

Gold Peak Industries (Holdings) Limited

金山工業(集團)有限公司



Interim Report 2009/10

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

Non-executive

CHAU Kwok Wai
Raymond WONG Wai Kan
Vincent CHEUNG Ting Kau
LUI Ming Wah*
Frank CHAN Chi Chung*
CHAN Kei Bui*

* *Independent Non-executive Director*

AUDIT COMMITTEE

LUI Ming Wah, *Chairman*
Vincent CHEUNG Ting Kau
Frank CHAN Chi Chung
CHAN Kei Bui

REMUNERATION COMMITTEE

Frank CHAN Chi Chung, *Chairman*
LUI Ming Wah
CHAN Kei Bui
Victor LO Chung Wing
LEUNG Pak Chuen

AUDITORS

Deloitte Touche Tohmatsu

SECRETARY AND REGISTERED OFFICE

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Kwai Chung, New Territories, Hong Kong
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E-mail: gp@goldpeak.com
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SHARE REGISTRARS AND TRANSFER OFFICE

Tricor Abacus Limited
26/F, Tesbury Centre
28 Queen's Road East, Hong Kong

ADR DEPOSITARY

The Bank of New York
101 Barclay Street, 22nd Floor
New York, NY10286, USA

STOCK CODES

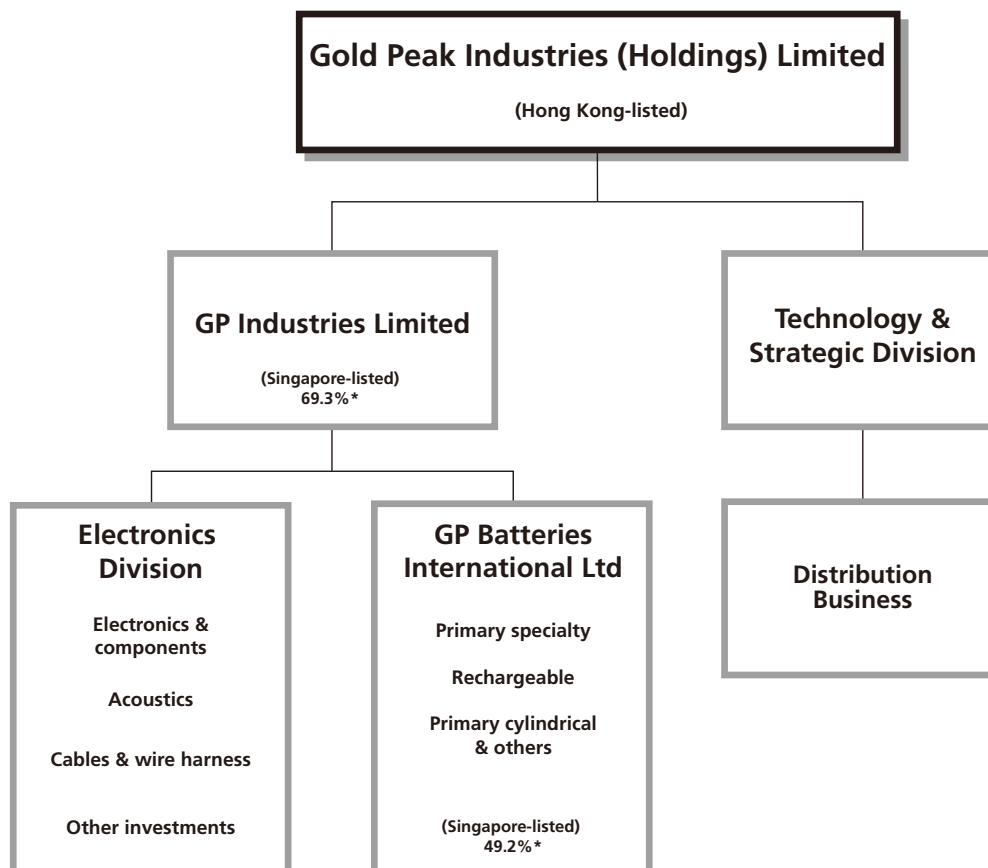
Hong Kong Stock Exchange	40
ADR	GPINY US
Bloomberg	40 HK
Reuters	0040 HK

KEY DATES

Closure of Register: 5 January 2010 to 8 January 2010
Interim Dividend: Payable on 22 January 2010



Group Structure



* Percentage stated denotes respective shareholding held by Gold Peak or GP Industries as at 27 November 2009

Group Profile

Gold Peak Group is an Asian multinational group which owns high-quality industrial investments via GP Industries Limited, its major industrial investment vehicle. Its Technology and Strategic Division is engaged in the development of new product technologies and strategic investments. The Group has built renowned brand names for its major product categories, such as **GP** batteries, **KEF** and **CELESTION** loudspeakers.

