

Gold Peak Industries (Holdings) Limited

金山工業(集團)有限公司



Interim Report 2011/2012

Corporate Information

BOARD OF DIRECTORS

Executive

Victor LO Chung Wing, *Chairman & Chief Executive*
Andrew NG Sung On, *Vice Chairman*
LEUNG Pak Chuen
Richard KU Yuk Hing
Andrew CHUANG Siu Leung

Non-executive

CHAU Kwok Wai
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

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 REGISTRAR 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

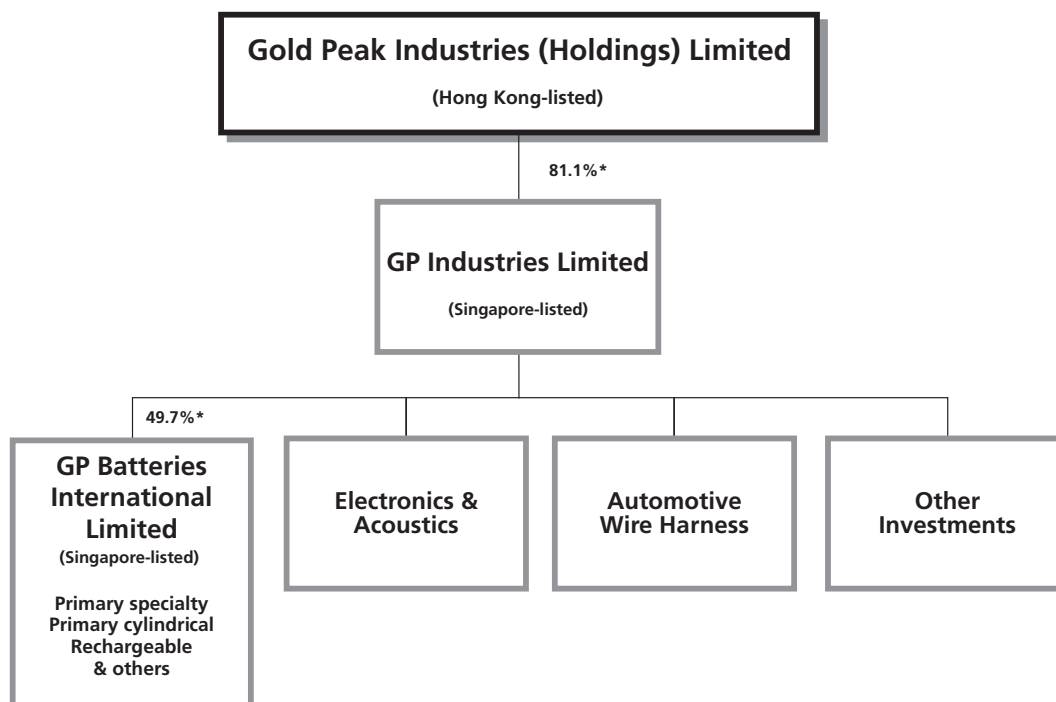
STOCK CODES

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

KEY DATES

Closure of Register:	3 January 2012 to 6 January 2012
Interim Dividend:	Payable on 18 January 2012

Group Structure



* Percentage stated denotes respective shareholding held by Gold Peak or GP Industries as at 22 November 2011

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. 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 an 81.1%* interest in GP Industries while GP Industries holds a 49.7%* 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 a wide range of products including electronics and acoustics products, and automotive wire harness. 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 2011.

Highlights

- Consolidated turnover increased by 2% to HK\$910 million
- Turnover including GP Batteries decreased by 3% to HK\$3,411 million
- Profit for the period attributable to owners of the Company decreased by 49% to HK\$37 million
- Earnings per share: 4.7 Hong Kong cents (2010/11: 9.2 Hong Kong cents)
- Interim dividend per share: 1.5 Hong Kong cents (2010/11: 2.5 Hong Kong cents)

Summary of Results

For the six months ended 30 September 2011, the Group’s turnover amounted to HK\$910 million, an increase of 2% as compared with HK\$889 million for the same period last year. The unaudited consolidated profit attributable to owners of the Company amounted to HK\$37 million, a decrease of 49% compared to the corresponding period in the previous year. The earnings per share for the period amounted to 4.7 cents as compared with 9.2 cents for the same period last year.

