

Gold Peak Industries (Holdings) Limited

金山工業(集團)有限公司



Interim Report 2003/04

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

AUDITORS

Deloitte Touche Tohmatsu

SECRETARY AND REGISTERED OFFICE

WONG Man Kit

Gold Peak Building, 8th Floor, 30 Kwai Wing Road

Kwai Chung, New Territories, Hong Kong

Tel: (852) 2427 1133

Fax: (852) 2489 1879

E-mail: gp@goldpeak.com

Website: www.goldpeak.com

SHARE REGISTRARS AND TRANSFER OFFICE

Abacus Share Registrars Limited

G/F, Bank of East Asia Harbour View Centre,

56 Gloucester Road, Wanchai, Hong Kong

ADR DEPOSITARY

The Bank of New York

101 Barclay Street, 22nd Floor

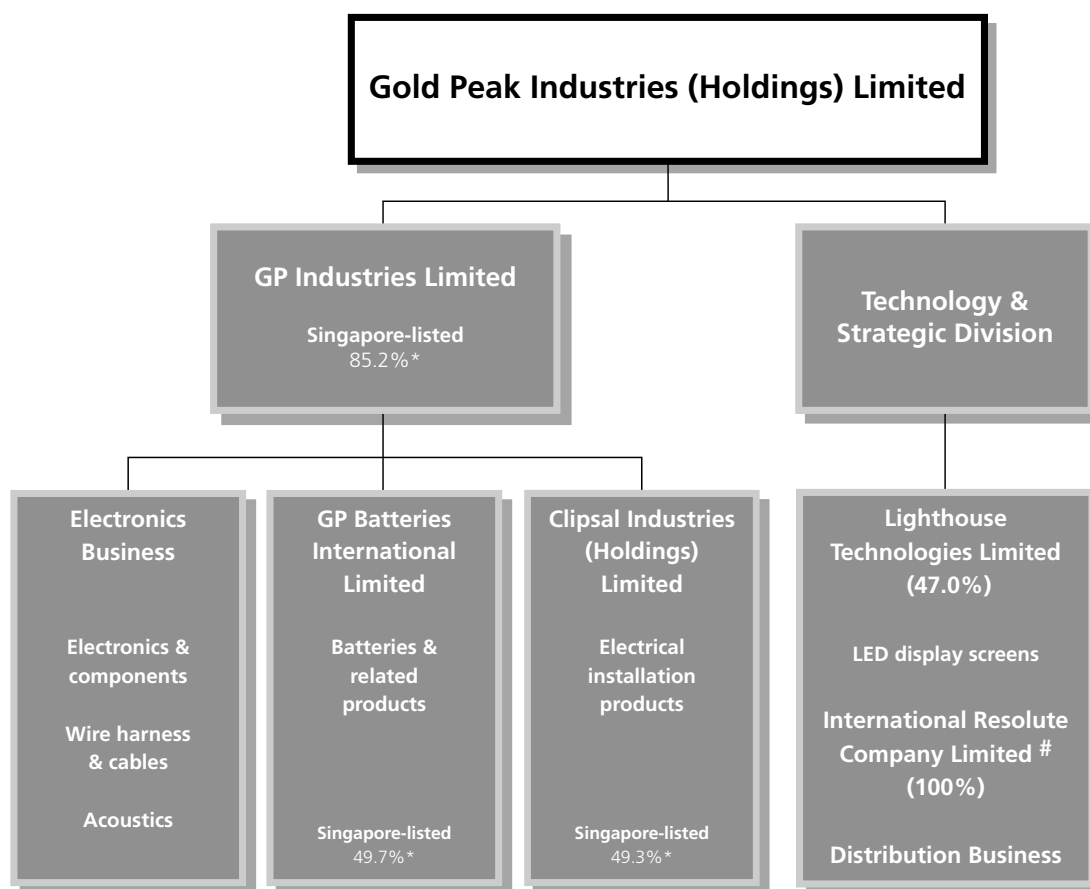
New York, NY10286, USA

KEY DATES

Closure of Register: December 24 to December 31, 2003

Interim Dividend: Payable on or about January 9, 2004

Group Structure



* Percentages stated denote respective shareholdings held by Gold Peak and GP Industries as at November 28, 2003

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 85.2%* interest in GP Industries while GP Industries holds a 49.7%* interest in GP Batteries International Limited and a 49.3%* 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 electronics and components, wire harness and cables 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 16,500 people worldwide.

(*as at November 28, 2003)

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, 2003. These results have been reviewed by the Company's audit committee.

Highlights

- The Group achieved good results during the period despite a volatile market and the outbreak of SARS in Asia. Profit attributable to shareholders grew by 35.0% to HK\$52.6 million.
- Consolidated turnover was HK\$812.9 million, a decrease of 10.7% as Lighthouse Technologies' turnover was not consolidated since it became an associate in March 2003. If Lighthouse Technologies had remained as a subsidiary, consolidated turnover would have been HK\$1,031.6 million, an increase of 13.4% over the previous period.
- Turnover for all divisions amounted to HK\$3,204.6 million, up 17.6%.
- Earnings per share amounted to 9.8 Hong Kong cents, up 34.2%.
- Interim dividend per share: 4.0 Hong Kong cents (2002/03: 3.0 Hong Kong cents).