The parent company, Gold Peak Industries (Holdings) Limited, was established in 1964 and has been listed on the Stock Exchange of Hong Kong since 1984. Currently, Gold Peak holds a 69.3%* interest in GP Industries while GP Industries holds a 49.2%* interest in GP Batteries International Limited. GP Industries and GP Batteries are publicly listed in Singapore.

GP Industries is engaged in the development, manufacture and distribution of electronics and components, acoustics, cables and wire harness. It also has investments in other businesses. GP Batteries is engaged in the development, manufacture and marketing of batteries and battery-related products.

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 30 September 2009.

Highlights

- Consolidated turnover decreased by 17% to HK\$560 million
- Turnover for all divisions decreased by 19% to HK\$2,897 million
- Profit for the period attributable to owners of the Company increased by 133% to HK\$70.9 million
- Earnings per share increased from 5.5 Hong Kong cents to 12.9 Hong Kong cents
- Interim dividend per share: 3.0 Hong Kong cents (2008/09: 1.0 Hong Kong cent)

Summary of Results

For the six months ended 30 September 2009, the Group’s turnover amounted to HK\$560 million, a decrease of 17% as compared with HK\$677 million for the same period last year. The unaudited consolidated profit attributable to owners of the Company amounted to HK\$70.9 million, an increase of 133% compared to the corresponding period in the previous year. The basic earnings per share for the period amounted to 12.9 Hong Kong cents as compared with 5.5 Hong Kong cents for the same period last year.

Business Review

GP Industries (69.3% owned by Gold Peak as at 30 September 2009)

In response to the economic crisis, GP Industries implemented severe cost reduction programmes. As a result, gross profit margin improved despite a decrease in sales. Distribution costs and administrative expenses also reduced. Share of profit from associates increased due mainly to higher contribution from GP Batteries International Limited.

1. Electronics Division

- Electronics & components – Sales of this business unit increased but profit contribution declined. Sales and profit contribution from the electronics business increased mainly due to an increase in sales of professional audio equipment. Sales from the components business maintained while the associated companies in the components business reported lower sales and lower profit contribution.

- Acoustics – Sales of this business unit decreased. Sales to America and Europe dropped while sales to Asia maintained steady. Despite lower revenue, profitability improved due to cost control measures. As a result, the branded acoustics business reported a profit, compared to a small loss in the same period last year. Sales of the 20%-owned Meiloon Industrial Co., Ltd. declined and contributed a loss while it reported a profit in the same period last year.
- Cables & wire harness – Profit contribution from the 47%-owned cable associate Linkz Industries Limited more than doubled the level in the same period last year. Contributions from the wire harness associates serving automobile makers in China continued to deliver stellar performance from the buoyant China automotive market. As a result, profit contribution from this business unit improved significantly.

2. **GP Batteries** (49.2% owned by GP Industries as at 30 September 2009)

- GP Batteries' gross profit increased despite a decrease in turnover.
- Sales of rechargeable batteries and 9-volt Carbon Zinc batteries decreased whereas sales of 9-volt alkaline and alkaline primary cylindrical batteries increased. Sales across regions generally decreased but the drop has been cushioned by the rise in sales to North and South America.
- Excluding the effect of commodity hedging contracts, gross profit margin improved mainly due to a sales mix with better profit margin. The effects of cost control measures implemented were also apparent as evidenced by the decrease in administrative expenses.
- To exploit the potential market for plug-in hybrid vehicles conversion, GP Batteries acquired 40% of the total common stock of Plug-In Conversions Corporation in the US. This allows GP Batteries to develop the after-sales replacement market.

Financial Review

During the period, the Group's net bank borrowings decreased by HK\$293 million to HK\$1,376 million. As at 30 September 2009, the aggregate of the Group's shareholders' funds and minority interests was HK\$1,995 million and the Group's gearing ratio (the ratio of consolidated net bank borrowings to shareholders' fund and minority interests) was 0.69 (31 March 2009: 0.92). The gearing ratios of the Company, GP Industries and GP Batteries were 0.66 (31 March 2009: 0.84), 0.33 (31 March 2009: 0.40) and 0.54 (31 March 2009: 0.60) respectively.

At 30 September 2009, 83% (31 March 2009: 57%) of the Group's bank borrowings was revolving or repayable within one year whereas 17% (31 March 2009: 43%) was mostly repayable between one to five years. Most of these bank borrowings are in US dollars, Singapore dollars and Hong Kong dollars.

