

Gold Peak Industries (Holdings) Limited

---

金山工業(集團)有限公司



**GOLD  
PEAK**

**Interim Report 2013/2014**

## 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

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

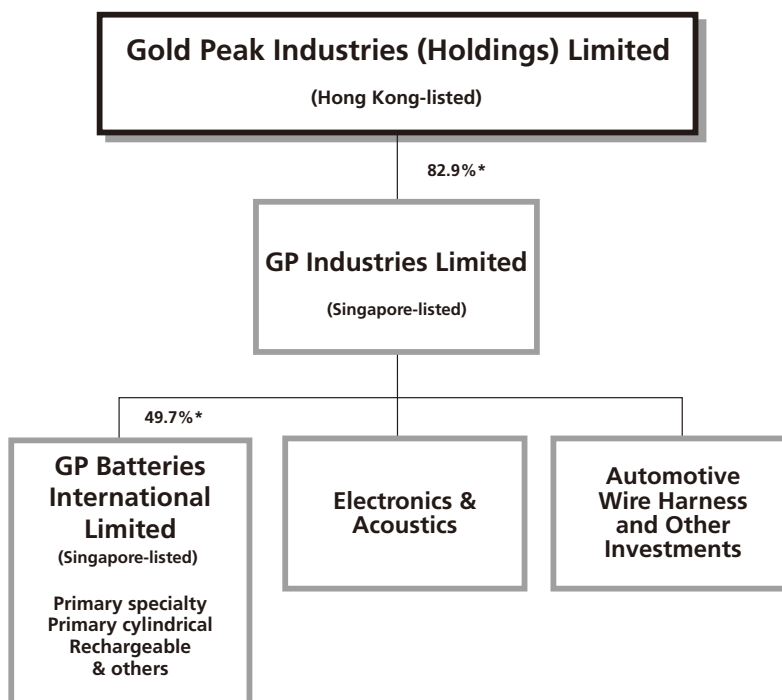
Hong Kong Stock Exchange	40
ADR	GPINY US
Bloomberg	40 HK
Reuters	0040 HK

#### KEY DATES

Closure of Register:	19 December 2013 to 24 December 2013
Interim Dividend:	Payable on 10 January 2014

## Group Structure

---



## 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** premium consumer speakers and **CELESTION** professional speaker drivers.

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 approximately 82.9%\* interest in GP Industries while GP Industries holds an approximately 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 28 November 2013

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 2013.

## Highlights

- Consolidated turnover decreased by 6% to HK\$2,933 million.
- Profit for the period attributable to owners of the Company increased by 11% to HK\$44.8 million.
- Earnings per share: 5.71 Hong Kong cents (2012/13: 5.17 Hong Kong cents).
- Interim dividend per share: 2.0 Hong Kong cents (2012/13: 2.0 Hong Kong cents).

## Summary of Results

---

For the six months ended 30 September 2013, the Group’s turnover amounted to HK\$2,933 million, a decrease of 6% as compared with HK\$3,135 million for the same period last year. The unaudited consolidated profit attributable to owners of the Company amounted to HK\$44.8 million, an increase of 11% compared to the corresponding period in the previous year. The earnings per share for the period amounted to 5.71 HK cents as compared with 5.17 HK cents for the same period last year.

## Business Review

---

### **GP INDUSTRIES (82.7% owned by Gold Peak as at 30 September 2013)**

GP Industries’ revenue decreased by 2% as compared to the same period last year while gross profit increased by 3%.

Profit after taxation attributable to equity holders of GP Industries increased to S\$15.6 million from S\$13.3 million last year.

### ***Electronics and Acoustics***

- Revenue from the electronics business and acoustics business decreased by 7% and 4% respectively as some customers of the electronics business were adjusting their inventory in response to slower than expected consumer demand.
- Sales of acoustic products to Asia increased marginally, sales to America remained stable while sales to Europe declined.
- Profit contribution from associated companies increased strongly with strong growth in contribution from GP Industries’ component associates.
- Total profit contribution from the electronics and acoustics business increased by 19%.

### **Automotive wire harness**

- Huizhou GP Wiring Technology Ltd., a GP Industries subsidiary engaging in export oriented automotive wire harness business, reported strong growth in revenue and net profit despite from a relatively low base.
- Profit after taxation attributable to Shanghai Jinting Automobile Harness Limited (“Jinting”), a 50% owned joint venture, amounted to S\$6.9 million, which included an exceptional profit of S\$4.2 million from the disposal of Jinting.

### **Other investments**

- Linkz Industries Limited contributed lower pre-tax profit.
- Meiloon Industrial Co., Ltd. (“Meiloon”) contributed a small pre-tax loss, compared to a small pre-tax profit in the same period last year.
- Profit contribution from this business decreased when compared to last year.

