

Gold Peak Industries (Holdings) Limited

---

金山工業(集團)有限公司



Interim Report 2017/2018

## Corporate Information

---

### BOARD OF DIRECTORS

#### Executive

Victor LO Chung Wing, *Chairman & Chief Executive*  
LEUNG Pak Chuen  
Richard KU Yuk Hing  
Andrew CHUANG Siu Leung  
Brian LI Yiu Cheung

#### Non-executive

LUI Ming Wah\*  
Frank CHAN Chi Chung\*  
CHAN Kei Bui\*  
Karen NG Ka Fai

\* Independent Non-Executive Director

### AUDIT COMMITTEE

LUI Ming Wah, *Chairman*  
Frank CHAN Chi Chung  
CHAN Kei Bui

### REMUNERATION COMMITTEE

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

### NOMINATION COMMITTEE

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

### AUDITOR

Deloitte Touche Tohmatsu

### SECRETARY AND REGISTERED OFFICE

WONG Man Kit  
9/F, Building 12W, 12 Science Park West Avenue  
Phase 3, Hong Kong Science Park  
Pak Shek Kok, 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  
Level 22, Hopewell Centre  
183 Queen's Road East, Hong Kong

### STOCK CODES

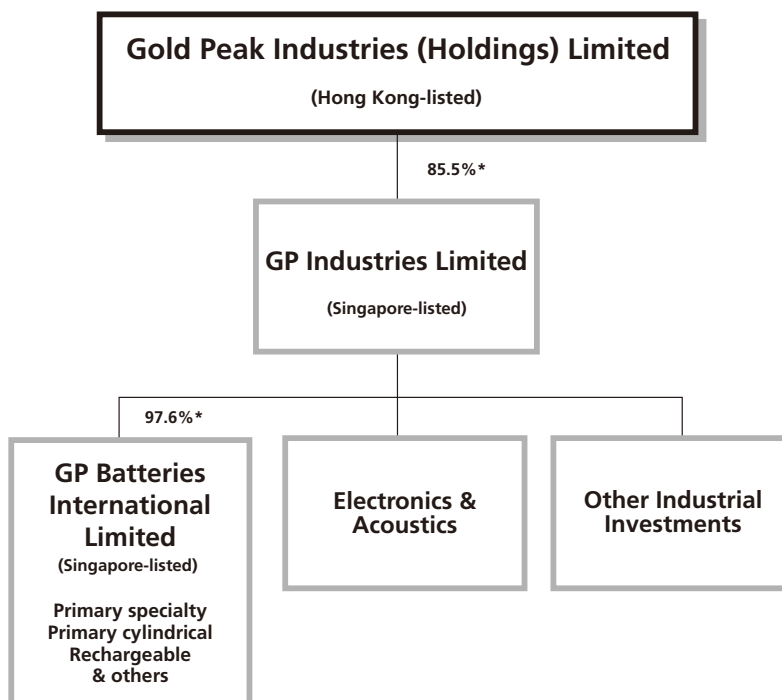
Hong Kong Stock Exchange	40
Bloomberg	40 HK
Reuters	0040 HK

#### KEY DATES

Closure of Register:	19 to 22 December 2017
Interim Dividend:	Payable on 12 January 2018

## Group Structure

---



## Group Profile

---

Gold Peak Group is an Asian multinational group which owns high-quality industrial investments via GP Industries Limited (“GP Industries”), 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 85.5%\* interest in GP Industries while GP Industries holds an approximately 97.6%\* interest in GP Batteries International Limited (“GP Batteries”). 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 17 November 2017

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 2017.

## Highlights

- Turnover increased by 11.8% to HK\$3,220 million
- Profit for the period attributable to owners of the Company increased by 1.1% to HK\$13.3 million
- Earnings per share: 1.69 Hong Kong cents (2016/17: 1.67 Hong Kong cents)
- Interim dividend per share: 1.2 Hong Kong cents (2016/17: 1.2 Hong Kong cents)

## Summary of Results

---

For the six months ended 30 September 2017, the Group’s turnover amounted to HK\$3,220 million, an increase of 11.8% as compared with HK\$2,880 million for the same period last year. The unaudited consolidated profit attributable to owners of the Company amounted to HK\$13.3 million, an increase of 1.1% compared to the corresponding period in the previous year. The earnings per share for the period amounted to 1.69 HK cents as compared with 1.67 HK cents for the same period last year.