The Group's exposure to foreign currency arises mainly from the net cash flow and the translation of net monetary assets or liabilities of its overseas subsidiaries. The Group and its major associates continued to manage foreign exchange risks prudently. Forward contracts, borrowings in local currencies and local sourcing have been arranged to minimise the impact of currency fluctuation.

Employees and Remuneration Policies

As at 30 September 2009, the Group's major business divisions employed over 12,000 (31 March 2009: 12,000) people worldwide. Remuneration policies are reviewed regularly to ensure that compensation and benefit packages are in line with the market in the respective countries where the Group has operations.

Prospects

Economists believe that the worst impact of the economic crisis is behind us and business sentiment is becoming more positive. Demand for most of the Group's products in Europe and the US is expected to recover gradually while key Asian markets are expected to grow more rapidly. The Group will continue to control cost, invest into developing new products and further improve its financial position.

GP Batteries expects its business outlook to improve but volatility of foreign currencies and commodity prices may affect its margin. It will continue to enhance its "GP" brand's management in developing markets and promote its new generation rechargeable batteries in developed markets. It will also capitalize on opportunities in rechargeable batteries for electric transportation and other applications with the global trend towards carbon footprint reduction.

Unaudited Condensed Consolidated Income Statement

	Notes	For the six months ended 30 September	
		2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Turnover	3	560,246	676,705
Cost of sales		(402,730)	(499,390)
Gross profit		157,516	177,315
Other income		77,603	79,582
Selling and distribution expenses		(72,614)	(93,000)
Administrative expenses		(113,459)	(131,886)
Finance costs		(24,741)	(36,867)
Share of results of associates		81,070	50,681
(Loss) gain on disposal/ deemed partial disposal of associates		(489)	3,184
Profit before taxation	4	104,886	49,009
Taxation	5	(2,271)	(6,986)
Profit for the period		102,615	42,023
Profit for the period attributable to:			
Owners of the Company		70,853	30,460
Minority interests		31,762	11,563
		102,615	42,023
Interim dividend		16,479	5,493
Earnings per share	6		
Basic		12.9 cents	5.5 cents
Diluted		12.9 cents	5.5 cents

Unaudited Condensed Consolidated Statement of Comprehensive Income

	For the six months ended 30 September	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Profit for the period	102,615	42,023
Other comprehensive income (expense)		
Currency realignment	115,945	(91,643)
Translation reserve recognised as income upon de-registration of a subsidiary	(20,696)	–
Translation reserve and capital reserve recognised in income statement upon disposal of associates	1,591	–
Share of reserves of associates	(4,101)	(5,069)
Other comprehensive income (expense) for the period	92,739	(96,712)
Total comprehensive income (expense) for the period	195,354	(54,689)
Total comprehensive income (expense) attributable to:		
Owners of the Company	127,269	(36,367)
Minority interests	68,085	(18,322)
	195,354	(54,689)

Unaudited Condensed Consolidated Statement of Financial Position

		30 September 2009 (Unaudited) HK\$'000	31 March 2009 (Audited) HK\$'000
	Notes		
Non-current assets			
Investment properties		240	103,240
Property, plant and equipment	7	225,641	236,531
Prepaid lease payments		–	24,641
Interests in associates		1,810,430	1,814,803
Available-for-sale investments		318,729	281,133
Long term receivables		57,240	46,843
Technical know-how		1,570	3,502
Trademarks		33,462	35,553
Goodwill		60,777	59,143
		2,508,089	2,605,389
Current assets			
Inventories		276,313	254,644
Debtors, bill receivables and prepayments	8	958,249	904,413
Prepaid lease payments		–	666
Dividends receivable		1,206	295
Taxation recoverable		265	244
Bank balances, deposits and cash		279,485	268,445
		1,515,518	1,428,707
Current liabilities			
Creditors and accrued charges	9	309,310	232,346
Taxation payable		46,403	37,839
Obligations under finance leases			
– amount due within one year		1,498	1,479
Bank loans and import loans		1,368,308	1,085,861
Bank overdrafts		7,674	11,474
		1,733,193	1,368,999
Net current (liabilities) assets		(217,675)	59,708
Total assets less current liabilities		2,290,414	2,665,097
Non-current liabilities			
Obligations under finance leases			
– amount due after one year		1,441	2,220
Borrowings		276,475	836,625
Deferred taxation liabilities		17,638	17,324
		295,554	856,169
Net assets		1,994,860	1,808,928
Capital and reserves			
Share capital		274,643	274,643
Reserves		1,018,237	890,968
Equity attributable to owners of the Company		1,292,880	1,165,611
Share option reserve of a listed subsidiary		10,076	10,076
Minority interests		691,904	633,241
Total equity		1,994,860	1,808,928