### **GP Batteries (49.7% owned by GP Industries as at 30 September 2013)**

- Revenue of GP Batteries decreased by 8% to S\$354 million.
- Gross profit margin improved due to lower material costs and reduced factory overhead costs.
- Profit after taxation attributable to equity holders of GP Batteries was S\$0.3 million, compared to S\$2.4 million last year.

## **Financial Review**

---

During the period, the Group’s net bank borrowings decreased by HK\$334 million to HK\$1,150 million. As at 30 September 2013, the aggregate of the Group’s equity attributable to owners and non-controlling interests was HK\$3,153 million and the Group’s gearing ratio (the ratio of consolidated net bank borrowings to equity attributable to owners and non-controlling interests) was 0.36 (31 March 2013: 0.48). The gearing ratios of the Company, GP Industries and GP Batteries were 0.34 (31 March 2013: 0.35), 0.05 (31 March 2013: 0.15) and 0.33 (31 March 2013: 0.39) respectively.

At 30 September 2013, 73% (31 March 2013: 69%) of the Group’s bank borrowings were revolving or repayable within one year whereas 27% (31 March 2013: 31%) 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 2013, the Group's major business divisions employed about 9,100 (31 March 2013: 9,300) 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**

---

Consumer demand in Europe remains weak and this could affect some of the Group's businesses in Europe. The Group's business in the US, China and some Asian markets is expected to be more stable.

The Group will continue to invest in product innovation and further develop its brands and global distribution network. It is also expanding the production capacity for its electronics and acoustics business as well as further automating its factories.

Profit contribution from the automotive wire harness business is expected to decrease as a result of the disposal of Jinting in May 2013. However, the remaining automotive wire harness business based in Huizhou, China, has started to grow rapidly.

GP Batteries will take appropriate actions such as restructuring and consolidation to contain losses from loss-making businesses. GP Batteries is also putting sales revenue growth as the primary focus in the coming quarters.

Further to the announcement of 6 August 2013, the Meiloon group of companies has completed the disposal of some of its properties in Taiwan. Accordingly, GP Industries' share of the disposal gain arising from this disposal will be reported as GP Industries' income during the financial quarter ending 31 December 2013.

## Unaudited Condensed Consolidated Statement of Profit or Loss

	Notes	For the six months ended 30 September	
		2013 HK\$'000	2012 HK\$'000 (restated)
Turnover	3	2,933,078	3,134,854
Cost of sales		<u>(2,200,403)</u>	<u>(2,395,655)</u>
Gross profit		732,675	739,199
Other income		39,676	30,746
Selling and distribution expenses		(249,304)	(252,525)
Administrative expenses		(387,262)	(384,186)
Finance costs		(43,491)	(51,007)
Share of result of a joint venture		16,559	22,249
Share of results of associates		<u>18,193</u>	<u>23,896</u>
Profit before taxation	4	127,046	128,372
Taxation	5	<u>(41,273)</u>	<u>(41,586)</u>
Profit for the period		<u>85,773</u>	<u>86,786</u>
Attributable to:			
Owners of the Company		44,841	40,580
Non-controlling interests		<u>40,932</u>	<u>46,206</u>
		<u>85,773</u>	<u>86,786</u>
Interim dividend		<u>15,694</u>	<u>15,694</u>
Earnings per share – Basic and diluted	6	<u>5.71 HK cents</u>	<u>5.17 HK cents</u>

## Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	For the six months ended 30 September	
	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i> (restated)
Profit for the period	<b>85,773</b>	86,786
Other comprehensive income (expense):		
Items that may be subsequently reclassified to profit or loss :		
Share of other comprehensive income of a joint venture	1,845	442
Share of other comprehensive income of associates	15,933	3,976
Exchange differences arising from translation of foreign operations	17,366	(10,542)
Fair value loss on available-for-sale investments	–	(3,599)
Exchange differences released upon disposal of a joint venture	<b>(7,077)</b>	–
Other comprehensive income (expense) for the period	<b>28,067</b>	(9,723)
Total comprehensive income for the period	<b>113,840</b>	77,063
Total comprehensive income attributable to:		
Owners of the Company	54,642	33,926
Non-controlling interests	<b>59,198</b>	43,137
	<b>113,840</b>	77,063