Business Review

GP Industries – 85.2% owned

- GP Industries achieved highly satisfactory interim results. Turnover for the period under review grew by 14.3% and operating profit improved significantly. Net profit attributable to shareholders grew impressively by 40.1% due to the strong performance of the associates.

Electronics Division

- The electronics business continued to perform satisfactorily. Despite a slower first quarter, sales of electronics products registered a strong growth in the second quarter.
- Sales of wire harness continued to grow due mainly to increasing demand from the US and China markets and a stronger Japanese Yen. The associated companies in China continued to grow impressively due to the robust automotive industry in China. Sales of LTK's cables surged strongly during the second quarter and profit contribution improved over the first quarter despite rising material costs.
- Branded loudspeakers continued to perform satisfactorily with impressive sales growth in the European and US markets. Operating results continued to improve.

GP Batteries – 49.7%-owned by GP Industries

- GP Batteries achieved record results for the period under review. Turnover grew by 23.3% and operating profit improved significantly with overall operating margin increased from 5% to about 6%. Net profit grew by 55.3%.
- The increase in turnover was mainly due to the continued increase in sales of Nickel-Metal Hydride and Lithium Ion rechargeable batteries and the consolidation of sales of Zhongyin Ningbo Battery, a 75%-owned subsidiary acquired by GP Batteries in November 2002. Sales of Lithium Ion rechargeable batteries continued to increase. However, its volume was still behind expectation because of the outbreak of SARS earlier in the year.
- GP Batteries continued to invest aggressively in advertising and promotional activities especially in China to further strengthen its market position.

Clipsal Industries – 49.3%-owned by GP Industries

- For the six months ended June 30, 2003, Clipsal Industries' turnover decreased marginally by 4.9%. Overall gross profit margin was maintained through improvement on operational efficiencies. However, profit attributable to shareholders registered a drop of 78.4% as contribution from Gerard Industries in Australia decreased due to exceptional provisions and write-offs.
- In China, many development projects in major cities such as Beijing and Shanghai were put on hold due to measures implemented by the government to curb the spread of SARS. Business activities in Hong Kong and Vietnam were also affected by SARS. In Australia, business environment remained positive as demand in the building sector remained strong.
- As announced on August 25, 2003, Clipsal Industries entered into conditional agreements with Schneider Electric SA of France ("Schneider") to form a 50:50 joint-venture to develop, manufacture and distribute electrical wiring devices and installation systems in Asia. Simultaneously, Clipsal Industries would sell to Schneider its entire interest in Gerard Industries (the "Clipsal Transactions"). The alliance with Schneider would further strengthen Clipsal Industries' leadership position in Asia.

Technology & Strategic Division

During the period under review, Lighthouse Technologies Limited, a 47.0%-owned associate, continued to experience keen competitions and tough market conditions. The Iraqi war in the Middle East and the outbreak of SARS in Asia created further difficulties. However, with the introduction of new products and continued cost cuttings, Lighthouse Technologies managed to maintain its turnover during the period despite a lower margin.

Financial Review

During the period, the Group's net bank borrowings increased by HK\$28 million to HK\$1,786 million. As at September 30, 2003, the aggregate of the Group's shareholders' fund and minority interests was HK\$1,365 million. The Group's gearing ratio (the ratio of consolidated net bank borrowings to shareholders' fund and minority interests) was 1.31, as compared with 1.43 as at March 31, 2003. The gearing ratios of the Company and GP Industries were 0.86 (March 31, 2003: 0.87) and 0.53 (March 31, 2003: 0.56) respectively whereas those of GP Batteries and Clipsal Industries were 0.73 and 0.66 (as at June 30, 2003) 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, 2003, 52% (March 31, 2003: 48%) of the Group's bank borrowings was revolving or repayable within one year whereas 48% (March 31, 2003: 52%) was mostly repayable between one to five years. Most of these bank borrowings were based on floating interest rates. The currencies of the Group's bank borrowings comprised US dollars, Singapore dollars and Hong Kong dollars, with each currency amounted to approximately 32%.

Prospects

Most of the Group's export markets continued to perform well. Outlook for the Group for the current financial year is expected to remain positive although global business environment is still highly competitive.

The Group's electronics and battery businesses are expected to continue growing as demand for high-tech electronic goods is still strong. For Clipsal Industries and Lighthouse Technologies, business activities in Asia have gradually returned to normal following containment of the SARS outbreak and the quick conclusion of the Iraqi war, but market conditions are expected to remain highly competitive. With its strong market position, the establishment of the joint-venture with Schneider as well as the introduction of new products such as the innovative ULTI series and E3000 series, the long-term prospects of Clipsal Industries remain positive. Lighthouse Technologies will continue to streamline its operational structure to improve its competitiveness.

The Group will continue to invest in product development, technology, marketing and brand building to further strengthen its market position in respective industries. It will also review its corporate structure to further strengthen its financial position.

Since Clipsal Industries entered into agreements with Schneider on the Clipsal Transactions, all parties to the agreements have been working diligently on the fulfillment of the conditions precedent and formalities for completion of the Clipsal Transactions.