Unaudited Condensed Consolidated Cash Flow Statement

	For the six months ended 30 September	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Net cash generated from operating activities	183,061	245,633
Net cash from investing activities	187,644	53,582
Net cash used in financing activities	<u>(361,747)</u>	<u>(268,929)</u>
Increase in cash and cash equivalents	8,958	30,286
Cash and cash equivalents at beginning of the period	256,971	305,297
Effect of foreign exchange rate changes	<u>5,882</u>	<u>(1,336)</u>
Cash and cash equivalents at the end of the period	<u>271,811</u>	<u>334,247</u>

Unaudited Condensed Consolidated Statement of Changes in Equity

	Share Capital HK\$'000	Share Premium HK\$'000	Legal Reserve HK\$'000	Properties Revaluation Reserve HK\$'000	Translation Reserve HK\$'000	Capital Reserve HK\$'000	Capital Redemption Reserve HK\$'000
For the six months ended 30 September 2009							
At 1 April 2009	274,643	463,935	14,830	83,670	(235,406)	5,681	35,358
Transfer to retained profits upon disposal of properties	-	-	-	(45,845)	-	-	-
Dividend declared - 2010 interim dividend	-	-	-	-	-	-	-
Dividend paid to minority interests	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	54,352	(50)	-
At 30 September 2009	<u>274,643</u>	<u>463,935</u>	<u>14,830</u>	<u>37,825</u>	<u>(181,054)</u>	<u>5,631</u>	<u>35,358</u>
For the six months ended 30 September 2008							
At 1 April 2008	274,643	463,935	14,830	86,947	(97,168)	4,859	35,358
Acquisition of additional interests in a subsidiary	-	-	-	-	-	-	-
Dividend paid - 2008 final dividend	-	-	-	-	-	-	-
Dividend declared - 2009 interim dividend	-	-	-	-	-	-	-
Dividend paid to minority interests	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(67,718)	222	-
At 30 September 2008	<u>274,643</u>	<u>463,935</u>	<u>14,830</u>	<u>86,947</u>	<u>(164,886)</u>	<u>5,081</u>	<u>35,358</u>

Available- for-sale Investments Reserve HK\$'000	Hedging Reserve HK\$'000	Dividend Reserve HK\$'000	Retained Profits HK\$'000	Attributable to Owners of the Company HK\$'000	Share Option Reserve of a Listed Subsidiary HK\$'000	Minority Interests HK\$'000	Total HK\$'000
(827)	–	8,239	515,488	1,165,611	10,076	633,241	1,808,928
–	–	–	45,845	–	–	–	–
–	–	16,479	(16,479)	–	–	–	–
–	–	–	–	–	–	(9,422)	(9,422)
<u>1,892</u>	<u>222</u>	<u>–</u>	<u>70,853</u>	<u>127,269</u>	<u>–</u>	<u>68,085</u>	<u>195,354</u>
<u>1,065</u>	<u>222</u>	<u>24,718</u>	<u>615,707</u>	<u>1,292,880</u>	<u>10,076</u>	<u>691,904</u>	<u>1,994,860</u>
(2,933)	–	10,986	591,771	1,383,228	8,618	726,002	2,117,848
–	–	–	–	–	–	(3,153)	(3,153)
–	–	(10,986)	–	(10,986)	–	–	(10,986)
–	–	5,493	(5,493)	–	–	–	–
–	–	–	–	–	–	(10,437)	(10,437)
<u>–</u>	<u>(850)</u>	<u>–</u>	<u>30,460</u>	<u>(37,886)</u>	<u>1,519</u>	<u>(18,322)</u>	<u>(54,689)</u>
<u>(2,933)</u>	<u>(850)</u>	<u>5,493</u>	<u>616,738</u>	<u>1,334,356</u>	<u>10,137</u>	<u>694,090</u>	<u>2,038,583</u>

Notes to the Unaudited Condensed Interim Financial Statements

1. Basis of preparation

The unaudited condensed interim financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

2. Principal Accounting Policies

The unaudited condensed financial statements have been prepared under the historical cost convention except for certain properties and financial instruments, which are measured at fair values or revalued amounts, as appropriate. During this period, the Group has applied, for the first time, a number of new or revised Hong Kong Financial Reporting Standards (“HKFRSs”), HKASs and interpretations issued by the HKICPA, which are effective for accounting periods commencing on or after 1 January 2009. Except for as described below, the accounting policies adopted in the preparation of the unaudited condensed financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2009.

