

Gold Peak Industries (Holdings) Limited

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金山工業(集團)有限公司



Interim Report 2012/2013

## Corporate Information

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### 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

Vincent CHEUNG Ting Kau  
LUI Ming Wah\*  
Frank CHAN Chi Chung\*  
CHAN Kei Biu\*

\* *Independent Non-executive Director*

### AUDIT COMMITTEE

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

### REMUNERATION COMMITTEE

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

### NOMINATION COMMITTEE

Victor LO Chung Wing, *Chairman*  
LUI Ming Wah  
Frank CHAN Chi Chung  
CHAN Kei Biu  
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

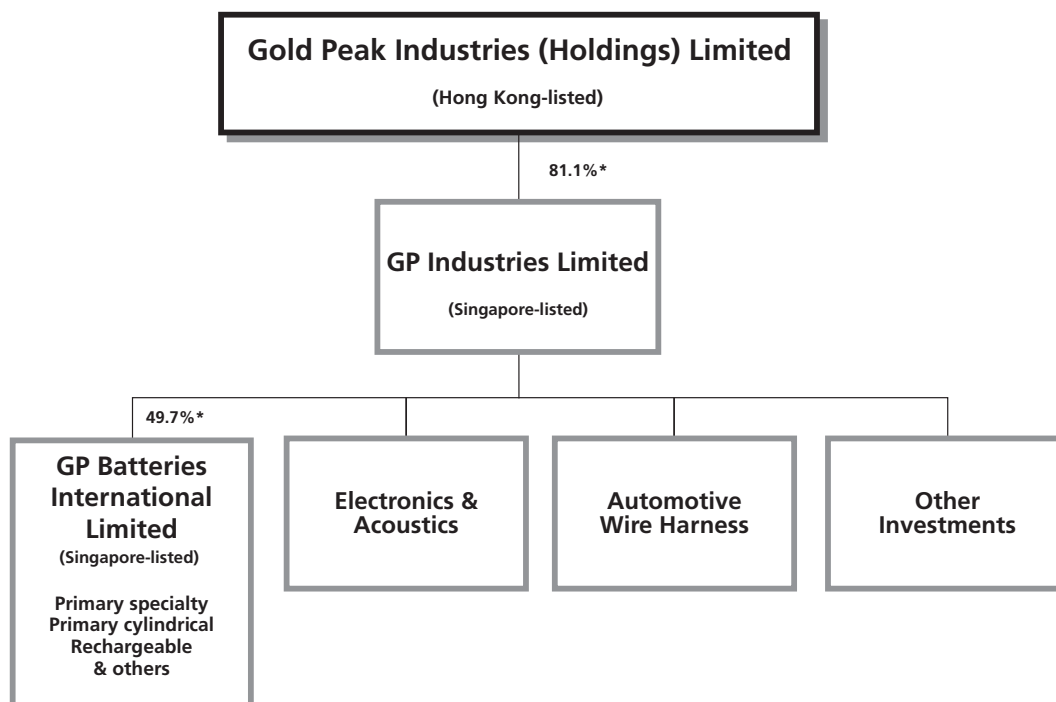
Hong Kong Stock Exchange	40
ADR	GPINY US
Bloomberg	40 HK
Reuters	0040 HK

#### KEY DATES

Closure of Register:	18 December 2012 to 21 December 2012
Interim Dividend:	Payable on 11 January 2013

## Group Structure

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## Group Profile

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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.

\* As at 21 November 2012

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 2012.

## Highlights

- Consolidated turnover increased by 6% to HK\$968 million
- Turnover including GP Batteries decreased by 2% to HK\$3,349 million
- Profit for the period attributable to owners of the Company increased by 11% to HK\$40.6 million
- Earnings per share: 5.2 Hong Kong cents (2011/12: 4.7 Hong Kong cents)
- Interim dividend per share: 2.0 Hong Kong cents (2011/12: 1.5 Hong Kong cents)

## Summary of Results

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For the six months ended 30 September 2012, the Group’s turnover amounted to HK\$968 million, an increase of 6% as compared with HK\$910 million for the same period last year. The unaudited consolidated profit attributable to owners of the Company amounted to HK\$40.6 million, an increase of 11% compared to the corresponding period in the previous year. The earnings per share for the period amounted to 5.2 HK cents as compared with 4.7 HK cents for the same period last year.