Consolidated Income Statement

For the six months ended September 30

	<i>Notes</i>	2003 (Unaudited) HK\$'000	2002 (Unaudited) (Restated) HK\$'000
Turnover	2	812,903	910,079
Cost of sales		(655,270)	(726,309)
Gross profit		157,633	183,770
Other income		20,783	18,124
Distribution costs		(60,332)	(81,733)
Administrative expenses		(91,310)	(89,262)
Net investment gain (loss)	3	4,831	(3,557)
Other operating expenses	4	(8,126)	(5,384)
Profit from operations	5	23,479	21,958
Finance costs		(35,712)	(45,419)
Share of results of associates		121,741	100,470
Amortisation of goodwill on acquisition of associates		(3,570)	(3,568)
Amortisation of negative goodwill on acquisition of associates		768	558
Loss on disposal/deemed partial disposal of subsidiaries		(4,266)	(482)
(Loss) Gain on disposal/deemed partial disposal of associates		(207)	1,037
Profit before taxation		102,233	74,554
Taxation	6	(33,044)	(23,198)
Profit before minority interests		69,189	51,356
Minority interests		(16,628)	(12,435)
Net profit for the period		52,561	38,921
Interim Dividend		21,644	15,957
Earnings Per Share	7		
Basic		9.8 cents	7.3 cents
Diluted		8.7 cents	7.3 cents

Consolidated Balance Sheet

		September 30, 2003 (Unaudited)	March 31, 2003 (Audited) (Restated)
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties		112,295	112,295
Property, plant and equipment	8	299,319	259,895
Interests in associates		1,837,114	1,729,415
Trademarks		58,558	60,649
Investments in securities		179,962	177,358
Advances to trade associates		109,000	109,000
Goodwill		8,842	9,146
		<u>2,605,090</u>	<u>2,457,758</u>
Current assets			
Inventories		302,045	282,996
Debtors, bills receivable and prepayments	9	571,357	533,190
Investments in securities		184,639	182,351
Dividends receivable		14,321	17,928
Taxation recoverable		69	236
Bank balances, deposits and cash		324,140	163,529
		<u>1,396,571</u>	<u>1,180,230</u>
Current liabilities			
Creditors and accrued charges	10	423,637	394,060
Obligations under finance leases		2,791	2,127
Taxation payable		12,037	6,710
Bank loans, overdrafts and import loans		1,088,807	911,205
		<u>1,527,272</u>	<u>1,314,102</u>
Net current liabilities		<u>(130,701)</u>	<u>(133,872)</u>
Total assets less current liabilities		<u>2,474,389</u>	<u>2,323,886</u>
Minority interests		<u>264,220</u>	<u>223,932</u>
Non-current liabilities			
Borrowings		1,018,800	1,008,688
Convertible note		87,202	85,925
Deferred taxation		3,756	3,530
		<u>1,109,758</u>	<u>1,098,143</u>
Net assets		<u>1,100,411</u>	<u>1,001,811</u>
CAPITAL AND RESERVES			
Share capital		270,248	265,953
Reserves		830,163	735,858
Shareholders' funds		<u>1,100,411</u>	<u>1,001,811</u>

Condensed Consolidated Cash Flow Statement

For the six months ended September 30

	2003 (Unaudited) <i>HK\$'000</i>	2002 (Unaudited) <i>HK\$'000</i>
Net cash (outflow) inflow from operating activities	(20,425)	53,929
Net cash inflow from investing activities	12,024	6,321
Net cash inflow (outflow) from financing	161,055	(122,658)
Increase (Decrease) in cash and cash equivalents	152,654	(62,408)
Cash and cash equivalents at beginning of the period	156,168	355,500
Effect of foreign exchange rate changes	3,030	2,012
Cash and cash equivalents at end of the period	311,852	295,104

Consolidated Statement of Changes in Equity

For the six months ended September 30, 2003

	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, 2003					
As previously reported	265,953	449,243	10,167	100,603	(211,355)
Prior year adjustments	—	—	—	—	—
As restated	265,953	449,243	10,167	100,603	(211,355)
Issue of shares, net of expenses	4,295	6,200	—	—	—
Disposal of a subsidiary	—	—	—	—	—
Share of reserves of associates	—	—	—	—	53,413
Net profit for the period	—	—	—	—	—
Dividend paid – 2003 final dividend	—	—	—	—	—
Dividend proposed – 2004 interim dividend	—	—	—	—	—
Currency realignment	—	—	—	—	(905)
At September 30, 2003	<u>270,248</u>	<u>455,443</u>	<u>10,167</u>	<u>100,603</u>	<u>(158,847)</u>

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					
As previously reported	265,953	449,243	9,745	100,603	(212,319)
Prior year adjustments	—	—	—	—	—
As restated	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>

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>
(640,790)	36,879	35,358	18,617	945,830	1,010,505
—	—	—	—	(8,694)	(8,694)
(640,790)	36,879	35,358	18,617	937,136	1,001,811
—	—	—	—	—	10,495
2,363	—	—	—	—	2,363
(909)	482	—	—	—	52,986
—	—	—	—	52,561	52,561
—	—	—	(18,617)	(283)	(18,900)
—	—	—	21,644	(21,644)	0
—	—	—	—	—	(905)
<u>(639,336)</u>	<u>37,361</u>	<u>35,358</u>	<u>21,644</u>	<u>967,770</u>	<u>1,100,411</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
—	—	—	—	(10,428)	(10,428)
(652,350)	36,886	35,358	7,979	898,918	940,016
604	(33)	—	—	—	1,209
—	10	—	—	—	205
—	—	—	—	38,921	38,921
—	—	—	(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>921,882</u>	<u>959,211</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 (“HKSA”). The accounting policies adopted are consistent with those followed in the Company’s annual financial statements for the year ended March 31, 2003 except that the Company has adopted SSAP 12 (Revised) “Income Taxes” issued by the HKSA which is effective for accounting periods commencing on or after January 1, 2003.