*HKAS 1 (revised 2007) Presentation of Financial Statements
(effective for annual periods beginning on or after 1 January 2009)*

HKAS 1 (revised 2007) has introduced a number of terminology changes (including revised titles for the condensed consolidated financial statements) and has resulted in a number of changes in presentation and disclosure. However, HKAS 1 (revised 2007) has had no impact on the reported results or financial position of the Group.

The adoption of these new and revised standards had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

The Group has not early applied the following new standards and interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standards and interpretations will have no material impact on the results and the financial position of the Group.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008 ¹
HKFRSs (Amendments)	Improvements to HKFRSs 2009 ²
HKAS 24 (Revised)	Related Party Disclosures ³
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ¹
HKAS 32 (Amendment)	Classification of Rights Issues ⁴
HKAS 39 (Amendment)	Eligible Hedged Items ¹
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters ⁵
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions ⁵
HKFRS 3 (Revised)	Business Combinations ¹
HKFRS 9	Financial Instruments ⁶
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners ¹

¹ Effective for annual periods beginning on or after 1 July 2009

² Amendments that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate

³ Effective for annual periods beginning on or after 1 January 2011

⁴ Effective for annual periods beginning on or after 1 February 2010

⁵ Effective for annual periods beginning on or after 1 January 2010

⁶ Effective for annual periods beginning on or after 1 January 2013

Notes to the Unaudited Condensed Interim Financial Statements

(Continued)

3. Segment information

The Group has adopted HKFRS 8 Operating Segments with effect from 1 April 2009. HKFRS 8 requires that operating segments be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. The adoption of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments.

The following is an analysis of the turnover and results by operating segments for the period under review:

For the six months ended 30 September 2009

	Electronics HK\$'000	Batteries HK\$'000	Technology and Strategic HK\$'000	Total HK\$'000
Turnover				
External sales	<u>560,246</u>	<u>–</u>	<u>–</u>	<u>560,246</u>
Results				
Segmental results	23,331	–	(106)	23,225
Interest income and dividend income	17,053	–	–	17,053
Unallocated corporate expenses				(18,586)
Other corporate income				24,156
Rental income	–	–	3,198	3,198
Finance costs				
Segment	(16,352)	–	–	(16,352)
Corporate				(8,389)
Share of results of associates	28,753	53,745	(1,428)	81,070
Loss on disposal of associates				<u>(489)</u>
Profit before taxation				104,886
Taxation				<u>(2,271)</u>
Profit for the period				<u>102,615</u>
Attributable to:				
Owners of the Company				70,853
Minority interests				<u>31,762</u>
				<u>102,615</u>

Notes to the Unaudited Condensed Interim Financial Statements

(Continued)

For the six months ended 30 September 2008

	Electronics HK\$'000	Batteries HK\$'000	Technology and Strategic HK\$'000	Total HK\$'000
Turnover				
External sales	676,705	–	–	676,705
Results				
Segmental results	(11,937)	–	(571)	(12,508)
Interest income and dividend income				
Segment	33,836	–	3,000	36,836
Corporate				3,117
Unallocated corporate expenses				(19,315)
Other corporate income				18,334
Rental income	–	–	6,224	6,224
Change in fair value of investment properties	–	–	(677)	(677)
Finance costs				
Segment	(20,543)	–	–	(20,543)
Corporate				(16,324)
Share of results of associates	33,729	8,378	8,574	50,681
Gain on disposal/deemed partial disposal of associates				3,184
Profit before taxation				49,009
Taxation				(6,986)
Profit for the period				42,023
Attributable to:				
Owners of the Company				30,460
Minority interests				11,563
				42,023

Notes to the Unaudited Condensed Interim Financial Statements

(Continued)

4. Profit before taxation

	For the six months ended 30 September	
	2009	2008
	HK\$'000	HK\$'000
Profit before taxation has been arrived at after charging:		
Amortisation of technical know-how	1,940	1,940
Amortisation of prepaid lease payments	222	443
Amortisation of trademarks	2,091	2,091
Depreciation of property, plant and equipment	16,899	22,721

5. Taxation

	For the six months ended 30 September	
	2009	2008
	HK\$'000	HK\$'000
Hong Kong Profits Tax	–	12
Taxation in jurisdictions other than Hong Kong	2,271	6,300
Deferred taxation	–	674
	2,271	6,986

Hong Kong Profits Tax is calculated at 16.5% (2008: 16.5%) 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.