Business Review

GP Industries (81.1% owned by Gold Peak as at 30 September 2011)

The global economic slowdown affected consumer demand in Europe and the US. Cost increases and the appreciating Renminbi affected GP Industries’ businesses. Gross profit margin decreased from 25.9% to 22.4% when compared to the same period last year.

Electronics and acoustics

- Sales from the electronics business has been essentially flat due to price increases and the weak export markets.
- Sales of acoustics products to the Americas, Europe and Asia grew by 13%, 4% and 9% respectively in US dollar terms.
- Profitability of the electronics and acoustics business has been affected by the rapid increase in prices of components, in particular rare earth magnetic materials used in high performance speakers.

- Associated companies in the components business contributed less profit when compared to the same period last year.
- Profit contribution from the electronics and acoustics business decreased by 55% when compared to the same period last year.

Automotive wire harness

- Profit contribution from the automotive wire harness business decreased due to higher operating costs.

Other investments

- Profit contribution from this business segment increased mainly due to higher other operating income.

GP Batteries (49.7% owned by GP Industries as at 30 September 2011)

- GP Batteries' turnover decreased with gross profit margin remained comparable with the corresponding period last year.
- GP Batteries has been adjusting prices to offset increased costs. It has also rationalized its customer base as well as streamlined the GP distribution channels worldwide.

Financial Review

During the period, the Group's net bank borrowings decreased by HK\$34 million to HK\$753 million. As at 30 September 2011, the aggregate of the Group's equity attributable to owners and non-controlling interests was HK\$2,002 million and the Group's gearing ratio (the ratio of consolidated net bank borrowings to equity attributable to owners and non-controlling interests) was 0.38 (31 March 2011: 0.39). The gearing ratios of the Company, GP Industries and GP Batteries were 0.34 (31 March 2011: 0.40), 0.17 (31 March 2011: 0.16) and 0.46 (31 March 2011: 0.39) respectively.

At 30 September 2011, 52% (31 March 2011: 58%) of the Group's bank borrowings were revolving or repayable within one year whereas 48% (31 March 2011: 42%) was mostly repayable between one to five years. Most of these bank borrowings were in US dollars, Singapore dollars and Hong Kong dollars.

The Group's exposure to foreign currency arose 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 minimize the impact of currency fluctuation.

Employees and Remuneration Policies

As at 30 September 2011, the Group's major business divisions employed over 12,400 (31 March 2011: 13,300) 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

Uncertainties associated with the lingering Europe debt crisis will continue to affect the demand for the Group's products in Europe and the US. Demand in China and some Asian markets will likely remain stable. Volatile raw material prices, rising labour cost in China and appreciating Renminbi will continue to exert pressure on the Group's profitability.

The Group will continue its strategy to invest in product innovation, its brands and its global distribution. It will continue to strengthen its financial position and automate its manufacturing processes to counter the cost increases in China.

Unaudited Condensed Consolidated Income Statement

	Notes	For the six months ended 30 September	
		2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Turnover	3	909,546	888,553
Cost of sales		(706,006)	(658,563)
Gross profit		203,540	229,990
Other income		27,612	15,504
Selling and distribution expenses		(95,717)	(87,038)
Administrative expenses		(129,473)	(122,492)
Other expenses		–	(5,735)
Finance costs		(24,045)	(20,396)
Share of results of associates		74,613	98,855
Loss on disposal/deemed partial disposal of associates		–	(332)
Profit before taxation	4	56,530	108,356
Taxation	5	(6,505)	(12,651)
Profit for the period		50,025	95,705
Profit for the period attributable to:			
Owners of the Company		36,587	72,424
Non-controlling interests		13,438	23,281
		50,025	95,705
Interim dividend		11,770	19,617
Earnings per share	6		
Basic		4.66 cents	9.23 cents
Diluted		N/A	9.22 cents

Unaudited Condensed Consolidated Statement of Comprehensive Income

	For the six months ended 30 September	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Profit for the period	<u>50,025</u>	<u>95,705</u>
Other comprehensive income (expense):		
Share of other comprehensive (expense) income of associates	(6,059)	10,161
Exchange differences arising from translation of foreign operations	(9,360)	6,020
Exchange differences released upon deregistration of a subsidiary	–	(221)
Other comprehensive income released upon disposal of associates	–	548
Other comprehensive (expense) income for the period	<u>(15,419)</u>	<u>16,508</u>
Total comprehensive income for the period	<u>34,606</u>	<u>112,213</u>
Total comprehensive income attributable to:		
Owners of the Company	<u>24,078</u>	<u>85,754</u>
Non-controlling interests	<u>10,528</u>	<u>26,459</u>
	<u>34,606</u>	<u>112,213</u>