SSAP 12 (Revised) “Income Taxes”

In the current period, the Group has adopted SSAP 12 (Revised) “Income Taxes”. The principal effect of the implementation of SSAP 12 (Revised) is in relation to deferred tax. In previous years, partial provision was made for deferred tax using the income statement liability method, i.e. a liability was recognised in respect of timing differences arising, except where those timing differences were not expected to reverse in the foreseeable future. SSAP 12 (Revised) requires the adoption of a balance sheet liability method, whereby deferred tax is recognised in respect of all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, with limited exceptions. In the absence of any specific transitional requirements in SSAP 12 (Revised), the new accounting policy has been applied retrospectively.

Comparative amounts for 2002 have been restated accordingly. Opening retained profits at April 1, 2002 and 2003 have been reduced by HK\$10,428,000 and HK\$8,694,000 respectively, which represent the net deferred tax liabilities not provided for in prior years for the Group. This change has resulted in a decrease in interests in associates by HK\$5,830,000 and an increase in deferred tax liabilities by HK\$2,864,000 as at March 31, 2003. The profit for the six months ended September 30, 2002 has been increased by HK\$125,000, represented by a decrease in taxation of HK\$125,000.

Notes to the Unaudited Interim Financial Statements (Continued)

2. Segment information

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

(a) Business segments

The following is an analysis of the turnover and profit by principal activity:

For the six months ended September 30, 2003

	Technology & Strategic HK\$000	Electronics HK\$000	Batteries HK\$000	Electrical HK\$000	Elimination HK\$000	Total HK\$000
Turnover						
External sales	252	812,651	–	–	–	812,903
Inter-segment sales	8	–	–	–	(8)	0
	<u>260</u>	<u>812,651</u>	<u>–</u>	<u>–</u>	<u>(8)</u>	<u>812,903</u>

Inter-segment sales are charged at prevailing market rates.

Results

Segmental results	3,760	28,823	–	–	–	32,583
Unallocated corporate expenses						(20,073)
Other corporate income						10,969
Profit from operations						23,479
Finance costs						
– Segment	(197)	(16,074)	–	–	–	(16,271)
– Corporate						(19,441)
Share of results of associates	(616)	51,320	62,282	8,755	–	121,741
Amortisation of goodwill on acquisition of associates						(3,570)
Amortisation of negative goodwill on acquisition of associates						768
Loss on deemed partial disposal of subsidiaries						(4,266)
Loss on deemed partial disposal of associates						(207)
Profit before taxation						102,233
Taxation						(33,044)
Profit before minority interests						69,189
Minority interests						(16,628)
Net profit for the period						52,561

Notes to the Unaudited Interim Financial Statements (Continued)

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 (Restated) 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						(23,198)
Profit before minority interests						51,356
Minority interests						(12,435)
Net profit for the period						<u>38,921</u>

(b) *Geographical segments*

The following is an analysis of the turnover and profit before taxation by geographical market:

	For the six months ended September 30,			
	Turnover		Profit before taxation	
	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000
The People's Republic of China				
Hong Kong	38,089	48,234	11,949	8,813
Mainland China	65,541	48,022	10,265	12,418
Other Asian countries	311,426	268,739	17,346	10,537
Europe	177,530	186,268	15,166	3,099
North and South America	184,592	290,274	14,787	24,000
Australia and New Zealand	32,915	63,012	22,333	14,230
Others	2,810	5,530	10,387	1,457
	<u>812,903</u>	<u>910,079</u>	<u>102,233</u>	<u>74,554</u>

Notes to the Unaudited Interim Financial Statements (Continued)

3. Net investment gain (loss)

	For the six months ended September 30,	
	2003	2002
	HK\$'000	HK\$'000
Net unrealised holding gain (loss) on other investments	185	(7,887)
Dividend income from investments in securities	4,646	4,330
	4,831	(3,557)

4. Other operating expenses

	For the six months ended September 30,	
	2003	2002
	HK\$'000	HK\$'000
Amortisation of goodwill of subsidiaries/business	554	492
Expenses incurred for closure of factories in the United Kingdom and China	7,572	4,892
	8,126	5,384

5. Profit from operations

	For the six months ended September 30,	
	2003	2002
	HK\$'000	HK\$'000
Profit from operations has been arrived at after charging:		
Amortisation of deferred expenditure	–	5,564
Amortisation of trademarks	2,091	2,091
Depreciation and amortisation of property, plant and equipment		
Owned assets	20,552	21,297
Assets held under finance leases	500	1,325

6. Taxation

	For the six months ended September 30,	
	2003	2002
	HK\$'000	(Restated) HK\$'000
The Company and its subsidiaries:		
Hong Kong Profits Tax	5,686	4,354
Taxation in jurisdictions other than Hong Kong	5,739	4,159
Deferred taxation	223	(993)
	11,648	7,520
Share of taxation of associates:		
Hong Kong Profits Tax	1,509	2,262
Taxation in jurisdictions other than Hong Kong	19,887	13,416
	21,396	15,678
	33,044	23,198

Notes to the Unaudited Interim Financial Statements (Continued)