## Unaudited Condensed Consolidated Statement of Financial Position

	Notes	30 September 2013 HK\$'000	31 March 2013 HK\$'000 (restated)
<b>Non-current assets</b>			
Investment properties		53,114	58,405
Property, plant and equipment	7	1,574,876	1,591,832
Interests in associates		1,312,951	1,298,708
Available-for-sale investments		67,387	69,898
Investment in convertible note		40,832	40,832
Long term receivables		1,915	2,776
Technical know-how		361	922
Trademarks		16,733	18,824
Goodwill		187,234	187,413
Deferred tax assets		29,937	28,897
		<b>3,285,340</b>	<b>3,298,507</b>
<b>Current assets</b>			
Inventories		954,924	831,348
Trade and other receivables and prepayments	8	1,530,167	1,322,291
Dividend receivable		1,997	14,021
Taxation recoverable		4,300	8,188
Bank balances, deposits and cash		1,030,684	819,587
Derivative financial instruments		825	1,653
		<b>3,522,897</b>	<b>2,997,088</b>
Assets classified as held for sale		–	426,448
		<b>3,522,897</b>	<b>3,423,536</b>
<b>Current liabilities</b>			
Creditors and accrued charges	9	1,392,264	1,118,871
Taxation payable		46,118	36,405
Obligations under finance leases			
– amount due within one year		2,306	3,079
Bank loans and import loans		1,598,297	1,590,415
Derivative financial instruments		246	65
		<b>3,039,231</b>	<b>2,748,835</b>
Liabilities associated with assets classified as held for sale		–	103,838
		<b>3,039,231</b>	<b>2,852,673</b>
<b>Net current assets</b>		<b>483,666</b>	<b>570,863</b>
<b>Total assets less current liabilities</b>		<b>3,769,006</b>	<b>3,869,370</b>

## Unaudited Condensed Consolidated Statement of Financial Position

(Continued)

	30 September 2013 <i>Notes</i> <i>HK\$'000</i>	31 March 2013 <i>HK\$'000</i> (restated)
<b>Non-current liabilities</b>		
Obligations under finance leases		
– amount due after one year	1,577	2,685
Borrowings	578,710	707,975
Deferred taxation liabilities	36,043	38,695
	<u>616,330</u>	<u>749,355</u>
<b>Net assets</b>	<b><u>3,152,676</u></b>	<b><u>3,120,015</u></b>
<b>Capital and reserves</b>		
Share capital	392,346	392,346
Reserves	1,175,788	1,136,916
	<u>1,568,134</u>	<u>1,529,262</u>
Equity attributable to owners of the Company	1,568,134	1,529,262
Non-controlling interests	1,584,542	1,590,753
	<u>3,152,676</u>	<u>3,120,015</u>
<b>Total equity</b>	<b><u>3,152,676</u></b>	<b><u>3,120,015</u></b>

## Unaudited Condensed Consolidated Cash Flow Statement

	For the six months ended	
	30 September	
	2013	2012
	HK\$'000	HK\$'000
		(restated)
Net cash generated from operating activities	57,869	176,008
Net cash from (used in) investing activities	404,130	(42,733)
Net cash used in financing activities	(245,031)	(88,752)
Increase in cash and cash equivalents	216,968	44,523
Cash and cash equivalents at beginning of the period	813,678	749,473
Effect of foreign exchange rate changes	(10,991)	(6,796)
Cash and cash equivalents at the end of the period	<u>1,019,655</u>	<u>787,200</u>
Cash and cash equivalents at the end of the period comprise:		
Bank balances, deposits and cash	1,030,684	803,457
Bank overdrafts	(11,029)	(16,257)
	<u>1,019,655</u>	<u>787,200</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 2013						
At 1 April 2013, as originally stated	392,346	493,310	14,830	34,802	(123,382)	35,358
Application of HKFRS 10	-	-	-	-	-	-
At 1 April 2013, as restated	392,346	493,310	14,830	34,802	(123,382)	35,358
Transfer of reserve	-	-	-	-	-	-
Acquisition of additional interests in a subsidiary	-	-	-	-	-	-
Transfer upon cancellation of share options	-	-	-	-	-	-
Dividend paid - 2013 final dividend	-	-	-	-	-	-
Dividend declared - 2014 interim dividend	-	-	-	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	9,801	-
At 30 September 2013	<u>392,346</u>	<u>493,310</u>	<u>14,830</u>	<u>34,802</u>	<u>(113,581)</u>	<u>35,358</u>
For the six months ended 30 September 2012						
At 1 April 2012, as originally stated	392,346	493,310	14,830	34,802	(115,633)	35,358
Application of HKFRS 10	-	-	-	-	-	-
At 1 April 2012, as restated	392,346	493,310	14,830	34,802	(115,633)	35,358
Transfer of reserve	-	-	-	-	-	-
Transfer upon cancellation of share options	-	-	-	-	-	-
Acquisition of additional interests in a subsidiary	-	-	-	-	-	-
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>

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
-	24,854	23,541	4,712	628,891	1,529,262	418,035	1,947,297
-	-	-	-	-	-	1,172,718	1,172,718
-	24,854	23,541	4,712	628,891	1,529,262	1,590,753	3,120,015
-	(4,185)	-	-	4,185	-	-	-
-	7,742	-	-	-	7,742	(33,268)	(25,526)
-	-	-	(29)	58	29	(29)	-
-	-	(23,541)	-	-	(23,541)	-	(23,541)
-	-	15,694	-	(15,694)	-	-	-
-	-	-	-	-	-	(32,112)	(32,112)
-	385	-	-	44,456	54,642	59,198	113,840
-	28,796	15,694	4,683	661,896	1,568,134	1,584,542	3,152,676
1,371	21,709	19,618	4,859	629,172	1,531,742	424,752	1,956,494
-	-	-	-	-	-	1,190,079	1,190,079
1,371	21,709	19,618	4,859	629,172	1,531,742	1,614,831	3,146,573
-	465	-	-	(465)	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(1,268)	(1,268)
-	-	(19,618)	-	-	(19,618)	-	(19,618)
-	-	15,694	-	(15,694)	-	-	-
-	-	-	-	-	-	(14,243)	(14,243)
(1,371)	1,059	-	-	39,521	33,926	43,137	77,063
-	23,233	15,694	4,859	652,534	1,546,050	1,642,457	3,188,507