Unaudited Condensed Consolidated Statement of Financial Position

		30 September 2011 (Unaudited) HK\$'000	31 March 2011 (Audited) HK\$'000
	<i>Notes</i>		
Non-current assets			
Investment properties		71,086	75,362
Property, plant and equipment	7	242,651	249,192
Interests in associates		1,809,416	1,804,188
Available-for-sale investments		120,744	125,529
Long term receivables		47,182	130,718
Financial asset at fair value through profit and loss		68,623	–
Technical know-how		568	640
Trademarks		25,097	27,188
Goodwill		62,863	63,560
Deferred taxation assets		1,120	1,187
		2,449,350	2,477,564
Current assets			
Inventories		317,501	320,850
Trade and other receivables and prepayments	8	427,589	453,853
Dividend receivable		12,528	3,000
Taxation recoverable		180	473
Bank balances, deposits and cash		345,605	474,409
		1,103,403	1,252,585
Current liabilities			
Creditors and accrued charges	9	388,805	391,653
Taxation payable		43,166	44,906
Obligations under finance leases			
– amount due within one year		1,210	1,447
Bank loans and import loans		566,367	733,080
		999,548	1,171,086
Net current assets		103,855	81,499
Total assets less current liabilities		2,553,205	2,559,063

Unaudited Condensed Consolidated Statement of Financial Position

(Continued)

	30 September 2011 (Unaudited) HK\$'000	31 March 2011 (Audited) HK\$'000
<i>Notes</i>		
Non-current liabilities		
Obligations under finance leases		
– amount due after one year	1,394	1,155
Borrowings	529,236	525,703
Deferred taxation liabilities	20,966	23,189
	<u>551,596</u>	<u>550,047</u>
Net assets	<u>2,001,609</u>	<u>2,009,016</u>
Capital and reserves		
Share capital	392,346	392,346
Reserves	1,179,443	1,178,634
	<u>1,571,789</u>	<u>1,570,980</u>
Equity attributable to owners of the Company	1,571,789	1,570,980
Non-controlling interests	429,820	438,036
	<u>2,001,609</u>	<u>2,009,016</u>
Total equity	<u>2,001,609</u>	<u>2,009,016</u>

Unaudited Condensed Consolidated Cash Flow Statement

	For the six months ended 30 September	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Net cash generated from (used in) operating activities	46,534	(35,375)
Net cash from investing activities	54,165	139,375
Net cash used in financing activities	(223,488)	(141,920)
Decrease in cash and cash equivalents	(122,789)	(37,920)
Cash and cash equivalents at beginning of the period	474,409	404,537
Effect of foreign exchange rate changes	(6,015)	3,686
Cash and cash equivalents at the end of the period	<u>345,605</u>	<u>370,303</u>

Unaudited Condensed Consolidated Statement of Changes in Equity

	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>	Capital Redemption Reserve <i>HK\$'000</i>
For the six months ended 30 September 2011						
At 1 April 2011	392,346	493,310	14,830	34,802	(135,821)	35,358
Transfer of reserve	-	-	-	-	-	-
Transfer upon cancellation of share options	-	-	-	-	-	-
Dividend paid - 2011 final dividend	-	-	-	-	-	-
Dividend declared - 2012 interim dividend	-	-	-	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(10,046)	-
At 30 September 2011	<u>392,346</u>	<u>493,310</u>	<u>14,830</u>	<u>34,802</u>	<u>(145,867)</u>	<u>35,358</u>
For the six months ended 30 September 2010						
At 1 April 2010	392,346	493,310	14,830	34,802	(178,701)	35,358
Transfer of reserve	-	-	-	-	-	-
Acquisition of additional interests in a subsidiary	-	-	-	-	-	-
Deemed acquisition of additional interests in a subsidiary	-	-	-	-	-	-
Share option expenses	-	-	-	-	-	-
Dividend paid - 2010 final dividend	-	-	-	-	-	-
Dividend declared - 2011 interim dividend	-	-	-	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	12,055	-
At 30 September 2010	<u>392,346</u>	<u>493,310</u>	<u>14,830</u>	<u>34,802</u>	<u>(166,646)</u>	<u>35,358</u>