Hong Kong Profits Tax is calculated at 17.5% (2002: 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,	
	2003	2002 (Restated)
	<u>HK\$'000</u>	<u>HK\$'000</u>
Earnings		
Net profit for the period and earnings for the purpose of basic earnings per share	52,561	38,921
Effect of dilutive potential shares on the share of results of subsidiaries and associates based on the dilution of their earnings per share	(1,841)	(176)
Adjustment resulting from the assumed conversion of the convertible note	<u>(3,759)</u>	<u>—</u>
Earnings for the purpose of diluted earnings per share	<u>46,961</u>	<u>38,745</u>
Number of shares	'000	'000
Weighted average number of shares for the purpose of basic earnings per share	534,491	531,905
Effect of dilutive potential shares on share options	<u>5,476</u>	<u>—</u>
Weighted average number of shares for the purpose of diluted earnings per share	<u>539,967</u>	<u>531,905</u>

The computation of diluted earnings per share assumes the conversion of the convertible note into the shares of GP Industries Limited.

8. Property, plant and equipment

During the period, the Group spent approximately HK\$59,757,000 (six months ended September 30, 2002: HK\$17,172,000) 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, 2003	March 31, 2003
	<u>HK\$'000</u>	<u>HK\$'000</u>
0 - 60 days	308,962	271,892
61 - 90 days	23,014	13,530
> 90 days	<u>239,381</u>	<u>247,768</u>
	<u>571,357</u>	<u>533,190</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, 2003 <i>HK\$'000</i>	March 31, 2003 <i>HK\$'000</i>
0 - 60 days	335,563	294,101
61 - 90 days	59,210	54,966
> 90 days	28,864	44,993
	<u>423,637</u>	<u>394,060</u>

11. Contingencies and commitments

	September 30, 2003 <i>HK\$'000</i>	March 31, 2003 <i>HK\$'000</i>
Contingent liabilities:		
Guarantees given to banks in respect of banking facilities granted to associates	<u>47,825</u>	<u>99,306</u>
Capital commitments:		
In respect of property, plant and equipment:		
Capital expenditure contracted for but not provided in the financial statements	40,071	54,706
Capital expenditure authorised but not contracted for	<u>19,562</u>	<u>27,650</u>
	<u>59,633</u>	<u>82,356</u>

At the balance sheet date, the Group was committed to invest in unlisted investment securities amounting to HK\$2,571,000.

12. Related party transactions

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

	For the six months ended September 30,	
	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i>
Sales to associates	73,788	39,676
Purchases from associates	59,344	47,998
Interest income received from associates	377	121
Management fee income received from associates	5,449	4,815
Rental income from associates	<u>3,859</u>	<u>3,304</u>

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, 2003 <i>HK\$'000</i>	March 31, 2003 <i>HK\$'000</i>
Trade receivables from associates	70,374	41,129
Trade payables due to associates	<u>8,314</u>	<u>21,051</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, 2003, the Group's turnover amounted to HK\$812.9 million, a decrease of 10.7% as compared with HK\$910.1 million for the same period of last year. The unaudited consolidated profit attributable to shareholders amounted to HK\$52.6 million, an increase of 35.0% compared to corresponding period in the previous year. The basic earnings per share for the period amounted to 9.8 cents as compared with 7.3 cents for the same period last year.

Interim Dividend

The Directors have declared an interim dividend of 4.0 cents (2002: 3.0 cents) per share. This amounts to a total dividend payment of approximately HK\$21,644,000 (2002: HK\$15,957,000) based on the total number of shares in issue as at November 28, 2003, being the latest practicable date prior to the announcement of the interim results. Dividend warrants will be despatched on or about January 9, 2004 to registered shareholders of the Company on December 31, 2003.

Closure of Register

The Register of Shareholders of the Company will be closed from December 24, 2003 to December 31, 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 G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on December 23, 2003.

Disclosure of Interests

As at September 30, 2003, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which are required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "SEHK") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the SEHK were as follows:

Disclosure of Interests (Continued)

(1) Directors' and Chief Executive's Interests in Securities

As at September 30, 2003, the interests of the directors and the chief executive in the ordinary shares of the Company were as follows:

Name of Director	Number of ordinary shares held	
	Personal Interests	Family Interests
Victor LO Chung Wing	70,951,811	–
Andrew NG Sung On	66,199,957	417,000
Kevin LO Chung Ping	–	3,731,253
Paul LO Chung Wai	21,986,518	–
LEUNG Pak Chuen	2,702,581	–
Richard KU Yuk Hing	1,606,780	–
Andrew CHUANG Siu Leung	374,000	–
CHAU Kwok Wai	275,000	–
Raymond WONG Wai Kan	1,790,081	–
Vincent CHEUNG Ting Kau	1,947,549	–
LUI Ming Wah	–	–
John LO Siew Kiong	411,081	–

As at September 30, 2003, the direct and indirect beneficial interests of the directors and the chief executive in the shares of GP Batteries International Limited (“GPBI”) and Clipsal Industries (Holdings) Limited (“CIHL”), 49.49% and 49.21% owned associates of GP Industries Limited (“GP Ind”) respectively, and Gold Peak Industries (Taiwan) Limited (“GPIT”), a 79.6% owned subsidiary of GPBI, and GP Ind, a 85.27% owned subsidiary of the Company, were as follows:

Name of Director	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	–	–	–	1,608,000
Richard KU Yuk Hing	180,000	200,000	–	70,000
Andrew CHUANG Siu Leung	–	–	–	75,000
CHAU Kwok Wai	–	–	132,000	–
Raymond WONG Wai Kan	254,000	100,000	216,994	260,000
Vincent CHEUNG Ting Kau	20,000	–	–	–
LUI Ming Wah	–	–	–	–
John LO Siew Kiong	–	–	40,000	–

Disclosure of Interests (Continued)

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

- (a) The Company has an executives' share option scheme (the "Old ESOS"), which was adopted pursuant to an ordinary resolution passed on September 28, 1999 to enable the directors of the Company to offer to eligible employees, including executive directors, of the Company or any of its subsidiaries options to subscribe for the Company's shares. The Old ESOS was initially valid and effective for a period of five years from the date of adoption until it was discontinued and replaced by the new share option scheme (the "New Option Scheme") on September 12, 2002 pursuant to an ordinary resolution passed on the same date. The purpose of the Old ESOS is to enable the Company to grant options to eligible employees and directors as incentives and rewards for their contributions to the Company. Options granted are exercisable at the date of grant of such options and will expire at the close of business on the fifth anniversary thereof. However, options granted under the Old 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 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 ESOS is as follows:

Name of Director	Date of Grant	Exercisable period	Exercise Price HK\$	Number of option shares		
				Outstanding at 4.1.2003	Exercise during the period	Outstanding at 9.30.2003
Victor LO Chung Wing	5.8.2000	5.8.2000-5.7.2005	1.41	1,250,000	-	1,250,000
	3.30.2001	3.30.2001-3.29.2006	1.45	1,250,000	-	1,250,000
Andrew NG Sung On	5.8.2000	5.8.2000-5.7.2005	1.41	1,000,000	-	1,000,000
	3.30.2001	3.30.2001-3.29.2006	1.45	1,000,000	-	1,000,000
Kevin LO Chung Ping	5.8.2000	5.8.2000-5.7.2005	1.41	625,000	-	625,000
	3.30.2001	3.30.2001-3.29.2006	1.45	625,000	-	625,000
Paul LO Chung Wai	5.8.2000	5.8.2000-5.7.2005	1.41	625,000	-	625,000
	3.30.2001	3.30.2001-3.29.2006	1.45	625,000	-	625,000
LEUNG Pak Chuen	3.30.2001	3.30.2001-3.29.2006	1.45	625,000	(625,000)	-
Richard KU Yuk Hing	3.30.2001	3.30.2001-3.29.2006	1.45	625,000	-	625,000
Andrew CHUANG Siu Leung	5.8.2000	5.8.2000-5.7.2005	1.41	625,000	-	625,000
	3.30.2001	3.30.2001-3.29.2006	1.45	625,000	-	625,000
CHAU Kwok Wai	3.30.2001	3.30.2001-3.29.2006	1.45	625,000	-	625,000
Raymond WONG Wai Kan	3.30.2001	3.30.2001-3.29.2006	1.45	625,000	-	625,000
				10,750,000	(625,000)	10,125,000
Employees	5.8.2000	5.8.2000-5.7.2005	1.41	475,000	(30,000)	445,000
	3.30.2001	3.30.2001-3.29.2006	1.45	3,225,000	(960,000)	2,265,000
				3,700,000	(990,000)	2,710,000
				14,450,000	(1,615,000)	12,835,000

Note: The weighted average closing price of the Company's shares immediately before the dates on which the options were exercised was HK\$1.83.

Disclosure of Interests *(Continued)*

According to the New Option Scheme, the directors of the Company are authorised, at any time within five years after the adoption of New Option Scheme, to grant options to any directors or employees of the Company or any of its subsidiaries to subscribe for the Company's shares at a price not less than the average of the closing prices of the Company's shares on the five trading days immediately preceding the offer date of the options, the closing price of the Company's shares on the offer date or the nominal value of the Company's shares, whichever is higher. Unless otherwise cancelled or amended, the New Option Scheme will be valid and effective for a period of five years from the date of adoption. The maximum number of shares in respect of which options may be granted under the New Option Scheme cannot exceed 10% of the issued share capital of the Company. The number of shares in respect of which options may be granted to any individual in any twelve-month period up to the offer date is not permitted to exceed 1% of the number of shares in issue.

The number of shares in respect of which options had been granted and outstanding on September 30, 2003 under the New Option Scheme was 4,645,000 representing 0.86% of the shares of the Company on September 30, 2003. Option granted must be taken up within the period as specified in the offer of options, and upon payment of HK\$1 as the consideration for the options granted. Options granted are exercisable within the period as specified in the offer of options.

Disclosure of Interests (Continued)

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 New Option Scheme is as follows:

Name of Director	Date of Grant	Exercisable period	Exercise Price HK\$	Number of option shares		
				Outstanding at 4.1.2003	Exercised during the period	Outstanding at 9.30.2003
Victor LO Chung Wing	10.18.2002	4.18.2003-10.17.2007	1.17	1,500,000	(1,500,000)	-
Andrew NG Sung On	10.18.2002	4.18.2003-10.17.2007	1.17	1,500,000	(1,500,000)	-
Kevin LO Chung Ping	10.18.2002	4.18.2003-10.17.2007	1.17	650,000	-	650,000
Paul LO Chung Wai	10.18.2002	4.18.2003-10.17.2007	1.17	650,000	-	650,000
LEUNG Pak Chuen	10.18.2002	4.18.2003-10.17.2007	1.17	500,000	(500,000)	-
Richard KU Yuk Hing	10.18.2002	4.18.2003-10.17.2007	1.17	500,000	(500,000)	-
Andrew CHUANG Siu Leung	10.18.2002	4.18.2003-10.17.2007	1.17	500,000	-	500,000
CHAU Kwok Wai	10.18.2002	4.18.2003-10.17.2007	1.17	500,000	-	500,000
Raymond WONG Wai Kan	10.18.2002	4.18.2003-10.17.2007	1.17	650,000	(650,000)	-
Vincent CHEUNG Ting Kau	10.18.2002	4.18.2003-10.17.2007	1.17	300,000	-	300,000
LUI Ming Wah	10.18.2002	4.18.2003-10.17.2007	1.17	250,000	-	250,000
John LO Siew Kiong	10.18.2002	4.18.2003-10.17.2007	1.17	250,000	-	250,000
				7,750,000	(4,650,000)	3,100,000
Employees	10.18.2002	4.18.2003-10.17.2007	1.17	3,870,000	(2,325,000)	1,545,000
				<u>11,620,000</u>	<u>(6,975,000)</u>	<u>4,645,000</u>

Note: The weight average closing price of the Company's shares immediately before the dates on which the options were exercised was HK\$1.93.

The financial impact of the share options granted is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recorded in the income statement or balance sheet for their costs. Upon the exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded in the share premium account.

Disclosure of Interests (Continued)

- (b) GP Ind has an executives' share option scheme (the "Old GP Ind ESOS"), which was adopted pursuant to a resolution passed on September 19, 1996 to enable the directors of GP Ind to offer to eligible employees, including executive directors, of GP Ind or any of its subsidiaries options to subscribe for GP Ind's shares. The Old GP Ind ESOS was initially valid and effective for a period of ten years from the date of adoption until it was discontinued and replaced by the new GP Ind share option scheme 1999 (the "GP Ind 1999 Option Scheme") on November 19, 1999 pursuant to a resolution passed at an extraordinary general meeting on the same date. The purpose of the Old GP Ind ESOS is to enable GP Ind to grant options to eligible employees and directors as incentives and rewards for their contributions to GP Ind. 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. 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 4.1.2003	Exercised during the period	Expired/Cancelled during the period	Outstanding at 9.30.2003
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>(420,000)</u>	<u>-</u>	<u>260,000</u>
Directors of GP Ind	8.2.1999	8.2.2000-8.1.2004	0.41	200,000	(200,000)	-	-
Employees	7.23.1998	7.23.1999-7.22.2003	0.30	655,000	(575,000)	(80,000)	-
	8.2.1999	8.2.2000-8.1.2004	0.41	1,910,000	(385,000)	(25,000)	1,500,000
				<u>2,765,000</u>	<u>(1,160,000)</u>	<u>(105,000)</u>	<u>1,500,000</u>
				<u>3,445,000</u>	<u>(1,580,000)</u>	<u>(105,000)</u>	<u>1,760,000</u>

Note: The weighted average closing price of GP Ind's shares immediately before the dates on which the options were exercised was S\$0.85.

Disclosure of Interests *(Continued)*

According to the GP Ind 1999 Option Scheme, the directors of GP Ind is authorised, at any time within ten years after the adoption of GP Ind 1999 Option Scheme, to grant options to any directors or employees of GP Ind or any of its subsidiaries to subscribe for GP Ind's shares at a price not more than 20% discount of the average of the closing prices of GP Ind's shares on the three trading days immediately preceding the offer date of the options or the nominal value of the GP Ind's shares, whichever is higher. Unless otherwise cancelled or amended, GP Ind 1999 Option Scheme will be valid and effective for a period of ten years from the date of adoption. The maximum number of shares in respect of which options may be granted under the GP Ind 1999 Option Scheme cannot exceed 15% of the nominal amount of the issued share capital of GP Ind on the day preceding the offer date. The number of shares in respect of which options may be granted to any individual at any time is not permitted to exceed 20% of the aggregate number of shares for the time being issued and issuable under the GP Ind 1999 Option Scheme.

The number of shares in respect of which options had been granted and outstanding on September 30, 2003 under the GP Ind 1999 Option Scheme was 13,342,000, representing 2.94% of the shares of GP Ind on September 30, 2003. Option granted must be taken up within the period as specified in the offer of options, and upon payment of S\$1 as the consideration for the options granted. Options granted 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.

Disclosure of Interests (Continued)