# Notes to the Unaudited Condensed Consolidated Financial Statements

---

## 1. Basis of preparation

The unaudited condensed consolidated 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. Except as described below, the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 September 2013 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2013.

### *Application of new or revised Hong Kong Financial Reporting Standards (“HKFRSs”)*

In the current interim period, the Group has applied, for the first time, certain new or revised HKFRSs issued by the HKICPA that are mandatory effective for the current interim period.

### *New and revised standards on consolidation, joint arrangements, associates and disclosures*

In the current interim period, the Group has applied for the first time HKFRS 10, HKFRS 11, HKFRS 12 and HKAS 28 (as revised in 2011) together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding the transitional guidance. HKAS 27 (as revised in 2011) is not applicable to these unaudited condensed consolidated financial statements as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

### *Impact of the application of HKFRS 10*

HKFRS 10 replaces the parts of HKAS 27 “Consolidated and separate financial statements” that deal with consolidated financial statements and HK(SIC) – Int 12 “Consolidation – special purpose entities”. HKFRS 10 changes the definition of control such that an investor has controls over an investee when (a) it has power over the investee, (b) it is exposed, or has rights, to variable returns from its involvement with the investee, and (c) it has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee. Some guidance has been included in HKFRS 10 that deals with whether or not an investor that owns less than 50% of the voting rights in an investee has control over the investee is relevant to the Group.

The Group has 49.7% ownership interest in GP Batteries International Limited (“GP Batteries”) during the year ended 31 March 2013 and the six months ended 30 September 2013, which is listed on the Singapore Stock Exchange. The Group’s 49.7% ownership interest in GP Batteries gives the Group the same percentage of the voting rights in GP Batteries. The remaining 50.3% of the ordinary shares of GP Batteries are owned by numerous shareholders. The directors of the Company made an assessment as at the date of initial application of HKFRS 10 (i.e. 1 April 2013) as to whether or not the Group has control over GP Batteries in accordance with the new definition of control and the related guidance set out in HKFRS 10. The directors of the Company concluded that it has had control over GP Batteries on the basis of the Group’s absolute size of holding in GP Batteries and the relative size and dispersion of the shareholdings owned by the other shareholders. Therefore, in accordance with the requirements of HKFRS 10, GP Batteries has been accounted for a subsidiary of the Company. Previously, GP Batteries was treated as an associate of the Group and accounted for using the equity method of accounting. Comparative figures have been restated in accordance with the relevant transitional provisions set out in HKFRS 10.

# Notes to the Unaudited Condensed Interim Financial Statements

(Continued)

## 2. Principal accounting policies (Continued)

### *Impact of the application of HKFRS 11*

HKFRS 11 replaces HKAS 31 “Interests in joint ventures”, and the guidance contained in a related interpretation, HK(SIC) – INT 13 “Jointly controlled entities – Non-monetary contributions by venturers”, has been incorporated in HKAS 28 (as revised in 2011). HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under HKFRS 11, there are only two types of joint arrangements – joint operations and joint ventures. The classification of joint arrangements under HKFRS 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, HKAS 31 had three types of joint arrangements – jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under HKAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was classified as a jointly controlled entity).

The accounting of joint ventures and joint operations are different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable standards.

The directors of the Company reviewed and assessed the classification of the Group’s investment in a joint arrangement in accordance with the requirements of HKFRS 11. The directors concluded that the Group’s investment in a jointly controlled entity, Shanghai Jinting Automobile Harness Limited (“Jinting”), which was classified as a jointly controlled entity under HKAS 31 and was accounted for using the proportionate consolidation method, should be classified as a joint venture under HKFRS 11 and accounted for using the equity method. The change in accounting of the Group’s investment in Jinting has been applied in accordance with the relevant transitional provisions set out in HKFRS 11. The initial investment as at 1 April 2012 for the purposes of applying the equity method is measured as the aggregate of the carrying amounts of the assets and liabilities that the Group had previously proportionately consolidated. Also, the directors performed an impairment assessment on the initial investment as at 1 April 2012 and concluded that no impairment loss is required. Comparative amounts in the unaudited condensed consolidated statement of profit or loss and the unaudited condensed consolidated statement of profit or loss and other comprehensive income have been restated to reflect the change in accounting for the Group’s investment in Jinting. As the assets and liabilities attributable to the Group’s investment in Jinting had been reclassified as a disposed group held for sale and were presented separately in the unaudited condensed consolidated statement of financial position as at 31 March 2013, no restatement is needed in the unaudited condensed consolidated statement of financial position.