## Business Review

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### GP INDUSTRIES (81.1% owned by Gold Peak as at 30 September 2012)

Despite weak economic conditions in Europe and the USA, GP Industries performed well in the first half of the financial year yielding a revenue increase of 9% in Singapore dollar terms.

The revenue growth was mainly driven by sales growth in the electronics and acoustics business. Increased sales, new product introduction, process improvements and stabilizing material costs contributed to improve GP Industries’ gross profit margin to 26%.

### *Electronics and Acoustics*

- Revenue from the electronics business increased by 20% mainly due to increased sales of professional electronic products.
- Revenue from the acoustics business increased by 3%. Sales to America and China grew by 11% and 23% respectively while sales to the European markets decreased by 10%.
- Share of profit from associated companies in the components business remained stable.
- Profit contribution from the electronics and acoustics business increased by over 100% when compared to last year.

### **Automotive wire harness**

- Revenue from the automotive wire harness business decreased by 3%.
- In Renminbi terms, revenue of Shanghai Jintong Automobile Harness Limited decreased by 8% due mainly to car models changes of a major customer.
- The associated company of the wire harness business contributed less profit.
- Profit contribution from the automotive wire harness business decreased by 2%.

### **Other investments**

- Profit contribution from Linkz Industries Limited and Meiloon Industrial Co., Ltd. increased but other operating income of CIH Limited and its subsidiaries decreased.
- Profit contribution from this business segment decreased by 7%.

### **GP Batteries (49.7% owned by GP Industries as at 30 September 2012)**

- Turnover decreased by 3% to S\$385 million.
- Profit after tax attributable to equity holders of GP Batteries was S\$2.4 million, compared to S\$4.7 million last year.

## **Financial Review**

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During the period, the Group's net bank borrowings decreased by HK\$42 million to HK\$645 million. As at 30 September 2012, the aggregate of the Group's equity attributable to owners and non-controlling interests was HK\$1,976 million and the Group's gearing ratio (the ratio of consolidated net bank borrowings to equity attributable to owners and non-controlling interests) was 0.33 (31 March 2012: 0.35). The gearing ratios of the Company, GP Industries and GP Batteries were 0.43 (31 March 2012: 0.36), 0.10 (31 March 2012: 0.14) and 0.38 (31 March 2012: 0.40) respectively.

At 30 September 2012, 62% (31 March 2012: 63%) of the Group's bank borrowings were revolving or repayable within one year whereas 38% (31 March 2012: 37%) were 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**

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As at 30 September 2012, the Group's major business divisions employed about 12,000 (31 March 2012: 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**

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Economic uncertainties around the world will continue to affect consumer confidence and the demand for some of the Group's products in Europe. Customer demand in China and some Asian markets will likely remain stable.

The Group will continue its strategy to invest in product innovation, brands and global distribution. It is also investing into automating its factories to counter the rising labour cost in China and is expanding the production capacity for its professional electronic business.

## Unaudited Condensed Consolidated Income Statement

	Notes	For the six months ended 30 September	
		2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
Turnover	3	968,288	909,546
Cost of sales		(716,512)	(706,006)
Gross profit		251,776	203,540
Other income		9,542	27,612
Selling and distribution expenses		(95,691)	(95,717)
Administrative expenses		(137,516)	(129,473)
Finance costs		(22,564)	(24,045)
Share of results of associates		64,846	74,613
Gain on acquisition/deemed acquisition of additional interests in associates		571	–
Profit before taxation	4	70,964	56,530
Taxation	5	(14,432)	(6,505)
Profit for the period		56,532	50,025
Attributable to:			
Owners of the Company		40,580	36,587
Non-controlling interests		15,952	13,438
		56,532	50,025
<b>Interim dividend</b>		15,694	11,770
<b>Earnings per share</b>			
Basic	6	5.17 HK cents	4.66 HK cents
Diluted	6	5.17 HK cents	4.66 HK cents