## Business Review

---

### GP Industries (85.47% owned by Gold Peak as at 30 September 2017)

GP Industries’ revenue for the six months ended 30 September 2017 was S\$569.4 million, an increase of 13.0% over last year. The increase was mainly attributable to a 16.6% revenue growth of GP Batteries and a 4.9% revenue increase reported by the Electronics and Acoustics Business.

Gross profit increased by 11.3% to S\$138.6 million despite a 13.0% increase in revenue due mainly to appreciation of the Renminbi and increases in metal and component prices. Distribution costs increased by 11.4% mainly from GP Industries’ increased investments in brand building activities. GP Industries reported a net exchange loss of S\$4.5 million, compared to a net exchange gain of S\$5.3 million for last year. GP Industries also reported a higher other operating income of S\$11.2 million, compared to the S\$6.9 million reported last year, mainly from a higher gain from disposal of property, plant and equipment and a government grant received by GP Batteries.

Profit before taxation increased by 5.8% to S\$32.9 million, compared to the S\$31.1 million reported last year. Profit after taxation attributable to equity holders of GP Industries increased by 5.0% to S\$12.5 million, compared to S\$11.9 million reported last year.

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

- Revenue from the electronics and acoustics business grew by 4.9%.
- Sales of electronics products decreased by 4.3% caused by the phasing out of some old products and soft sales in Europe.
- Sales of acoustics products continued to grow and reported an increase of 22.6%, with sales to the US market increased by 22.1%, to the Asian markets by 39.4% and to the European market by 4.1%.
- Appreciation of the Renminbi, rapid increase in the price of certain components and GP Industries' active investments in brand building activities affected margins and costs.

### ***Automotive Wire Harness Business***

- Sales of the automotive wire harness business decreased by 6.5%.
- Sales to China increased by 46.5% while sales to the US decreased by 27.0% as some wire harnesses being supplied to a key US customer approached the end of their production cycle.
- The appreciating Renminbi also affected the margins.

### ***Battery Business (64.88% owned by GP Industries as at 30 September 2017)***

- Revenue of GP Batteries was S\$433.2 million, an increase of 16.6%.
- Sales of both primary batteries and rechargeable batteries increased by 17.1%.
- Gross profit margin maintained at 22.0%.
- Sales increased across all regions. Sales in the Americas, Asia and Europe increased by 41.0%, 8.1% and 23.5% respectively.
- GP Batteries reported a net exchange loss of S\$4.4 million, compared to a net exchange gain of S\$3.9 million last year.
- Profit after taxation attributable to equity holders of GP Batteries was S\$9.1 million, compared to S\$3.8 million last year.

### ***Other Industrial Investments***

Both Meiloon Industrial Co., Ltd. and Linkz Industries Limited reported revenue growth and contributed more profit before taxation to GP Industries.

## Financial Review

---

During the period, the Group's net bank borrowings increased by HK\$325 million to HK\$1,604 million. As at 30 September 2017, the aggregate of the Group's equity attributable to owners and non-controlling interests was HK\$2,559 million and the Group's gearing ratio (the ratio of consolidated net bank borrowings to equity attributable to owners and non-controlling interests) was 0.63 (31 March 2017: 0.52). The gearing ratios of the Company, GP Industries and GP Batteries were 0.49 (31 March 2017: 0.47), 0.39 (31 March 2017: 0.30) and 0.33 (31 March 2017: 0.20) respectively.

At 30 September 2017, 72% (31 March 2017: 62%) of the Group's bank borrowings were revolving or repayable within one year whereas 28% (31 March 2017: 38%) 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 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 2017, the Group's major business divisions employed about 8,530 (31 March 2017: 8,200) 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 for the Group's products is expected to gradually strengthen in the US and demand in China is expected to remain stable. Consumer demand in Europe is expected to gradually regain some growth from the current lower level. However, appreciation of Renminbi and increases in the prices of certain metals and components are expected to affect the profit margin for some of the Group's businesses.

GP Batteries' new production capacity in Malaysia is contributing to its business growth.