### *HKFRS 13 “Fair value measurement”*

The Group has applied HKFRS 13 for the first time in the current interim period. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various HKFRSs. Consequential amendments have been made to HKAS 34 to require certain disclosures to be made in the unaudited condensed consolidated financial statements.

The scope of HKFRS 13 is broad, and applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions. HKFRS 13 contains a new definition for ‘fair value’ and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

In accordance with the transitional provisions of HKFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively. Disclosures of fair value information are set out in note 10.

# Notes to the Unaudited Condensed Interim Financial Statements

(Continued)

---

## 2. Principal accounting policies (Continued)

### *Amendments to HKAS 1 "Presentation of items of other comprehensive income"*

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements.

However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be subsequently reclassified to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the existing option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

### *Amendments to HKAS 34 "Interim financial reporting (as part of the annual improvements to HKFRSs 2009-2011 cycle)"*

The Group has applied the amendments to HKAS 34 "Interim financial reporting" as part of the annual improvements to HKFRSs 2009-2011 cycle for the first time in the current interim period. The amendments to HKAS 34 clarify that the total assets and total liabilities for a particular reportable segment would be separately disclosed in the unaudited condensed consolidated financial statements only when the amounts are regularly provided to the chief operating decision maker ("CODM") and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment.

Since the CODM does not review assets and liabilities of the Group's reportable segments for performance assessment and resource allocation purposes, the Group has not included total assets and liabilities information as part of segment information.

Except as described above, the application of the other new or revised HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these unaudited condensed consolidated financial statements.

As a result of the consolidation of GP Batteries, the Group has also applied the following accounting policy in respect of derivative financial instruments.

### *Derivative financial instruments*

The Group enters into a variety of derivative financial instruments to manage its exposure to fluctuations in interest rates, foreign exchange rates and raw material prices.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group does not designate any derivative for hedging purposes.



## Notes to the Unaudited Condensed Interim Financial Statements

(Continued)

### 2. Principal accounting policies (Continued)

Summary of the effect of the application of new or revised HKFRSs

The effect of the application of new or revised HKFRSs described above on the result of the preceding interim period by line items presented in the unaudited condensed consolidated statement of profit or loss is as follows:

	Six months ended 30 September 2012 HK\$'000 (originally stated)	Application of HKFRS 10 HK\$'000	Application of HKFRS 11 HK\$'000	Six months ended 30 September 2012 HK\$'000 (restated)
Turnover	968,288	2,376,136	(209,570)	3,134,854
Cost of sales	(716,512)	(1,865,247)	186,104	(2,395,655)
Gross profit	251,776	510,889	(23,466)	739,199
Other income	10,113	21,756	(1,123)	30,746
Selling and distribution expenses	(95,691)	(157,836)	1,002	(252,525)
Administrative expenses	(137,516)	(256,561)	9,891	(384,186)
Finance costs	(22,564)	(29,137)	694	(51,007)
Share of result of a joint venture	–	–	22,249	22,249
Share of results of associates	64,846	(28,669)	(12,281)	23,896
Profit before taxation	70,964	60,442	(3,034)	128,372
Taxation	(14,432)	(30,188)	3,034	(41,586)
Profit for the period	56,532	30,254	–	86,786
Attributable to:				
Owners of the Company	40,580	–	–	40,580
Non-controlling interests	15,952	30,254	–	46,206
	56,532	30,254	–	86,786
Earnings per share – Basic and diluted	5.17 HK cents	–	–	5.17 HK cents

## Notes to the Unaudited Condensed Interim Financial Statements

(Continued)

### 2. Principal accounting policies (Continued)

Summary of the effect of the application of new or revised HKFRSs (Continued)

The effect of the application of new or revised HKFRSs described above on the result of the preceding interim period by line items presented in the unaudited condensed consolidated statement of profit or loss and other comprehensive income is as follows:

	Six months ended 30 September 2012 HK\$'000 (originally stated)	Application of HKFRS 10 HK\$'000	Application of HKFRS 11 HK\$'000	Six months ended 30 September 2012 HK\$'000 (restated)
Profit for the period	56,532	30,254	–	86,786
Other comprehensive income (expense):				
Items that may be subsequently reclassified to profit or loss:				
Share of other comprehensive income of a joint venture	–	–	442	442
Share of other comprehensive income (expense) of associates	(2,544)	6,539	(19)	3,976
Exchange differences arising from translation of foreign operations	(5,871)	(4,248)	(423)	(10,542)
Fair value loss on available-for-sale investments	–	(3,599)	–	(3,599)
Other comprehensive expense for the period	(8,415)	(1,308)	–	(9,723)
Total comprehensive income for the period	48,117	28,946	–	77,063
Total comprehensive income attributable to:				
Owners of the Company	33,926	–	–	33,926
Non-controlling interests	14,191	28,946	–	43,137
	48,117	28,946	–	77,063

