurisdictions other than Hong Kong	13,416	9,143
	<u>15,678</u>	<u>10,895</u>
	<u>23,323</u>	<u>19,838</u>

Notes to the Unaudited Interim Financial Statements (Continued)

Hong Kong Profits Tax is calculated at 16.0% (2001: 16.0%) of the estimated assessable profit for the period.

Taxation in jurisdictions other than Hong Kong is calculated at the rates prevailing in the respective jurisdictions.

7. Earnings per share

The calculation of the basic and diluted earnings per share is computed based on the following data:

	For the six months ended September 30,	
	2002	2001
	<u>HK\$'000</u>	<u>HK\$'000</u>
Earnings		
Net profit for the period and earnings for the purpose of basic earnings per share	38,796	32,214
Effect of dilutive potential shares:		
Adjustment to the share of result of subsidiaries and associates based on the dilution of their earnings per share	(176)	(141)
Convertible note	—	(1,220)
Earnings for the purpose of diluted earnings per share	<u>38,620</u>	<u>30,853</u>
	<u>'000</u>	<u>'000</u>
Number of shares		
Weighted average number of shares for the purpose of basic earnings per share	531,905	531,757
Effect of dilutive potential shares:		
Share options	—	2,122
Weighted average number of shares for the purpose of diluted earnings per share	<u>531,905</u>	<u>533,879</u>

The computation of diluted earnings per share for the current period does not assume the conversion of the convertible note as the conversion price of the convertible note is higher than the average market price of shares of the Company or GP Industries Limited for the current period, and also does not assume the exercise of the Company's share options as the exercise prices of the outstanding share options of the Company are higher than the average market price of shares of the Company for the current period.

8. Property, plant and equipment

During the period, the Group spent approximately HK\$17,172,000 (six months ended September 30, 2001: HK\$22,668,000) on property, plant and equipment to expand its business.

9. Debtors, bills receivable and prepayments

The Group allows its trade customers with credit period normally ranging from 30 days to 120 days. The following is an aging analysis of debtors, bills receivable and prepayments at the reporting date:

	September 30, 2002	March 31, 2002
	<u>HK\$'000</u>	<u>HK\$'000</u>
0 - 60 days	325,046	310,549
61 - 90 days	33,432	23,347
> 90 days	291,900	266,531
	<u>650,378</u>	<u>600,427</u>

Notes to the Unaudited Interim Financial Statements (Continued)

10. Creditors and accrued charges

The following is an aging analysis of creditors and accrued charges at the reporting date:

	September 30, 2002 HK\$'000	March 31, 2002 HK\$'000
0 - 60 days	338,554	247,467
61 - 90 days	74,622	60,077
> 90 days	54,609	38,052
	<u>467,785</u>	<u>345,596</u>

11. Contingencies and commitments

	September 30, 2002 HK\$'000	March 31, 2002 HK\$'000
Contingent liabilities:		
Bills discounted with recourse	42,586	33,777
Guarantees given to banks in respect of banking facilities granted to associates	21,101	16,113
	<u>63,687</u>	<u>49,890</u>
Capital commitments:		
In respect of property, plant and equipment:		
Capital expenditure contracted for but not provided in the financial statements	8,225	10,739
Capital expenditure authorised but not contracted for	72,301	46,517
	<u>80,526</u>	<u>57,256</u>

At the balance sheet date, the Group was committed to invest in unlisted investment securities amounting to HK\$14,500,000.

12. Related party transactions

During the period, the Group entered into the following transactions with related parties:

	For the six months ended September 30,	
	2002 HK\$'000	2001 HK\$'000
Sales to associates	39,676	17,518
Purchases from associates	47,998	34,415
Interest income received from associates	121	496
Management fee income received from associates	4,815	9,412
Rental income from associates	3,304	5,268

As at the balance sheet date, the Group has the following balances with its associates under debtors, bills receivable and prepayments and creditors and accrued charges:

	September 30, 2002 HK\$'000	March 31, 2002 HK\$'000
Trade receivables from associates	17,703	24,665
Trade payables due to associates	<u>13,383</u>	<u>14,427</u>

All of the above trade receivables and trade payables are unsecured, interest free and repayable on demand.

Summary of Results

For the six months ended September 30, 2002, the Group's turnover amounted to HK\$910.1 million, an increase of 19.4% as compared with HK\$762.0 million for the same period of last year. The unaudited consolidated profit attributable to shareholders amounted to HK\$38.8 million, an increase of 20.4% compared to corresponding period in the previous year. The basic earnings per share for the period amounted to 7.3 Hong Kong cents as compared with 6.1 Hong Kong cents for the same period last year.