6. 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 30 September	
	2009	2008
	HK\$'000	HK\$'000
<i>Earnings</i>		
Net profit for the period and earnings for the purpose of basic and diluted earnings per share	70,853	30,460
	'000	'000
<i>Number of shares</i>		
Weighted average number of shares for the purpose of basic and diluted earnings per share	549,285	549,285

Notes to the Unaudited Condensed Interim Financial Statements

(Continued)

7. Property, plant and equipment

During the period, the Group spent approximately HK\$10,922,000 (six months ended 30 September 2008: HK\$16,697,000) on property, plant and equipment to expand its business.

8. Debtors, bill receivables and prepayments

The Group allows its trade customers with credit periods normally ranging from 30 days to 120 days. The following is an ageing analysis of debtors and bill receivables at the reporting date:

	30 September 2009 HK\$'000	31 March 2009 HK\$'000
Trade and bill receivables		
0-60 days	153,330	172,422
61-90 days	12,298	18,351
Over 90 days	47,885	49,254
	<u>213,513</u>	<u>240,027</u>
Other receivables, deposits and prepayments	333,199	309,139
Consideration receivable for the disposal of the Group's electrical business in Australia	36,452	33,304
Consideration receivable for the disposal of partial interest of investment in Gerard Corporation	375,085	321,943
	<u>958,249</u>	<u>904,413</u>

9. Creditors and accrued charges

The following is an ageing analysis of creditors at the reporting date:

	30 September 2009 HK\$'000	31 March 2009 HK\$'000
Trade payables		
0-60 days	139,830	60,935
61-90 days	27,579	8,995
Over 90 days	17,229	15,923
	<u>184,638</u>	<u>85,853</u>
Other payables and accrued charges	124,672	146,493
	<u>309,310</u>	<u>232,346</u>

Notes to the Unaudited Condensed Interim Financial Statements

(Continued)

10. Contingencies and commitments

(a) Contingent liabilities

	30 September 2009 HK\$'000	31 March 2009 HK\$'000
Guarantees given to banks in respect of banking facilities utilised by associates	<u>170,574</u>	<u>181,373</u>

(b) Capital commitment

	30 September 2009 HK\$'000	31 March 2009 HK\$'000
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the financial statements	<u>1,211</u>	<u>1,649</u>

11. Related party transactions

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

	For the six months ended 30 September	
	2009 HK\$'000	2008 HK\$'000
Sales to associates	4,276	6,454
Purchases from associates	8,102	7,320
Management fee income received from associates	5,053	5,212
Rental income received from associates	<u>3,198</u>	<u>4,611</u>

As at the reporting date, the Group has the following balances with its associates under debtors, bill receivables and prepayments and creditors and accrued charges:

	30 September 2009 HK\$'000	31 March 2009 HK\$'000
Trade receivables due from associates	1,807	40,784
Other receivables due from associates	1,627	5,892
Trade payables due to associates	4,814	2,113
Other payables due to associates	<u>17,445</u>	<u>44,564</u>

Interim Dividend

The Directors have declared an interim dividend of 3.0 Hong Kong cents (2008: 1.0 Hong Kong cent) per share. This amounts to a total dividend payment of approximately HK\$16,479,000 (2008: HK\$5,493,000) based on the total number of shares in issue as at 26 November 2009, being the latest practicable date prior to the announcement of the interim results. Dividend will be paid on 22 January 2010 to registered shareholders of the Company as at 8 January 2010.

Closure of Register

The Register of Shareholders of the Company will be closed from 5 to 8 January 2010, 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, Tricor Abacus Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on 4 January 2010.

Disclosure of Interest

As at 30 September 2009, 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 were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") 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 were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Appendix 10 "Model Code for Securities Transactions by Directors of Listed Issuers" contained in the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

(1) Directors' and Chief Executive's Interests in Securities of the Company and its Associated Corporations

(a) *Interests in shares of the Company (long positions)*

As at 30 September 2009, the interests of the directors and the chief executive in the ordinary shares of the Company were as follows:

Disclosure of Interest (Continued)