Available-for-sale Investments Reserve HK\$'000	Hedging Reserve HK\$'000	Capital Reserve HK\$'000	Dividend Reserve HK\$'000	Share Option Reserve HK\$'000	Retained Profits HK\$'000	Attributable to Owners of the Company HK\$'000	Non- controlling Interests HK\$'000	Total HK\$'000
2,068	-	18,227	23,541	5,467	686,852	1,570,980	438,036	2,009,016
-	-	1,343	-	-	(1,071)	272	(272)	-
-	-	-	-	(334)	334	-	-	-
-	-	-	(23,541)	-	-	(23,541)	-	(23,541)
-	-	-	11,770	-	(11,770)	-	-	-
-	-	-	-	-	-	-	(18,472)	(18,472)
(1,810)	-	(653)	-	-	36,587	24,078	10,528	34,606
<u>258</u>	<u>-</u>	<u>18,917</u>	<u>11,770</u>	<u>5,133</u>	<u>710,932</u>	<u>1,571,789</u>	<u>429,820</u>	<u>2,001,609</u>
-	-	8,783	27,464	-	645,848	1,474,040	464,439	1,938,479
-	-	764	-	-	(764)	-	-	-
-	-	149	-	-	-	149	(3,096)	(2,947)
-	-	1,711	-	-	-	1,711	(8,178)	(6,467)
-	-	-	-	5,735	-	5,735	-	5,735
-	-	-	(27,464)	-	-	(27,464)	-	(27,464)
-	-	-	19,617	-	(19,617)	-	-	-
-	-	-	-	-	-	-	(11,738)	(11,738)
(483)	1,783	(25)	-	-	72,424	85,754	26,459	112,213
<u>(483)</u>	<u>1,783</u>	<u>11,382</u>	<u>19,617</u>	<u>5,735</u>	<u>697,891</u>	<u>1,539,925</u>	<u>467,886</u>	<u>2,007,811</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 consolidated 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. The accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 September 2011 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2011.

In the current interim period, the Group has applied, for the first time, a number of new or revised standard, amendments and interpretation (“new and revised HKFRSs”) issued by the HKICPA. The application of the new or revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

The Group has not early applied the following new or revised standards and interpretations that have been issued but are not yet effective.

HKFRS 7 (Amendments)	Disclosures - Transfers of financial assets ¹
HKFRS 9	Financial instruments ²
HKFRS 10	Consolidated financial statements ²
HKFRS 11	Joint arrangements ²
HKFRS 12	Disclosure of interests in other entities ²
HKFRS 13	Fair value measurement ²
HKAS 1 (Amendments)	Presentation of items of other comprehensive income ⁴
HKAS 12 (Amendments)	Deferred tax: Recovery of underlying assets ³
HKAS 19 (as revised in 2011)	Employee benefits ²
HKAS 27 (as revised in 2011)	Separate financial statements ²
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures ²
HK(IFRIC) - INT 20	Stripping costs in the production phase of a surface mine ²

¹ Effective for annual periods beginning on or after 1 July 2011

² Effective for annual periods beginning on or after 1 January 2013

³ Effective for annual periods beginning on or after 1 January 2012

⁴ Effective for annual periods beginning on or after 1 July 2012

The directors of the Company anticipate that the application of these new or revised standards and interpretations will have no material impact on the results and the financial position of the Group.

Notes to the Unaudited Condensed Interim Financial Statements

(Continued)

3. Segment information

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 2011

	Electronics HK\$'000	Batteries HK\$'000	Other investments HK\$'000	Total HK\$'000
Turnover				
External sales	<u>909,546</u>	<u>–</u>	<u>–</u>	<u>909,546</u>
Results				
Segment results	69,215	14,807	237	84,259
Interest income and dividend income				9,442
Rental income				1,819
Finance costs				(24,045)
Unallocated expenses				(22,525)
Unallocated income				<u>7,580</u>
Profit before taxation				56,530
Taxation				<u>(6,505)</u>
Profit for the period				<u>50,025</u>