Interim Dividend

The Directors have declared an interim dividend of 3.0 cents (2001: 2.5 cents) per share. This amounts to a total dividend payment of approximately HK\$15,957,000 (2001: HK\$13,298,000) based on the total number of shares in issue as at December 4, 2002, being the latest practicable date prior to the announcement of the interim results. Dividend warrants will be despatched on or about January 28, 2003 to registered shareholders of the Company on January 17, 2003.

Closure of Register

The Register of Shareholders of the Company will be closed from January 14, 2003 to January 17, 2003, both days inclusive, during which period no transfer will be effected.

In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrars, Abacus Share Registrars Limited at 5th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong not later than 4:00 p.m. on January 13, 2003.

Directors' and Chief Executive's Interests in Securities

As at September 30, 2002, the interests of the directors and the chief executive in the ordinary shares of the Company as recorded in the register maintained under Section 29 of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance") were as follows:

Name of Director	Number of ordinary shares held	
	Personal Interests	Family Interests
Victor LO Chung Wing	69,451,811	—
Andrew NG Sung On	64,699,957	417,000
Kevin LO Chung Ping	—	3,731,253
Paul LO Chung Wai	21,986,518	—
LEUNG Pak Chuen	1,577,581	—
Richard KU Yuk Hing	2,051,780	—
Andrew CHUANG Siu Leung	374,000	—
CHAU Kwok Wai	275,000	—
Raymond WONG Wai Kan	1,140,081	—
Vincent CHEUNG Ting Kau	1,947,549	—
LUI Ming Wah	—	—
John LO Siew Kiong	411,081	—

Directors' and Chief Executive's Interests in Securities *(Continued)*

As at September 30, 2002, the direct and indirect interests of the directors and the chief executive in the shares of GP Batteries International Limited ("GPBI") and Clipsal Industries (Holdings) Limited ("CIHL"), 47.88% and 49.21% owned associates of GP Industries Limited ("GP Ind") respectively, and Gold Peak Industries (Taiwan) Limited ("GPIT"), a 75.1% owned subsidiary of GPBI, and GP Ind, a 86.44% owned subsidiary of the Company, were as follows:

<u>Name of Director</u>	Number of ordinary shares held			
	GPBI	GPIT	CIHL	GP Ind
Victor LO Chung Wing	200,000	–	–	–
Andrew NG Sung On	613,332	500,000	100,000	–
Kevin LO Chung Ping	–	–	–	–
Paul LO Chung Wai	80,000	–	–	–
LEUNG Pak Chuen	–	–	–	528,000
Richard KU Yuk Hing	50,000	200,000	–	70,000
Andrew CHUANG Siu Leung	–	–	–	–
CHAU Kwok Wai	–	–	132,000	–
Raymond WONG Wai Kan	4,000	100,000	169,000	180,000
Vincent CHEUNG Ting Kau	20,000	–	–	–
LUI Ming Wah	–	–	–	–
John LO Siew Kiong	–	–	40,000	–

Save as disclosed above, as at September 30, 2002, none of the directors, the chief executive or their associates had any interest in the securities of the Company or any of its associated corporations as defined in the SDI Ordinance.

Substantial Shareholder

As at September 30, 2002, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance showed that, other than the interests disclosed above in respect of the directors and chief executive, the Company had been notified of the following shareholder with an interest representing 10% or more of the Company's issued share capital:

<u>Name of shareholder</u>	<u>Number of ordinary shares held</u>
Schneider Electric Industries S.A.	54,579,000

Directors' and Chief Executive's Rights to Acquire Shares or Debentures

Pursuant to the Company's executive share option scheme, certain directors were granted options to subscribe for shares in the Company. The details in the number of options outstanding during the period which have been granted to the directors of the Company and employees of the Group under the share option scheme were as follows:

<u>Name of Director</u>	<u>Date of grant</u>	<u>Exercisable period</u>	<u>Exercise price HK\$</u>	<u>Number of option shares outstanding at 4.1.2002 and 9.30.2002</u>
Victor LO Chung Wing	5.8.2000	5.8.2000-5.7.2005	1.41	1,250,000
	3.30.2001	3.30.2001-3.29.2006	1.45	1,250,000
Andrew NG Sung On	5.8.2000	5.8.2000-5.7.2005	1.41	1,000,000
	3.30.2001	3.30.2001-3.29.2006	1.45	1,000,000
Kevin LO Chung Ping	5.8.2000	5.8.2000-5.7.2005	1.41	625,000
	3.30.2001	3.30.2001-3.29.2006	1.45	625,000
Paul LO Chung Wai	5.8.2000	5.8.2000-5.7.2005	1.41	625,000
	3.30.2001	3.30.2001-3.29.2006	1.45	625,000
LEUNG Pak Chuen	3.30.2001	3.30.2001-3.29.2006	1.45	625,000
Richard KU Yuk Hing	3.30.2001	3.30.2001-3.29.2006	1.45	625,000
Andrew CHUANG Siu Leung	5.8.2000	5.8.2000-5.7.2005	1.41	625,000
	3.30.2001	3.30.2001-3.29.2006	1.45	625,000
CHAU Kwok Wai	3.30.2001	3.30.2001-3.29.2006	1.45	625,000
Raymond WONG Wai Kan	3.30.2001	3.30.2001-3.29.2006	1.45	625,000
				10,750,000
Employees	5.8.2000	5.8.2000-5.7.2005	1.41	475,000
	3.30.2001	3.30.2001-3.29.2006	1.45	3,225,000
				3,700,000
				14,450,000

Directors' and Chief Executive's Rights to Acquire Shares or Debentures *(Continued)*

GP Ind has an executives' share option scheme (the "Old GP Ind ESOS") to enable its directors to offer to full-time employees, including executive directors, of GP Ind or any of its subsidiaries options to subscribe for shares of GP Ind. Options granted are exercisable on the first anniversary of the date of grant of such options and will expire at the close of business on the fifth anniversary thereof. The Old GP Ind ESOS was terminated and replaced by the new GP Ind share option scheme 1999 (the "GP Ind 1999 Option Scheme") in November 1999. However, options granted under the Old GP Ind ESOS prior to its termination which have not been fully exercised remain valid until such time that such options are fully exercised or have lapsed and will continue to be administered under the rules of the Old GP Ind ESOS. The movements in the number of options outstanding during the period which have been granted to directors of the Company and employees of the Group under the Old GP Ind ESOS were as follows:

Name of Director	Date of grant	Exercisable period	Exercise price US\$	Number of option shares			
				Outstanding at 4.1.2002	Exercised during the period	Expired/cancelled during the period	Outstanding at 9.30.2002
LEUNG Pak Chuen	8.2.1999	8.2.2000-8.1.2004	0.41	260,000	-	-	260,000
Andrew CHUANG Siu Leung	7.23.1998	7.23.1999-7.22.2003	0.30	80,000	-	-	80,000
	8.2.1999	8.2.2000-8.1.2004	0.41	130,000	-	-	130,000
Raymond WONG Wai Kan	7.23.1998	7.23.1999-7.22.2003	0.30	80,000	-	-	80,000
	8.2.1999	8.2.2000-8.1.2004	0.41	130,000	-	-	130,000
				<u>680,000</u>	<u>-</u>	<u>-</u>	<u>680,000</u>
Directors of GP Ind	8.2.1999	8.2.2000-8.1.2004	0.41	200,000	-	-	200,000
Employees of the Group	7.23.1998	7.23.1999-7.22.2003	0.30	950,000	(10,000)	(40,000)	900,000
	8.2.1999	8.2.2000-8.1.2004	0.41	2,010,000	-	(100,000)	1,910,000
				<u>3,160,000</u>	<u>(10,000)</u>	<u>(140,000)</u>	<u>3,010,000</u>
				<u>3,840,000</u>	<u>(10,000)</u>	<u>(140,000)</u>	<u>3,690,000</u>

Note: The weighted average closing price of GP Ind's shares immediately before the dates on which the options were exercised was S\$0.650.

Directors' and Chief Executive's Rights to Acquire Shares or Debentures (Continued)

The GP Ind 1999 Option Scheme also enables GP Ind to offer to full-time employees, including executive directors and non-executive directors, of GP Ind or any of its subsidiaries options to subscribe for shares of GP Ind. Options granted to the full-time employees and non-executive directors are exercisable on the first anniversary or the second anniversary of the date of grant of such options and will expire at the close of business on the fifth anniversary or the tenth anniversary thereof respectively. The movements in the number of options outstanding during the period which have been granted to the directors of the Company and employees of the Group under the GP Ind 1999 Option Scheme were as follows:

Name of Director	Date of grant	Exercisable period	Exercise Price S\$	Number of option shares				
				Outstanding at 4.1.2002	Granted during the period	Exercised during the Period	Expired/cancelled during the period	Outstanding at 9.30.2002
Victor LO Chung Wing	4.14.2000	4.14.2002-4.13.2010	0.456	300,000	-	-	-	300,000
	4.4.2001	4.4.2003-4.3.2011	0.620	600,000	-	-	-	600,000
	8.14.2002	8.14.2003-8.13.2012	0.550	-	384,000	-	-	384,000
LEUNG Pak Chuen	4.14.2000	4.14.2002-4.13.2010	0.456	240,000	-	(240,000)	-	-
	4.4.2001	4.4.2003-4.3.2011	0.620	500,000	-	-	-	500,000
	8.14.2002	8.14.2003-8.13.2012	0.550	-	320,000	-	-	320,000
Andrew CHUANG Siu Leung	4.14.2000	4.14.2002-4.13.2010	0.456	110,000	-	-	-	110,000
	4.4.2001	4.4.2003-4.3.2011	0.620	200,000	-	-	-	200,000
	8.14.2002	8.14.2003-8.13.2012	0.550	-	130,000	-	-	130,000
Raymond WONG Wai Kan	4.14.2000	4.14.2002-4.13.2010	0.456	110,000	-	-	-	110,000
	4.4.2001	4.4.2003-4.3.2011	0.620	220,000	-	-	-	220,000
	8.14.2002	8.14.2003-8.13.2012	0.550	-	140,000	-	-	140,000
				<u>2,280,000</u>	<u>974,000</u>	<u>(240,000)</u>	<u>-</u>	<u>3,014,000</u>
Directors of GP Ind	4.14.2000	4.14.2002-4.13.2010	0.456	180,000	-	-	-	180,000
	4.4.2001	4.4.2003-4.3.2011	0.620	400,000	-	-	-	400,000
	8.14.2002	8.14.2003-8.13.2012	0.550	-	255,000	-	-	255,000
Non-executive directors of GP Ind	4.14.2000	4.14.2002-4.13.2005	0.456	170,000	-	-	-	170,000
	4.4.2001	4.4.2003-4.3.2006	0.620	340,000	-	-	-	340,000
	8.14.2002	8.14.2003-8.13.2007	0.550	-	218,000	-	-	218,000
Employees of the Group	4.14.2000	4.14.2002-4.13.2010	0.456	2,055,000	-	(162,000)	(28,000)	1,865,000
	4.4.2001	4.4.2003-4.3.2011	0.620	4,368,000	-	-	(200,000)	4,168,000
	8.14.2002	8.14.2003-8.13.2012	0.550	-	2,940,000	-	-	2,940,000
				<u>7,513,000</u>	<u>3,413,000</u>	<u>(162,000)</u>	<u>(228,000)</u>	<u>10,536,000</u>
				<u>9,793,000</u>	<u>4,387,000</u>	<u>(402,000)</u>	<u>(228,000)</u>	<u>13,550,000</u>

Note: The closing price of GP Ind's shares immediately before August 14, 2002, the date of options granted during the period, was S\$0.560. The weighted average closing price of GP Ind's shares immediately before the dates on which the options were exercised was S\$0.596.

Directors' and Chief Executive's Rights to Acquire Shares or Debentures *(Continued)*

GPBI has an executives' share option scheme (the "Old GPBI ESOS") to enable the directors of GPBI to offer to eligible employees, including executive directors, of GPBI or any of its subsidiaries options to subscribe for shares of GPBI. The purpose of the Old GPBI ESOS is to enable GPBI to grant options to eligible employees and directors as incentives and rewards for their contribution to GPBI. Options granted are exercisable after the first anniversary of the date of grant of such options and will expire at the close of business on the fifth anniversary thereof. The Old GPBI ESOS was discontinued and replaced by the new GPBI share option scheme 1999 (the "GPBI 1999 Option Scheme") in December 1999. However, options granted under the Old GPBI ESOS prior to its termination which have not been fully exercised remain valid until such time that such options are fully exercised or have lapsed and will continue to be administered under the rules of the Old GPBI ESOS. The movements in the number of options outstanding during the period which have been granted to the directors of the Company under the Old GPBI ESOS were as follows:

Name of Director	Date of grant	Exercisable Period	Exercise price S\$	Number of option shares		
				Outstanding at 4.1.2002	Expired during the period	Outstanding at 9.30.2002
Andrew NG Sung On	7.29.1997	7.29.1998-7.28.2002	4.448	70,000	(70,000)	-
	8.6.1999	8.6.2000-8.5.2004	3.080	220,000	-	220,000
Paul LO Chung Wai	7.29.1997	7.29.1998-7.28.2002	4.448	70,000	(70,000)	-
Richard KU Yuk Hing	7.29.1997	7.29.1998-7.28.2002	4.448	60,000	(60,000)	-
	8.6.1999	8.6.2000-8.5.2004	3.080	200,000	-	200,000
Raymond WONG Wai Kan	7.29.1997	7.29.1998-7.28.2002	4.448	25,000	(25,000)	-
	8.6.1999	8.6.2000-8.5.2004	3.080	120,000	-	120,000