## Notes to the Unaudited Condensed Interim Financial Statements

(Continued)

### 2. Principal accounting policies (Continued)

Summary of the effect of the application of new or revised HKFRSs (Continued)

The effect of the application of new or revised HKFRSs described above on the financial position of the Group as at the end of the immediately preceding financial year (i.e. 31 March 2013) is as follows:

	At 31 March 2013 HK\$'000 (originally stated)	Application of HKFRS 10 HK\$'000	At 31 March 2013 HK\$'000 (restated)
<b>Non-current assets</b>			
Investment properties	51,400	7,005	58,405
Property, plant and equipment	176,514	1,415,318	1,591,832
Interests in associates	1,778,129	(479,421)	1,298,708
Available-for-sale investments	47,053	22,845	69,898
Investment in convertible note	40,832	–	40,832
Long term receivables	–	2,776	2,776
Technical know-how	421	501	922
Trademarks	18,824	–	18,824
Goodwill	54,190	133,223	187,413
Deferred tax assets	–	28,897	28,897
	<u>2,167,363</u>	<u>1,131,144</u>	<u>3,298,507</u>
<b>Current assets</b>			
Inventories	206,768	624,580	831,348
Trade and other receivables and prepayments	271,248	1,051,043	1,322,291
Dividend receivable	14,021	–	14,021
Taxation recoverable	139	8,049	8,188
Bank balances, deposits and cash	418,240	401,347	819,587
Derivative financial instruments	–	1,653	1,653
	<u>910,416</u>	<u>2,086,672</u>	<u>2,997,088</u>
Assets classified as held for sale	426,448	–	426,448
	<u>1,336,864</u>	<u>2,086,672</u>	<u>3,423,536</u>
<b>Current liabilities</b>			
Creditors and accrued charges	308,235	810,636	1,118,871
Taxation payable	17,517	18,888	36,405
Obligations under finance leases			
– amount due within one year	741	2,338	3,079
Bank loans and import loans	599,664	990,751	1,590,415
Derivative financial instruments	–	65	65
	<u>926,157</u>	<u>1,822,678</u>	<u>2,748,835</u>
Liabilities associated with assets classified as held for sale	103,838	–	103,838
	<u>1,029,995</u>	<u>1,822,678</u>	<u>2,852,673</u>
<b>Net current assets</b>	<u>306,869</u>	<u>263,994</u>	<u>570,863</u>
<b>Total assets less current liabilities</b>	<u>2,474,232</u>	<u>1,395,138</u>	<u>3,869,370</u>

## Notes to the Unaudited Condensed Interim Financial Statements

(Continued)

### 2. Principal accounting policies (Continued)

Summary of the effect of the application of new or revised HKFRSs (Continued)

	At 31 March 2013 HK\$'000 (originally stated)	Application of HKFRS 10 HK\$'000	At 31 March 2013 HK\$'000 (restated)
<b>Non-current liabilities</b>			
Obligations under finance leases			
– amount due after one year	43	2,642	2,685
Borrowings	513,210	194,765	707,975
Deferred taxation liabilities	13,682	25,013	38,695
	<u>526,935</u>	<u>222,420</u>	<u>749,355</u>
<b>Net assets</b>	<u>1,947,297</u>	<u>1,172,718</u>	<u>3,120,015</u>
<b>Capital and reserves</b>			
Share capital	392,346	–	392,346
Reserves	1,136,916	–	1,136,916
	<u>1,529,262</u>	<u>–</u>	<u>1,529,262</u>
Equity attributable to owners of the Company	1,529,262	–	1,529,262
Non-controlling interests	418,035	1,172,718	1,590,753
	<u>1,947,297</u>	<u>1,172,718</u>	<u>3,120,015</u>
<b>Total equity</b>	<u>1,947,297</u>	<u>1,172,718</u>	<u>3,120,015</u>

## Notes to the Unaudited Condensed Interim Financial Statements

(Continued)

### 3. Segment information

As GP Batteries was consolidated as the Group's subsidiary upon the adoption of HKFRS 10 and Jinting was equity accounted for as the Group's joint venture upon the adoption of HKFRS 11, the segment information for the six months ended 30 September 2012 was restated. 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 2013

	Electronics HK\$'000	Batteries HK\$'000	Other investments HK\$'000	Total HK\$'000
<b>Turnover</b>				
External sales	743,136	2,189,942	–	2,933,078
<b>Results</b>				
Segment results	115,526	71,355	233	187,114
Interest income and dividend income				6,677
Rental income				3,830
Finance costs				(43,491)
Unallocated expenses				(30,986)
Unallocated income				3,902
Profit before taxation				127,046
Taxation				(41,273)
Profit for the period				85,773