## Unaudited Condensed Consolidated Statement of Comprehensive Income

	For the six months ended 30 September	
	2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
Profit for the period	<u>56,532</u>	<u>50,025</u>
Other comprehensive expense:		
Share of other comprehensive expense of associates	(2,544)	(6,059)
Exchange differences arising from translation of foreign operations	<u>(5,871)</u>	<u>(9,360)</u>
Other comprehensive expense for the period	<u>(8,415)</u>	<u>(15,419)</u>
Total comprehensive income for the period	<u><b>48,117</b></u>	<u><b>34,606</b></u>
Total comprehensive income attributable to:		
Owners of the Company	<b>33,926</b>	24,078
Non-controlling interests	<u><b>14,191</b></u>	<u>10,528</u>
	<u><b>48,117</b></u>	<u><b>34,606</b></u>



## Unaudited Condensed Consolidated Statement of Financial Position

		30 September 2012 (Unaudited) HK\$'000	31 March 2012 (Audited) HK\$'000
	<i>Notes</i>		
<b>Non-current assets</b>			
Investment properties		67,455	67,181
Property, plant and equipment	7	224,431	234,105
Interests in associates		1,884,369	1,851,279
Available-for-sale investments		47,330	46,871
Investment in convertible note		53,874	53,874
Long term receivables		23,670	29,158
Technical know-how		484	528
Trademarks		20,915	23,006
Goodwill		64,191	63,540
		<b>2,386,719</b>	2,369,542
<b>Current assets</b>			
Inventories		277,010	289,491
Trade and other receivables and prepayments	8	424,116	416,761
Dividend receivable		12,160	5,822
Taxation recoverable		188	266
Bank balances, deposits and cash		422,794	389,240
		<b>1,136,268</b>	1,101,580
<b>Current liabilities</b>			
Creditors and accrued charges	9	410,027	376,978
Taxation payable		46,083	39,554
Obligations under finance leases			
– amount due within one year		1,109	1,229
Bank loans and import loans		657,346	679,604
		<b>1,114,565</b>	1,097,365
<b>Net current assets</b>		<b>21,703</b>	4,215
<b>Total assets less current liabilities</b>		<b>2,408,422</b>	2,373,757

## Unaudited Condensed Consolidated Statement of Financial Position

(Continued)

	30 September 2012 (Unaudited) HK\$'000	31 March 2012 (Audited) HK\$'000
<i>Notes</i>		
<b>Non-current liabilities</b>		
Obligations under finance leases		
– amount due after one year	299	784
Borrowings	408,701	394,385
Deferred taxation liabilities	23,548	22,094
	<u>432,548</u>	<u>417,263</u>
<b>Net assets</b>	<u>1,975,874</u>	<u>1,956,494</u>
<b>Capital and reserves</b>		
Share capital	392,346	392,346
Reserves	1,153,704	1,139,396
	<u>1,546,050</u>	<u>1,531,742</u>
Equity attributable to owners of the Company	1,546,050	1,531,742
Non-controlling interests	429,824	424,752
	<u>1,975,874</u>	<u>1,956,494</u>
<b>Total equity</b>	<u>1,975,874</u>	<u>1,956,494</u>

## Unaudited Condensed Consolidated Cash Flow Statement

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	For the six months ended 30 September	
	2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
Net cash generated from operating activities	61,086	46,534
Net cash from investing activities	25,443	54,165
Net cash used in financing activities	(54,099)	(223,488)
Increase (Decrease) in cash and cash equivalents	32,430	(122,789)
Cash and cash equivalents at beginning of the period	389,240	474,409
Effect of foreign exchange rate changes	1,124	(6,015)
Cash and cash equivalents at the end of the period	422,794	345,605