Directors' and Chief Executive's Rights to Acquire Shares or Debentures *(Continued)*

The GPBI 1999 Option Scheme also enables the directors of GPBI to offer to eligible employees, including executive directors and non-executive directors, of GPBI or any of its subsidiaries options to subscribe for GPBI's shares. Options granted to the eligible employees and non-executive directors are exercisable after the first anniversary or the second anniversary of the date of grant of such options and will expire at the close of business on the fifth anniversary or the tenth anniversary thereof respectively. The movements in the number of options outstanding during the period which have been granted to the directors of the Company under the GPBI 1999 Option Scheme were as follows:

Name of Director	Date of grant	Exercisable Period	Exercise price S\$	Number of option shares		
				Outstanding at 4.1.2002	Granted during the period	Outstanding at 9.30.2002
Andrew NG Sung On	3.17.2000	3.17.2001-3.16.2010	1.410	200,000	–	200,000
	10.11.2000	10.11.2002-10.10.2010	1.600	200,000	–	200,000
	8.5.2002	8.5.2004-8.4.2012	1.250	–	190,000	190,000
Richard KU Yuk Hing	3.17.2000	3.17.2001-3.16.2010	1.410	180,000	–	180,000
	10.11.2000	10.11.2002-10.10.2010	1.600	180,000	–	180,000
	8.5.2002	8.5.2004-8.4.2012	1.250	–	170,000	170,000
Raymond WONG Wai Kan	3.17.2000	3.17.2001-3.16.2010	1.410	120,000	–	120,000
	10.11.2000	10.11.2002-10.10.2010	1.600	130,000	–	130,000
	8.5.2002	8.5.2004-8.4.2012	1.250	–	120,000	120,000

CIHL has an executives' share option scheme (the "Old CIHL ESOS") to enable the directors of CIHL to offer to eligible employees, including executive directors, of CIHL or any of its subsidiaries options to subscribe for CIHL's shares. Options granted are exercisable after the first anniversary of the date of grant of such options and will expire at the close of business on the fifth anniversary thereof. The Old CIHL ESOS was discontinued and replaced by the new CIHL share option scheme 1999 (the "CIHL 1999 Option Scheme") in June 1999. However, options granted under the Old CIHL ESOS prior to its termination which have not been fully exercised remain valid until such time that such options are fully exercised or have lapsed and will continue to be administered under the rules of the Old CIHL ESOS. The details in the number of options outstanding during the period which have been granted to a director of the Company under the Old CIHL ESOS were as follows:

Name of Director	Date of grant	Exercisable period	Exercise price US\$	Number of option shares
				outstanding at 4.1.2002 and 9.30.2002
CHAU Kwok Wai	5.12.1998	5.12.1999-5.12.2003	1.30	140,000
	10.29.1998	10.29.1999-10.29.2003	0.819	20,000

Directors' and Chief Executive's Rights to Acquire Shares or Debentures *(Continued)*

The CIHL 1999 Option Scheme also enables the directors of CIHL to offer to eligible employees, including executive directors and non-executive directors, of CIHL or any of its subsidiaries options to subscribe for CIHL's shares. Options granted to the eligible employees and non-executive directors are exercisable on the first anniversary or the second anniversary of the date of grant of such options and will expire at the close of business after the fifth anniversary or the tenth anniversary thereof respectively. The details in the number of options outstanding during the period which have been granted to the directors of the Company under the CIHL 1999 Option Scheme were as follows:

<u>Name of Director</u>	<u>Date of grant</u>	<u>Exercisable period</u>	<u>Exercise price</u> S\$	<u>Number of option shares outstanding at 4.1.2002 and 9.30.2002</u>
Victor LO Chung Wing	5.25.2000	5.25.2002-5.24.2010	2.025	200,000
CHAU Kwok Wai	5.25.2000	5.25.2002-5.24.2010	2.025	160,000
Raymond WONG Wai Kan	5.25.2000	5.25.2002-5.24.2010	1.9125	40,000
John LO Siew Kiong	5.25.2000	5.25.2002-5.24.2010	2.025	110,000

Save as disclosed above, at no time during the period was the Company or any of its subsidiaries a party to any arrangement to enable the directors or the chief executive or their respective associates, of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

Save as disclosed above, none of directors and chief executive, or their spouse and children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the period.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period.

Code of Best Practice

The Company has complied throughout the period ended September 30, 2002 the Code of Best Practice as set out in Appendix 14 of the Listing Rules.

By Order of the Board
WONG Man Kit
Company Secretary

Hong Kong, December 5, 2002