For the six months ended 30 September 2010

	Electronics HK\$'000	Batteries HK\$'000	Other investments HK\$'000	Total HK\$'000
Turnover				
External sales	<u>888,553</u>	<u>–</u>	<u>–</u>	<u>888,553</u>
Results				
Segment results	90,276	43,988	122	134,386
Interest income and dividend income				5,155
Rental income				210
Finance costs				(20,396)
Loss on disposal/deemed partial disposal of associates				(332)
Unallocated expenses				(20,883)
Unallocated income				<u>10,216</u>
Profit before taxation				108,356
Taxation				<u>(12,651)</u>
Profit for the period				<u>95,705</u>

Notes to the Unaudited Condensed Interim Financial Statements

(Continued)

4. Profit before taxation

	For the six months ended 30 September	
	2011	2010
	HK\$'000	HK\$'000
Profit before taxation has been arrived at after charging:		
Amortisation of trademarks	2,091	2,091
Depreciation of property, plant and equipment	18,176	19,426

5. Taxation

	For the six months ended 30 September	
	2011	2010
	HK\$'000	HK\$'000
Hong Kong Profits Tax	220	2,450
Taxation in jurisdictions other than Hong Kong	8,216	9,222
Deferred taxation	(1,931)	979
	6,505	12,651

Hong Kong Profits Tax is calculated at 16.5% (2010: 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	
	2011	2010
	HK\$'000	HK\$'000
<i>Earnings</i>		
Net profit for the period and earnings for the purpose of basic earnings per share	36,587	72,424
Effect of dilutive potential shares on share of results of subsidiaries and associates based on the dilution of their earnings per share	–	(87)
Earnings for the purpose of diluted earnings per share	36,587	72,337
	'000	'000
<i>Number of shares</i>		
Weighted average number of shares for the purpose of basic and diluted earnings per share	784,693	784,693

Notes to the Unaudited Condensed Interim Financial Statements

(Continued)

7. Property, plant and equipment

During the period, the Group spent approximately HK\$15,590,000 (six months ended 30 September 2010: HK\$13,985,000) on property, plant and equipment to expand its business.

8. Trade and other receivables and prepayments

The Group allows its trade customers with credit periods normally ranging from 30 days to 120 days. The following is an aging analysis of trade and bills receivables at the end of the reporting period:

	30 September 2011 HK\$'000	31 March 2011 HK\$'000
Trade and bills receivables		
0-60 days	207,690	227,361
61-90 days	10,340	12,007
Over 90 days	12,160	13,701
	<u>230,190</u>	<u>253,069</u>
Other receivables, deposits and prepayments	141,608	141,637
Consideration receivable for the disposal of partial interest of investment in Gerard Corporation	55,791	59,147
	<u>427,589</u>	<u>453,853</u>

9. Creditors and accrued charges

The following is an aging analysis of creditors at the end of the reporting period:

	30 September 2011 HK\$'000	31 March 2011 HK\$'000
Trade payables		
0-60 days	190,870	169,953
61-90 days	45,838	48,819
Over 90 days	16,958	19,456
	<u>253,666</u>	<u>238,228</u>
Other payables and accrued charges	135,139	153,425
	<u>388,805</u>	<u>391,653</u>

Notes to the Unaudited Condensed Interim Financial Statements

(Continued)

10. Contingencies and commitments

(a) *Contingent liabilities*

	30 September 2011 <i>HK\$'000</i>	31 March 2011 <i>HK\$'000</i>
Letter of credit of AUD7,000,000 drawn in favour of Schneider Electric SA	–	56,331
Guarantees given to banks in respect of banking facilities to associates		
— amount guaranteed	16,407	35,409
— amount utilized	–	4,669

(b) *Capital commitment*

	30 September 2011 <i>HK\$'000</i>	31 March 2011 <i>HK\$'000</i>
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the unaudited condensed interim financial statements	1,009	1,075

11. Related party transactions

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

	For the six months ended 30 September	
	2011 <i>HK\$'000</i>	2010 <i>HK\$'000</i>
Sales to associates	7,062	8,855
Purchases from associates	7,214	12,259
Management fee income received from associates	1,861	6,629

As at the end of the reporting period, the Group has the following balances with its associates under trade and other receivables and prepayments and creditors and accrued charges:

	30 September 2011 <i>HK\$'000</i>	31 March 2011 <i>HK\$'000</i>
Trade receivables due from associates	2,648	2,943
Other receivables due from associates	2,338	3,234
Trade payables due to associates	3,770	3,738
Other payables due to associates	4,424	6,091

Interim Dividend

The Directors have declared an interim dividend of 1.5 cents (2010: 2.5 cents) per share. This amounts to a total dividend payment of approximately HK\$11,770,000 (2010: HK\$19,617,000) based on the total number of shares in issue as at 21 November 2011, being the latest practicable date prior to the announcement of the interim results. Dividend will be paid on 18 January 2012 to registered shareholders of the Company as at 6 January 2012.