## 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 2012						
At 1 April 2012	392,346	493,310	14,830	34,802	(115,633)	35,358
Transfer of reserve	-	-	-	-	-	-
Dividend paid - 2012 final dividend	-	-	-	-	-	-
Dividend declared - 2013 interim dividend	-	-	-	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(5,283)	-
At 30 September 2012	<u>392,346</u>	<u>493,310</u>	<u>14,830</u>	<u>34,802</u>	<u>(120,916)</u>	<u>35,358</u>
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>

Available- for-sale Investments 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
1,371	21,709	19,618	4,859	629,172	1,531,742	424,752	1,956,494
-	1,524	-	-	(1,524)	-	-	-
-	-	(19,618)	-	-	(19,618)	-	(19,618)
-	-	15,694	-	(15,694)	-	-	-
-	-	-	-	-	-	(9,119)	(9,119)
(1,371)	-	-	-	40,580	33,926	14,191	48,117
-	23,233	15,694	4,859	652,534	1,546,050	429,824	1,975,874
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
258	18,917	11,770	5,133	710,932	1,571,789	429,820	2,001,609

# Notes to the Unaudited Condensed Interim Financial Statements

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## 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 2012 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2012.

In the current interim period, the Group has applied, for the first time, certain amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA. The application of these amendments to 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 HKFRSs that have been issued but are not yet effective.

Amendments to HKFRSs	Annual improvements to HKFRSs 2009-2011 cycle <sup>1</sup>
Amendments to HKAS 1	Presentation of items of other comprehensive income <sup>2</sup>
HKAS 19 (as revised in 2011)	Employee benefits <sup>1</sup>
HKAS 27 (as revised in 2011)	Separate financial statements <sup>1</sup>
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures <sup>1</sup>
Amendments to HKAS 32	Offsetting financial assets and financial liabilities <sup>4</sup>
Amendments to HKFRS 7	Disclosures – Offsetting financial assets and financial liabilities <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures <sup>3</sup>
HKFRS 9	Financial instruments <sup>3</sup>
HKFRS 10	Consolidated financial statements <sup>1</sup>
HKFRS 11	Joint arrangements <sup>1</sup>
HKFRS 12	Disclosure of interests in other entities <sup>1</sup>
HKFRS 13	Fair value measurement <sup>1</sup>
HK(IFRIC) – INT 20	Stripping costs in the production phase of a surface mine <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2013.

<sup>2</sup> Effective for annual periods beginning on or after 1 July 2012.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2015.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2014.

The directors of the Company anticipate that the application of these new or revised HKFRSs will have no material impact on the Group's financial performance and positions.

## 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 2012

	Electronics HK\$'000	Batteries HK\$'000	Other investments HK\$'000	Total HK\$'000
<b>Turnover</b>				
External sales	<u>968,288</u>	<u>–</u>	<u>–</u>	<u>968,288</u>
<b>Results</b>				
Segment results	97,319	7,441	1,114	105,874
Interest income and dividend income				6,038
Rental income				1,404
Finance costs				(22,564)
Gain on acquisition/deemed acquisition of additional interests in associates				571
Unallocated expenses				(24,196)
Unallocated income				<u>3,837</u>
Profit before taxation				70,964
Taxation				<u>(14,432)</u>
Profit for the period				<u>56,532</u>

#### For the six months ended 30 September 2011

	Electronics HK\$'000	Batteries HK\$'000	Other investments HK\$'000	Total HK\$'000
<b>Turnover</b>				
External sales	<u>909,546</u>	<u>–</u>	<u>–</u>	<u>909,546</u>
<b>Results</b>				
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>

## Notes to the Unaudited Condensed Interim Financial Statements

(Continued)

### 4. Profit before taxation

	For the six months ended 30 September	
	2012	2011
	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	18,077	18,176

### 5. Taxation

	For the six months ended 30 September	
	2012	2011
	HK\$'000	HK\$'000
Hong Kong Profits Tax	4,000	220
Taxation in jurisdictions other than Hong Kong	9,250	8,216
Deferred taxation	1,182	(1,931)
	14,432	6,505