The Group will continue to enhance the competitiveness of its businesses by investing in technology, new product development, further automating the Group's factories and to continue building the Group's brands and distribution networks in key markets.

On 10 August 2017, GP Industries announced that, subject to and contingent upon the fulfilment of certain pre-condition (the "Pre-Condition"), GP Industries intended to make a voluntary conditional cash offer (the "Offer") for all the issued ordinary shares of GP Batteries ("GP Batteries Shares"), other than the GP Batteries Shares already owned or agreed to be acquired by GP Industries as at the date of the Offer. On 22 September 2017, the Pre-Condition to the Offer was fulfilled and GP Industries' firm intention to make the Offer was announced. The formal offer document dated 6 October 2017 containing the terms and conditions of the Offer (the "Offer Document") was despatched to the shareholders of GP Batteries on the same date. The Offer was conditional upon the 90 per cent. Acceptance Condition (as defined in the Offer Document) being satisfied.

On 31 October 2017, the 90 per cent. Acceptance Condition was satisfied and the Offer was declared unconditional in all respects on the same date. On 6 November 2017, it was further announced that GP Industries was entitled to, and would in due course, exercise its right of compulsory acquisition under Section 215(1) of the Companies Act, Chapter 50 of Singapore to compulsorily acquire all the GP Batteries Shares held by GP Batteries shareholders who had not accepted the Offer.

## Unaudited Condensed Consolidated Statement of Profit or Loss

		For the six months ended	
		30 September	
		2017	2016
	Notes	HK\$'000	HK\$'000
Turnover	3	3,220,100	2,879,900
Cost of sales		<u>(2,436,207)</u>	<u>(2,168,020)</u>
Gross profit		783,893	711,880
Other income	4	60,879	66,031
Selling and distribution expenses		(327,911)	(292,524)
Administrative expenses		(383,638)	(388,721)
Other expenses	5	(33,260)	–
Finance costs		(55,995)	(45,772)
Share of results of associates		<u>74,073</u>	<u>67,978</u>
Profit before taxation	6	118,041	118,872
Taxation	7	<u>(42,898)</u>	<u>(53,389)</u>
Profit for the period		<u>75,143</u>	<u>65,483</u>
Attributable to:			
Owners of the Company		13,278	13,136
Non-controlling interests		<u>61,865</u>	<u>52,347</u>
		<u>75,143</u>	<u>65,483</u>
<b>Interim dividend</b>		<u>9,416</u>	<u>9,416</u>
<b>Earnings per share – Basic and diluted</b>	8	<u>1.69 HK cents</u>	<u>1.67 HK cents</u>

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

	For the six months ended 30 September	
	2017 HK\$'000	2016 HK\$'000
Profit for the period	<b>75,143</b>	65,483
Other comprehensive income (expense):		
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Share of other comprehensive income (expense) of associates	14,477	(10,110)
Exchange differences arising from translation of foreign operations	62,623	(65,509)
Fair value gain on available-for-sale investments	48	170
Other comprehensive income (expense) for the period	<b>77,148</b>	(75,449)
Total comprehensive income (expense) for the period	<b>152,291</b>	(9,966)
Total comprehensive income (expense) attributable to:		
Owners of the Company	49,187	(24,461)
Non-controlling interests	<b>103,104</b>	14,495
	<b>152,291</b>	(9,966)



## Unaudited Condensed Consolidated Statement of Financial Position

		30 September 2017 HK\$'000	31 March 2017 HK\$'000
	<i>Notes</i>		
<b>Non-current assets</b>			
Investment properties		–	9,955
Property, plant and equipment	9	1,664,314	1,400,864
Interests in associates		1,419,394	1,403,784
Available-for-sale investments		64,014	63,966
Intangible assets		1,440	3,570
Goodwill		102,066	102,066
Deferred tax assets		17,279	19,729
Receivables, deposits & prepayments		13,896	37,384
		<u>3,282,403</u>	<u>3,041,318</u>
<b>Current assets</b>			
Inventories		1,036,872	848,425
Trade and other receivables and prepayments	10	1,334,277	1,170,825
Dividend receivable		–	6,975
Taxation recoverable		17,485	13,105
Bank balances, deposits and cash		1,050,253	1,058,541
		<u>3,438,887</u>	<u>3,097,871</u>
Assets classified as held for sale		56,081	5,872
		<u>3,494,968</u>	<u>3,103,743</u>
<b>Current liabilities</b>			
Creditors and accrued charges	11	1,504,107	1,299,170
Taxation payable		33,935	31,775
Obligations under finance leases – amount due within one year		540	737
Bank overdrafts, bank loans and import loans		1,911,451	1,453,127
		<u>3,450,033</u>	<u>2,784,809</u>
<b>Net current assets</b>		<u>44,935</u>	<u>318,934</u>
<b>Total assets less current liabilities</b>		<u>3,327,338</u>	<u>3,360,252</u>