Name of Director	Number of ordinary shares held				Percentage of issued share capital of the Company %
	Personal Interests	Family Interests	Corporate Interests	Total Interests	
Victor LO Chung Wing	74,951,811	–	88,065,432*	163,017,243	29.68
Andrew NG Sung On	69,771,957	417,000	88,065,432*	158,254,389	28.81
Kevin LO Chung Ping	625,000	3,239,066	–	3,864,066	0.70
Paul LO Chung Wai	22,611,518	–	–	22,611,518	4.12
LEUNG Pak Chuen	3,202,581	–	–	3,202,581	0.58
Richard KU Yuk Hing	2,231,780	–	–	2,231,780	0.41
Andrew CHUANG Siu Leung	474,500	–	–	474,500	0.09
CHAU Kwok Wai	275,000	–	–	275,000	0.05
Raymond WONG Wai Kan	1,790,081	–	–	1,790,081	0.33
Vincent CHEUNG Ting Kau	1,947,549	–	–	1,947,549	0.35
LUI Ming Wah	–	–	–	–	–
Frank CHAN Chi Chung	–	–	–	–	–
CHAN Kei Biu	–	–	–	–	–

* 88,065,432 ordinary shares were beneficially owned by Well Glory International Limited, a company in which Messrs. Victor LO Chung Wing and Andrew NG Sung On have beneficial interests.

(b) Interests in shares of the Company's associated corporations (long positions)

As at 30 September 2009, the direct and indirect beneficial interests of the directors and the chief executive in the shares of GP Batteries International Limited ("GPBI"), a 49.2%-owned associate of GP Industries Limited ("GP Ind"), Gold Peak Industries (Taiwan) Limited ("GPIT"), a 79.6%-owned subsidiary of GPBI, and GP Ind, a 69.3%-owned subsidiary of the Company, were as follows:

Name of Director	Number of ordinary shares and percentage of their issued share capital held					
	GPBI		GPIT		GP Ind	
	Number	%	Number	%	Number	%
Victor LO Chung Wing	200,000	0.18	–	–	–	–
Andrew NG Sung On	833,332	0.76	500,000	0.25	378,412	0.07
Kevin LO Chung Ping	–	–	–	–	–	–
Paul LO Chung Wai	80,000	0.07	–	–	–	–
LEUNG Pak Chuen	–	–	–	–	1,608,000	0.28
Richard KU Yuk Hing	222,000	0.20	200,000	0.10	170,000	0.03
Andrew CHUANG Siu Leung	–	–	–	–	45,000	0.01
CHAU Kwok Wai	–	–	–	–	481,232	0.08
Raymond WONG Wai Kan	374,000	0.34	100,000	0.05	1,598,827	0.28
Vincent CHEUNG Ting Kau	20,000	0.02	–	–	–	–
LUI Ming Wah	–	–	–	–	–	–
Frank CHAN Chi Chung	–	–	–	–	–	–
CHAN Kei Biu	–	–	–	–	–	–

Save as disclosed above, as at 30 September 2009, 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 SFO.

Disclosure of Interest *(Continued)*

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

The following tables disclose the movements in the number of share options of GP Ind and GPBI, which have been granted to the directors of the Company, during the six months ended 30 September 2009.

(a) GP Ind's share option scheme:

Name of director	Date of grant	Exercisable period	Exercise price S\$	Number of option shares		
				Outstanding at 1.4.2009	Lapsed during the period	Outstanding at 30.9.2009
Victor LO Chung Wing	14.4.2000	14.4.2002- 13.4.2010	0.456	300,000	–	300,000
	4.4.2001	4.4.2003- 3.4.2011	0.620	600,000	–	600,000
	14.8.2002	14.8.2003- 13.8.2012	0.550	384,000	–	384,000
	15.9.2003	15.9.2004- 14.9.2013	0.880	384,000	–	384,000
	5.7.2004	5.7.2005- 4.7.2014	1.030	400,000	–	400,000
LEUNG Pak Chuen	15.9.2003	15.9.2004- 14.9.2013	0.880	350,000	–	350,000
	5.7.2004	5.7.2005- 4.7.2014	1.030	380,000	–	380,000
Andrew CHUANG Siu Leung	14.4.2000	14.4.2002- 13.4.2010	0.456	110,000	–	110,000
	4.4.2001	4.4.2003- 3.4.2011	0.620	200,000	–	200,000
	14.8.2002	14.8.2003- 13.8.2012	0.550	130,000	–	130,000
	15.9.2003	15.9.2004- 14.9.2013	0.880	130,000	–	130,000
	5.7.2004	5.7.2005- 4.7.2014	1.030	150,000	–	150,000
CHAU Kwok Wai	5.7.2004	5.7.2005- 4.7.2014	1.030	180,000	–	180,000
Raymond WONG Wai Kan	15.9.2003	15.9.2004- 14.9.2013	0.880	140,000	–	140,000
	5.7.2004	5.7.2005- 4.7.2014	1.030	180,000	–	180,000
				4,018,000	–	4,018,000