Hong Kong Profits Tax is calculated at 16.5% (2011: 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	
	2012	2011
	HK\$'000	HK\$'000
<i>Earnings</i>		
Profit for the period attributable to owners of the Company and the earnings for the purpose of basic earnings per share	40,580	36,587
Effect of dilutive potential shares of subsidiaries and associates based on the dilution of their earnings per share	–	–
Earnings for the purpose of diluted earnings per share	40,580	36,587
	'000	'000
<i>Number of shares</i>		
Number of shares in issue during the period, 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\$9,330,000 (six months ended 30 September 2011: HK\$15,590,000) 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:

	<b>30 September 2012 HK\$'000</b>	31 March 2012 HK\$'000
Trade and bills receivables		
0-60 days	<b>230,315</b>	237,939
61-90 days	<b>9,746</b>	11,050
Over 90 days	<b>13,878</b>	9,138
	<b>253,939</b>	258,127
Other receivables, deposits and prepayments	<b>158,605</b>	147,106
Consideration receivable for the disposal of partial interest of investment in Gerard Corporation	<b>11,572</b>	11,528
	<b>424,116</b>	416,761

### 9. Creditors and accrued charges

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

	<b>30 September 2012 HK\$'000</b>	31 March 2012 HK\$'000
Trade payables		
0-60 days	<b>224,234</b>	214,809
61-90 days	<b>42,687</b>	34,195
Over 90 days	<b>6,798</b>	17,101
	<b>273,719</b>	266,105
Other payables and accrued charges	<b>136,308</b>	110,873
	<b>410,027</b>	376,978

## Notes to the Unaudited Condensed Interim Financial Statements

(Continued)

### 10. Contingencies and commitments

(a) *Contingent liabilities*

	30 September 2012 HK\$'000	31 March 2012 HK\$'000
Guarantees given to banks in respect of banking facilities to associates		
– amount guaranteed	14,045	16,355
– amount utilized	7,754	–

(b) *Capital commitments*

	30 September 2012 HK\$'000	31 March 2012 HK\$'000
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the unaudited condensed interim financial statements	1,020	1,019

### 11. Related party transactions

During the period, the Group entered into the following transactions with its associates:

	For the six months ended 30 September	
	2012 HK\$'000	2011 HK\$'000
Sales to associates	4,519	7,062
Purchases from associates	7,989	7,214
Management fee income received from associates	1,713	1,861

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 2012 HK\$'000	31 March 2012 HK\$'000
Trade receivables due from associates	1,894	1,088
Other receivables due from associates	4,122	1,495
Trade payables due to associates	4,582	3,289
Other payables due to associates	260	886

## **Interim Dividend**

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The Directors have declared an interim dividend of 2.0 cents (2011: 1.5 cents) per share. This amounts to a total dividend payment of approximately HK\$15,694,000 (2011: HK\$11,770,000) based on the total number of shares in issue as at 20 November 2012, being the latest practicable date prior to the publication of this announcement. Dividend will be paid on 11 January 2013 to registered shareholders of the Company as at 21 December 2012.

## **Closure of Register**

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The Register of Shareholders of the Company will be closed from 18 to 21 December 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 4:30 p.m. on 17 December 2012.

## **Disclosure of Interest**

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As at 30 September 2012, 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 to the "Model Code for Securities Transactions by Directors of Listed Issuers" set out 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 2012, the interests of the directors and the chief executive in the ordinary shares of the Company were as follows:

## Disclosure of Interest (Continued)

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

#### (a) Interests in shares of the Company (long positions) (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 2012, 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 2012, 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 2012.