#### For the six months ended 30 September 2012

	Electronics HK\$'000 (restated)	Batteries HK\$'000 (restated)	Other investments HK\$'000 (restated)	Total HK\$'000 (restated)
<b>Turnover</b>				
External sales	754,199	2,380,655	–	3,134,854
<b>Results</b>				
Segment results	94,632	92,938	1,114	188,684
Interest income and dividend income				7,023
Rental income				4,031
Finance costs				(51,007)
Unallocated expenses				(24,196)
Unallocated income				3,837
Profit before taxation				128,372
Taxation				(41,586)
Profit for the period				86,786

## Notes to the Unaudited Condensed Interim Financial Statements

(Continued)

### 4. Profit before taxation

	For the six months ended 30 September	
	2013 HK\$'000	2012 HK\$'000 (restated)
Profit before taxation has been arrived at after charging:		
Amortisation of trademarks	2,091	2,091
Depreciation of property, plant and equipment	91,117	99,227

### 5. Taxation

	For the six months ended 30 September	
	2013 HK\$'000	2012 HK\$'000 (restated)
Hong Kong Profits Tax	6,721	3,933
Taxation in jurisdictions other than Hong Kong	36,901	39,766
Deferred taxation	(2,349)	(2,113)
	41,273	41,586

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 September 2012: 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 attributable to the owners of the Company is based on the following data:

	For the six months ended 30 September	
	2013 HK\$'000	2012 HK\$'000
<i>Earnings</i>		
Profit for the period attributable to owners of the Company	44,841	40,580
	'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

The computation of diluted earnings per share for the period ended 30 September 2013 and 2012 did not assume the exercise of the outstanding share options of the Company, as well as the share options of GP Industries and GP Batteries, the subsidiaries of the Group, because the exercise prices of the Company's, GP Industries' and GP Batteries' share options were higher than the average market prices for the respective shares for the period ended 30 September 2013 and 2012.

## Notes to the Unaudited Condensed Interim Financial Statements

(Continued)

### 7. Property, plant and equipment

During the period, the Group spent approximately HK\$71,561,000 (six months ended 30 September 2012 (restated): HK\$82,292,000) 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 2013 HK\$'000</b>	31 March 2013 HK\$'000 (restated)
Trade and bills receivables		
0-60 days	<b>835,693</b>	665,133
61-90 days	<b>54,177</b>	47,319
Over 90 days	<b>141,281</b>	163,958
	<b>1,031,151</b>	876,410
Other receivables, deposits and prepayments	<b>499,016</b>	445,881
	<b>1,530,167</b>	1,322,291

### 9. Creditors and accrued charges

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

	<b>30 September 2013 HK\$'000</b>	31 March 2013 HK\$'000 (restated)
Trade payables		
0-60 days	<b>845,993</b>	673,719
61-90 days	<b>123,552</b>	141,477
Over 90 days	<b>95,339</b>	84,083
	<b>1,064,884</b>	899,279
Other payables and accrued charges	<b>327,380</b>	219,592
	<b>1,392,264</b>	1,118,871

# Notes to the Unaudited Condensed Interim Financial Statements

(Continued)

## 10. Fair value measurement of financial instruments

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis.

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Fair value as at 30 September 2013 HK\$'000	Fair value hierarchy	Basis of fair value measurement/ valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
<b>Financial assets</b>					
1. Listed equity securities classified as available-for-sale investments	8,960	Level 1	Quoted bid price in active market.	N/A	N/A
2. Investment in convertible note	40,832	Level 3	Discounted cash flow and binomial model.  The fair value of loan component of the convertible note is estimated by computing present value of future cash flows discounted by the discount rate based on the credit spreads of comparable bonds with similar credit rating.  The fair value of embedded conversion option is determined using binomial model with key inputs: (i) expected volatility; (ii) risk-free rate; (iii) dividend yield; and (iv) discount for lack of marketability	Unquoted dividend yield determined by the management of the investee.	The higher the unquoted dividend yield, the higher the fair value.



## Notes to the Unaudited Condensed Interim Financial Statements

(Continued)

### 10. Fair value measurement of financial instruments (Continued)

	Fair value as at 30 September 2013 <i>HK\$'000</i>	Fair value hierarchy	Basis of fair value measurement/ valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
<b>Financial assets</b>					
3.		825	Level 2	Discounted cash flow.	N/A
				Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A
<b>Financial liabilities</b>					
1.		246	Level 2	Discounted cash flow.	N/A
				Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A

There is no transfer between different levels of the fair value hierarchy for the six months ended 30 September 2012 and 2013.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the unaudited condensed consolidated financial statements approximate their fair values.

In estimating the fair value of investment in convertible note, the Group uses market-observable data to the extent it is available. When there is material change in the fair value of the assets, the cause of the fluctuation will be reported to the management of the Group.