Closure of Register

The Register of Shareholders of the Company will be closed from 3 to 6 January 2012, 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 30 December 2011.

Disclosure of Interest

As at 30 September 2011, 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 2011, 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	107,082,008	–	125,807,760*	232,889,768	29.68
Andrew NG Sung On	99,682,219	595,713	125,807,760*	226,085,692	28.81
LEUNG Pak Chuen	4,575,114	–	–	4,575,114	0.58
Richard KU Yuk Hing	2,629,684	–	–	2,629,684	0.34
Andrew CHUANG Siu Leung	677,855	–	–	677,855	0.09
CHAU Kwok Wai	350,000	–	–	350,000	0.04
Vincent CHEUNG Ting Kau	2,782,212	–	–	2,782,212	0.35
LUI Ming Wah	–	–	–	–	–
Frank CHAN Chi Chung	–	–	–	–	–
CHAN Kei Bui	–	–	–	–	–

* 125,807,760 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 2011, the direct and indirect beneficial interests of the directors and the chief executive in the shares of GP Batteries International Limited ("GPBI"), a 49.7% 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 81.1% 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	–	–	300,000	0.06
Andrew NG Sung On	833,332	0.76	500,000	0.25	378,412	0.07
LEUNG Pak Chuen	–	–	–	–	1,608,000	0.32
Richard KU Yuk Hing	193,000	0.18	200,000	0.10	270,000	0.05
Andrew CHUANG Siu Leung	–	–	–	–	155,000	0.03
CHAU Kwok Wai	–	–	–	–	481,232	0.09
Vincent CHEUNG Ting Kau	20,000	0.02	–	–	–	–
LUI Ming Wah	–	–	–	–	–	–
Frank CHAN Chi Chung	–	–	–	–	–	–
CHAN Kei Bui	–	–	–	–	–	–

Save as disclosed above, as at 30 September 2011, 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 the Company, GP Ind and GPBI during the six months ended 30 September 2011.

(a) *The Company's share option scheme:*

Name of Director	Date of grant	Exercisable period	Exercise price HK\$	Number of share options		
				Outstanding at 1.4.2011	Cancelled during the period	Outstanding at 30.9.2011
Victor LO Chung Wing	27.04.2010	27.04.2010- 26.04.2015	1.27	750,000	–	750,000
Andrew NG Sung On	27.04.2010	27.04.2010- 26.04.2015	1.27	750,000	–	750,000
LEUNG Pak Chuen	27.04.2010	27.04.2010- 26.04.2015	1.27	700,000	–	700,000
Richard KU Yuk Hing	27.04.2010	27.04.2010- 26.04.2015	1.27	700,000	–	700,000
Andrew CHUANG Siu Leung	27.04.2010	27.04.2010- 26.04.2015	1.27	700,000	–	700,000
CHAU Kwok Wai	27.04.2010	27.04.2010- 26.04.2015	1.27	300,000	–	300,000
Vincent CHEUNG Ting Kau	27.04.2010	27.04.2010- 26.04.2015	1.27	300,000	–	300,000
LUI Ming Wah	27.04.2010	27.04.2010- 26.04.2015	1.27	300,000	–	300,000
Frank CHAN Chi Chung	27.04.2010	27.04.2010- 26.04.2015	1.27	300,000	–	300,000
CHAN Kei Bui	27.04.2010	27.04.2010- 26.04.2015	1.27	300,000	–	300,000
				5,100,000	–	5,100,000
Former directors of the Company	27.04.2010	27.04.2010- 26.04.2015	1.27	1,300,000	(500,000)	800,000
Employees of the Group	27.04.2010	27.04.2010- 26.04.2015	1.27	12,310,000	(650,000)	11,660,000
				18,710,000	(1,150,000)	17,560,000

Disclosure of Interest *(Continued)*

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

(b) GP Ind's share option scheme:

Name of Director	Date of grant	Exercisable period	Exercise price S\$	Number of share options		
				Outstanding at 1.4.2011	Expired/ Cancelled during the period	Outstanding at 30.9.2011
Victor LO Chung Wing	4.4.2001	4.4.2003-3.4.2011	0.62	600,000	(600,000)	–
	14.8.2002	14.8.2003-13.8.2012	0.55	384,000	–	384,000
	15.9.2003	15.9.2004-14.9.2013	0.88	384,000	–	384,000
	5.7.2004	5.7.2005-4.7.2014	1.03	400,000	–	400,000
LEUNG Pak Chuen	15.9.2003	15.9.2004-14.9.2013	0.88	350,000	–	350,000
	5.7.2004	5.7.2005-4.7.2014	1.03	380,000	–	380,000
Andrew CHUANG Siu Leung	4.4.2001	4.4.2003-3.4.2011	0.62	200,000	(200,000)	–
	14.8.2002	14.8.2003-13.8.2012	0.55	130,000	–	130,000
	15.9.2003	15.9.2004-14.9.2013	0.88	130,000	–	130,000
	5.7.2004	5.7.2005-4.7.2014	1.03	150,000	–	150,000
CHAU Kwok Wai	5.7.2004	5.7.2005-4.7.2014	1.03	180,000	(180,000)	–
				3,288,000	(980,000)	2,308,000

Disclosure of Interest *(Continued)*

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

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

Name of Director	Date of grant	Exercisable period	Exercise price S\$	Number of share options		
				Outstanding at 1.4.2011	Expired/Cancelled during the period	Outstanding at 30.9.2011
Directors of GP Ind	4.4.2001	4.4.2003-3.4.2011	0.62	244,000	(244,000)	–
	14.8.2002	14.8.2003-13.8.2012	0.55	41,000	–	41,000
	15.9.2003	15.9.2004-14.9.2013	0.88	470,000	–	470,000
	5.7.2004	5.7.2005-4.7.2014	1.03	520,000	–	520,000
Employees of the Group	4.4.2001	4.4.2003-3.4.2011	0.62	578,000	(578,000)	–
	14.8.2002	14.8.2003-13.8.2012	0.55	351,000	(77,000)	274,000
	15.9.2003	15.9.2004-14.9.2013	0.88	1,583,000	(373,000)	1,210,000
	5.7.2004	5.7.2005-4.7.2014	1.03	1,892,000	(437,000)	1,455,000
				5,679,000	(1,709,000)	3,970,000
				8,967,000	(2,689,000)	6,278,000

Disclosure of Interest *(Continued)*

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

(c) 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 share options outstanding at 1.4.2011 and 30.9.2011</u>
Andrew NG Sung On	5.8.2002	5.8.2004-4.8.2012	1.25	190,000
	25.6.2003	25.6.2005-24.6.2013	2.50	190,000
Richard KU Yuk Hing	25.6.2003	25.6.2005-24.6.2013	2.50	170,000

Saved as disclosed above, as at 30 September 2011, 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 2011, 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 section 336 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:

Name of shareholder	Capacity	Number of ordinary shares held	Approximate percentage of issued share capital of the Company
Well Glory International Limited	Beneficial owner	125,807,760	16.03%
Ring Lotus Investment Limited ("Ring Lotus")	Interests of controlled corporation	55,087,143 (note)	7.02%
HSBC International Trustee Limited ("HSBC Trustee")	Trustee	55,087,143 (note)	7.02%

Note : According to the two corporate substantial shareholder notices filed by Ring Lotus and HSBC Trustee respectively on 5 July 2011, HSBC Trustee was deemed to be interested in 55,087,143 shares in its capacity as the trustee of these shares, which were in turn owned by Ring Lotus, a company wholly-owned by HSBC Trustee, as interests of controlled corporation.

Saved as disclosed above, as at 30 September 2011, 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 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.

Compliance with the Code on Corporate Governance Practices *(Continued)*

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 "Model 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 2011 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), LEUNG Pak Chuen, Richard KU Yuk Hing and Andrew CHUANG Siu Leung as Executive Directors, Messrs. CHAU Kwok Wai and Vincent CHEUNG Ting Kau as Non-Executive Directors, and Messrs. LUI Ming Wah, Frank CHAN Chi Chung and CHAN Kei Bui as Independent Non-Executive Directors.

By Order of the Board
WONG Man Kit
Company Secretary

Hong Kong, 22 November 2011
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