Disclosure of Interest *(Continued)*

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

(a) GP Ind's share option scheme: *(Continued)*

Name of director	Date of grant	Exercisable period	Exercise price S\$	Number of option shares		
				Outstanding at 1.4.2009	Lapsed during the period	Outstanding at 30.9.2009
Directors of GP Ind	4.4.2001	4.4.2003-3.4.2011	0.620	64,000	–	64,000
	14.8.2002	14.8.2003-13.8.2012	0.550	41,000	–	41,000
	15.9.2003	15.9.2004-14.9.2013	0.880	335,000	–	335,000
	5.7.2004	5.7.2005-4.7.2014	1.030	385,000	–	385,000
Non-executive directors of GP Ind	5.7.2004	5.7.2005-4.7.2009	1.030	270,000	(270,000)	–
Employees of the Group	14.4.2000	14.4.2002-13.4.2010	0.456	252,000	–	252,000
	4.4.2001	4.4.2003-3.4.2011	0.620	828,000	–	828,000
	14.8.2002	14.8.2003-13.8.2012	0.550	409,000	–	409,000
	15.9.2003	15.9.2004-14.9.2013	0.880	1,663,000	–	1,663,000
	5.7.2004	5.7.2005-4.7.2014	1.030	2,067,000	–	2,067,000
				<u>6,314,000</u>	<u>(270,000)</u>	<u>6,044,000</u>
				<u>10,332,000</u>	<u>(270,000)</u>	<u>10,062,000</u>

Disclosure of Interest *(Continued)*

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

(b) GPBI's share option scheme:

<u>Name of director</u>	<u>Date of grant</u>	<u>Exercisable period</u>	<u>Exercise price S\$</u>	<u>Number of option shares outstanding at 1.4.2009 and 30.9.2009</u>
Andrew NG Sung On	17.3.2000	17.3.2002-16.3.2010	1.410	200,000
	11.10.2000	11.10.2002-10.10.2010	1.600	200,000
	5.8.2002	5.8.2004-4.8.2012	1.250	190,000
	25.6.2003	25.6.2005-24.6.2013	2.500	190,000
Richard KU Yuk Hing	25.6.2003	25.6.2005-24.6.2013	2.500	170,000

Save as disclosed above, as at 30 September 2009, 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 were required to be notified to the Company and the Stock Exchange 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 were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Appendix 10 "Model Code for Securities Transactions by Directors of Listed Issuers" contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

Substantial Shareholder

As at 30 September 2009, the following persons (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 the issued share capital carrying rights to vote in all circumstances at general meetings of the Company:

<u>Name of shareholder</u>	<u>Capacity</u>	<u>Number of ordinary shares held</u>	<u>Approximate percentage of issued shares</u>
Schneider Electric Industries SAS	Beneficial owner	34,557,961	6.29%
Well Glory International Limited	Beneficial owner	88,065,432	16.03%

Save as disclosed above, as at 30 September 2009, 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 the issued 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.

Compliance with the Code on Corporate Governance Practices

The Company has complied with the code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of Listing Rules throughout the period, except for the following deviations:

Provision A.2.1 of the Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Victor LO Chung Wing is the Chairman & Chief Executive of the Company. The Board considers that the present structure will not impair the balance of power and authority between the Board and the management of the Group as the Group's principal businesses are separately listed and each business is run by a different board of directors.

Provision A.4.1 of the Code stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The Company's non-executive directors are not appointed for a specific term and are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of article of association of the Company. Since their appointments will be reviewed when they are due for re-election, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those set out in the Code.

Directors' Securities Transactions

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix 10 to the Listing Rules (the "Mode Code") as its code of conduct regarding the directors' securities transactions. Having made specific enquiry of all directors, the Company confirmed that all directors have complied with the required standard set out in the Model Code throughout the period.

Audit Committee

The Company has an audit committee which was established in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises three independent non-executive directors and one non-executive director of the Company. The unaudited interim financial statements for the six months ended 30 September 2009 have been reviewed by the Company's audit committee.

Board of Directors

As at the date of this report, the Board of Directors of the Company consists of Messrs. 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 and Andrew CHUANG Siu Leung as Executive Directors, Messrs. CHAU Kwok Wai, Raymond WONG Wai Kan and Vincent CHEUNG Ting Kau as Non-executive Directors, and Messrs. LUI Ming Wah, Frank CHAN Chi Chung and CHAN Kei Biu as Independent Non-executive Directors.

By Order of the Board
WONG Man Kit
Company Secretary

Hong Kong, 27 November 2009