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

Name of Director	Date of grant	Exercisable period	Exercise price HK\$	Number of options shares outstanding at 1.4.2012 and 30.9.2012
Victor LO Chung Wing	27.04.2010	27.04.2010-26.04.2015	1.27	750,000
Andrew NG Sung On	27.04.2010	27.04.2010-26.04.2015	1.27	750,000
LEUNG Pak Chuen	27.04.2010	27.04.2010-26.04.2015	1.27	700,000
Richard KU Yuk Hing	27.04.2010	27.04.2010-26.04.2015	1.27	700,000
Andrew CHUANG Siu Leung	27.04.2010	27.04.2010-26.04.2015	1.27	700,000
CHAU Kwok Wai	27.04.2010	27.04.2010-26.04.2015	1.27	300,000
Vincent CHEUNG Ting Kau	27.04.2010	27.04.2010-26.04.2015	1.27	300,000
LUI Ming Wah	27.04.2010	27.04.2010-26.04.2015	1.27	300,000
Frank CHAN Chi Chung	27.04.2010	27.04.2010-26.04.2015	1.27	300,000
CHAN Kei Biu	27.04.2010	27.04.2010-26.04.2015	1.27	300,000
				5,100,000
Employees of the Group and other participants	27.04.2010	27.04.2010-26.04.2015	1.27	11,515,000
				16,615,000

## 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 1.4.2012	Expired/ Cancelled during the period	Outstanding at 30.9.2012
Victor LO Chung Wing	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	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
				2,308,000	(514,000)	1,794,000

## 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 1.4.2012	Expired/ Cancelled during the period	Outstanding at 30.9.2012
Directors of GP Ind	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	14.8.2002	14.8.2003-13.8.2012	0.55	274,000	(274,000)	–
	15.9.2003	15.9.2004-14.9.2013	0.88	1,197,000	–	1,197,000
	5.7.2004	5.7.2005-4.7.2014	1.03	1,442,000	–	1,442,000
				<u>3,944,000</u>	<u>(315,000)</u>	<u>3,629,000</u>
				<u>6,252,000</u>	<u>(829,000)</u>	<u>5,423,000</u>

## Disclosure of Interest *(Continued)*

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

#### (c) GPBI's share option scheme:

Name of Director	Date of grant	Exercisable period	Exercise price S\$	Number of share options		
				Outstanding at 1.4.2012	Expired/ Cancelled during the period	Outstanding at 30.9.2012
Andrew NG Sung On	5.8.2002	5.8.2004-4.8.2012	1.25	190,000	(190,000)	-
	25.6.2003	25.6.2005-24.6.2013	2.50	190,000	-	190,000
Richard KU Yuk Hing	25.6.2003	25.6.2005-24.6.2013	2.50	170,000	-	170,000

Saved as disclosed above, as at 30 September 2012, 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 Appendix 10 to the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in the Listing Rules, to be notified to the Company and the Stock Exchange.



## Substantial Shareholders

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As at 30 September 2012, 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	62,787,143 (note)	8.00%
HSBC International Trustee Limited ("HSBC Trustee")	Trustee	62,787,143 (note)	8.00%

*Note : According to the two corporate substantial shareholder notices filed by Ring Lotus and HSBC Trustee respectively on 12 March 2012, HSBC Trustee was deemed to be interested in 62,787,143 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 2012, 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

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Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2012.

## Compliance with the Corporate Governance Code of the Listing Rules

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The Stock Exchange of Hong Kong Limited made various amendments to the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules and renamed it the Corporate Governance Code (the "Code"). The Code took effect on 1 April 2012.

The Company has complied with the code provisions of the Code during the six months ended 30 September 2012, except for the following deviations:

Code 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 Corporate Governance Code of the Listing Rules** *(Continued)*

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Code 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 the articles 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.

Code provision A.6.7 of the Code stipulates, among other things, that the independent non-executive directors and other non-executive directors should attend general meetings. Mr. Vincent CHEUNG Ting Kau, a non-executive director of the Company did not attend the annual general meeting of the Company held on 30 August 2012 due to his other commitments.

### **Directors' Securities Transactions**

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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 standards set out in the Model Code during the six months ended 30 September 2012.

### **Audit Committee**

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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 2012 have been reviewed by the Company's audit committee.

### **Board of Directors**

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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, Mr. Vincent CHEUNG Ting Kau as Non-Executive Director, 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, 21 November 2012  
[www.goldpeak.com](http://www.goldpeak.com)