# Notes to the Unaudited Condensed Interim Financial Statements

(Continued)

## 11. Contingencies and commitments

### (a) Contingent liabilities

	30 September 2013 HK\$'000	31 March 2013 HK\$'000 (restated)
Guarantees given to banks in respect of banking facilities to associates		
– amount guaranteed	26,327	26,327
– amount utilized	2,325	–

### (b) Capital commitments

	30 September 2013 HK\$'000	31 March 2013 HK\$'000 (restated)
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the unaudited condensed consolidated financial statements	6,056	10,639

## 12. Related party transactions

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

	For the six months ended 30 September	
	2013 HK\$'000	2012 HK\$'000 (restated)
Sales to associates	116,112	136,367
Purchases from associates	260,418	230,550
Management fee income received from associates	2,667	2,705

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 2013 HK\$'000	31 March 2013 HK\$'000 (restated)
Trade receivables due from associates	96,507	81,436
Other receivables due from associates	202,787	181,768
Trade payables due to associates	127,358	93,016
Other payables due to associates	1,774	1,423

## **Interim Dividend**

---

The Directors have declared an interim dividend of 2.0 cents (2012: 2.0 cents) per share. This amounts to a total dividend payment of approximately HK\$15,694,000 (2012: HK\$15,694,000) based on the total number of shares in issue as at 27 November 2013, being the latest practicable date prior to the announcement of the interim results. Dividend will be paid on 10 January 2014 to registered shareholders of the Company as at 24 December 2013.

## **Closure of Register**

---

The Register of Shareholders of the Company will be closed from 19 to 24 December 2013, 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 Registrar, Tricor Abacus Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:30 p.m. on 18 December 2013.

## **Disclosure of Interest**

---

As at 30 September 2013, 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:

## Disclosure of Interest (Continued)

### (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 2013, the interests of the directors and the chief executive in the ordinary shares of the Company were as follows:

Name of Director	Number of ordinary shares held				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
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 2013, 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 subsidiary of GP Industries Limited ("GP Ind"), Gold Peak Industries (Taiwan) Limited ("GPIT"), a 79.6% owned subsidiary of GPBI, and GP Ind, a 82.7% 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	0.08
LEUNG Pak Chuen	–	–	–	–	1,608,000	0.32
Richard KU Yuk Hing	193,000	0.18	200,000	0.10	340,000	0.07
Andrew CHUANG Siu Leung	–	–	–	–	155,000	0.03
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 2013, 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 2013.

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

Name of Director	Date of grant	Exercisable period	Exercise price HK\$	Number of option shares		
				Outstanding at 1.4.2013	Cancelled during the period	Outstanding at 30.9.2013
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
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 Biu	27.04.2010	27.04.2010-26.04.2015	1.27	300,000	–	300,000
				4,800,000	–	4,800,000
Employees of the Group and other participants	27.04.2010	27.04.2010-26.04.2015	1.27	11,335,000	(100,000)	11,235,000
				16,135,000	(100,000)	16,035,000

## 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 1.4.2013	Expired/ Cancelled during the period	Outstanding at 30.9.2013
Victor LO Chung Wing	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	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
				<u>1,794,000</u>	<u>(864,000)</u>	<u>930,000</u>
Directors of GP Ind	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	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	(41,000)	1,401,000
				<u>3,629,000</u>	<u>(1,708,000)</u>	<u>1,921,000</u>
				<u>5,423,000</u>	<u>(2,572,000)</u>	<u>2,851,000</u>

## Disclosure of Interest *(Continued)*

### (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 1.4.2013	Expired during the period	Outstanding at 30.9.2013
Andrew NG Sung On	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)	-
				360,000	(360,000)	-
Directors of GPBI	25.6.2003	25.6.2005-24.6.2013	2.50	295,000	(295,000)	-
Employees of the Group	25.6.2003	25.6.2005-24.6.2013	2.50	1,326,000	(1,326,000)	-
				1,621,000	(1,621,000)	-
				1,981,000	(1,981,000)	-

Saved as disclosed above, as at 30 September 2013, 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

---

As at 30 September 2013, 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:

<b>Name of shareholder</b>	<b>Capacity</b>	<b>Number of ordinary shares held</b>	<b>Approximate percentage of issued share capital of the Company</b>
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, 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 2013, 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 six months ended 30 September 2013.



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

---

The Company has complied with the code provisions of the Corporate Governance Code (the “Code”) as set out in Appendix 14 to the Listing Rules during the six months ended 30 September 2013, 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.

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. Messrs. LUI Ming Wah and Frank CHAN Chi Chung, independent non-executive directors of the Company, did not attend the annual general meeting of the Company held on 29 August 2013 due to their other commitments. Mr. Vincent CHEUNG Ting Kau, a non-executive director of the Company, did not attend the extraordinary general meeting of the Company held on 21 October 2013 due to his other commitments.

## **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 standards set out in the Model Code during the six months ended 30 September 2013.

## **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 condensed consolidated financial statements for the six months ended 30 September 2013 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, Mr. Vincent CHEUNG Ting Kau as Non-Executive Director, 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, 28 November 2013  
*www.goldpeak.com*