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 4.1.2003	Granted during the period	Exercised during the period	Cancelled during the period	Outstanding at 9.30.2003
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
	9.15.2003	9.15.2004-9.14.2013	0.880	-	384,000	-	-	384,000
LEUNG Pak Chuen	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)	-	-
	9.15.2003	9.15.2004-9.14.2013	0.880	-	350,000	-	-	350,000
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
	9.15.2003	9.15.2004-9.14.2013	0.880	-	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
	9.15.2003	9.15.2004-9.14.2013	0.880	-	140,000	-	-	140,000
				<u>3,014,000</u>	<u>1,004,000</u>	<u>(820,000)</u>	<u>-</u>	<u>3,198,000</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)	-	-
	9.15.2003	9.15.2004-9.14.2013	0.880	-	300,000	-	-	300,000
Non-executive directors of GP Ind	4.14.2000	4.14.2002-4.13.2005	0.456	170,000	-	(50,000)	-	120,000
	4.4.2001	4.4.2003-4.3.2006	0.620	340,000	-	(100,000)	-	240,000
	8.14.2002	8.14.2003-8.13.2007	0.550	218,000	-	(64,000)	-	154,000
	9.15.2003	9.15.2004-9.14.2008	0.880	-	240,000	-	-	240,000
Employees of the Group	4.14.2000	4.14.2002-4.13.2010	0.456	1,572,000	-	(604,000)	(20,000)	948,000
	4.4.2001	4.4.2003-4.3.2011	0.620	4,058,000	-	(1,240,000)	(70,000)	2,748,000
	8.14.2002	8.14.2003-8.13.2012	0.550	2,813,000	-	(709,000)	(135,000)	1,969,000
	9.15.2003	9.15.2004-9.14.2013	0.880	-	3,025,000	-	-	3,025,000
				<u>10,006,000</u>	<u>3,565,000</u>	<u>(3,202,000)</u>	<u>(225,000)</u>	<u>10,144,000</u>
				<u>13,020,000</u>	<u>4,569,000</u>	<u>(4,022,000)</u>	<u>(225,000)</u>	<u>13,342,000</u>

Note: The closing price of GP Ind's shares immediately before September 15, 2003, the date of options granted during the period, was S\$0.87. The weighted average closing price of GP Ind's shares immediately before the dates on which the options were exercised was S\$0.88.

Disclosure of Interests (Continued)

During the period, a total of 4,569,000 options were granted on September 15, 2003 at an exercise price of S\$0.88 per GP Ind's share. The directors of the Company considered that it is not appropriate to value share options granted under the GP Ind 1999 Option Scheme during the period as a number of critical factors for the valuation of the share options granted cannot be determined accurately. In the absence of a readily available market value of the options under the GP Ind 1999 Option Scheme, any valuation of the share options granted based on various speculative assumptions would be meaningless and could be misleading to the shareholders.

The financial impact of the share options granted under the GP Ind 1999 Option Scheme is not recorded in the Group's balance sheet until such time as the options are exercised, and no charge is recorded in the income statement or balance sheet for their costs.

- (c) 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 contributions 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. A summary of options outstanding during the period which have been granted to the directors of the Company under the Old GPBI ESOS were as follows:

<u>Name of Director</u>	<u>Date of grant</u>	<u>Exercisable Period</u>	<u>Exercise price</u> <u>S\$</u>	<u>Number of option shares outstanding at 4.1.2003 and 9.30.2003</u>
Andrew NG Sung On	8.6.1999	8.6.2000-8.5.2004	3.080	220,000
Richard KU Yuk Hing	8.6.1999	8.6.2000-8.5.2004	3.080	200,000
Raymond WONG Wai Kan	8.6.1999	8.6.2000-8.5.2004	3.080	120,000
				<u>540,000</u>

Disclosure of Interests *(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 4.1.2003	Granted during the period	Exercised during the period	Outstanding at 9.30.2003
Andrew NG Sung On	3.17.2000	3.17.2002-3.16.2010	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
	6.25.2003	6.25.2005-6.24.2013	2.500	-	190,000	-	190,000
Richard KU Yuk Hing	3.17.2000	3.17.2002-3.16.2010	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
	6.25.2003	6.25.2005-6.24.2013	2.500	-	170,000	-	170,000
Raymond WONG Wai Kan	3.17.2000	3.17.2002-3.16.2010	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
	6.25.2003	6.25.2005-6.24.2013	2.500	-	120,000	-	120,000
				<u>1,490,000</u>	<u>480,000</u>	<u>(430,000)</u>	<u>1,540,000</u>

Disclosure of Interests (Continued)

(d) 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 movements 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 4.1.2003	Expired during the period	Outstanding at 9.30.2003
CHAU Kwok Wai	5.12.1998	5.12.1999-5.12.2003	1.30	140,000	(140,000)	-
	10.29.1998	10.29.1999-10.29.2003	0.819	20,000	-	20,000
				<u>160,000</u>	<u>(140,000)</u>	<u>20,000</u>

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 movements 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:

Name of Director	Date of grant	Exercisable period	Exercise price S\$	Number of option shares		
				Outstanding at 4.1.2003	Exercised during the period	Outstanding at 9.30.2003
Victor LO Chung Wing	5.25.2000	5.25.2002-5.24.2010	2.025	200,000	-	200,000
CHAU Kwok Wai	5.25.2000	5.25.2002-5.24.2010	2.025	160,000	-	160,000
Raymond WONG Wai Kan	5.25.2000	5.25.2002-5.24.2010	1.9125	40,000	(40,000)	-
John LO Siew Kiong	5.25.2000	5.25.2002-5.24.2010	2.025	110,000	-	110,000
				<u>510,000</u>	<u>(40,000)</u>	<u>470,000</u>

Disclosure of Interests *(Continued)*

Saved as disclosed above, as at September 30, 2003, none of the directors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the SEHK.

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 the 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.

Substantial Shareholder

As at September 30, 2003, the following person (not being a director or chief executive of the Company) had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

Name of shareholder	Number of ordinary shares held	Approximate percentage of issued shares
Schneider Electric Industries S.A.	54,579,000	10.10%

Saved as disclosed above, as at September 30, 2003, the directors and the chief executive of the Company are not aware of any person (other than a director or chief executive of the Company) who had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

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, 2003 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 1, 2003