## Unaudited Condensed Consolidated Statement of Financial Position

(Continued)

	<i>Notes</i>	<b>30 September 2017 HK\$'000</b>	31 March 2017 HK\$'000
<b>Non-current liabilities</b>			
Obligations under finance leases			
– amount due after one year		788	1,025
Borrowings		741,863	882,236
Deferred taxation liabilities		25,656	23,175
		<b>768,307</b>	906,436
<b>Net assets</b>		<b>2,559,031</b>	2,453,816
<b>Capital and reserves</b>			
Share capital	13	921,014	921,014
Reserves		387,089	347,318
Equity attributable to owners of the Company		1,308,103	1,268,332
Non-controlling interests		1,250,928	1,185,484
<b>Total equity</b>		<b>2,559,031</b>	2,453,816

## Unaudited Condensed Consolidated Cash Flow Statement

	For the six months ended	
	30 September	
	2017	2016
	HK\$'000	HK\$'000
Net cash generated from operating activities	42,824	65,525
Net cash (used in) from investing activities	(356,671)	1,295
Net cash from (used in) financing activities	173,544	(168,723)
Decrease in cash and cash equivalents	(140,303)	(101,903)
Cash and cash equivalents at beginning of the period	1,058,541	977,879
Effect of foreign exchange rate changes	2,430	(743)
Cash and cash equivalents at the end of the period	<b>920,668</b>	<b>875,233</b>
Cash and cash equivalents at the end of the period comprise:		
Bank balances, deposits and cash	1,050,253	875,233
Cash held in escrow account	(123,991)	–
Bank overdrafts	(5,594)	–
	<b>920,668</b>	<b>875,233</b>

## Unaudited Condensed Consolidated Statement of Changes in Equity

	Share Capital <i>HK\$'000</i>	Legal Reserve <i>HK\$'000</i>	Properties Revaluation Reserve <i>HK\$'000</i>	Translation Reserve <i>HK\$'000</i>
For the six months ended 30 September 2017				
At 1 April 2017	921,014	14,830	37,804	(323,939)
Dividend paid				
– 2017 final dividend	–	–	–	–
Dividend declared				
– 2018 interim dividend	–	–	–	–
Dividend paid to non-controlling interests	–	–	–	–
Total comprehensive income for the period	–	–	–	35,883
At 30 September 2017	<u>921,014</u>	<u>14,830</u>	<u>37,804</u>	<u>(288,056)</u>
For the six months ended 30 September 2016				
At 1 April 2016	921,014	14,830	37,804	(260,103)
Transfer of reserve	–	–	–	–
Capitalisation of profits by a subsidiary	–	–	–	–
Deemed acquisition of a subsidiary	–	–	–	–
Acquisition of additional interests in a subsidiary	–	–	–	–
Capital reduction to non-controlling interests	–	–	–	–
Dividend paid				
– 2016 final dividend	–	–	–	–
Dividend declared				
– 2017 interim dividend	–	–	–	–
Dividend paid to non-controlling interests	–	–	–	–
Total comprehensive income for the period	–	–	–	(37,691)
At 30 September 2016	<u>921,014</u>	<u>14,830</u>	<u>37,804</u>	<u>(297,794)</u>

Available- for-sale Investments Reserve <i>HK\$'000</i>	Capital Reserve <i>HK\$'000</i>	Dividend Reserve <i>HK\$'000</i>	Retained Profits <i>HK\$'000</i>	Attributable to Owners of the Company <i>HK\$'000</i>	Non- controlling Interests <i>HK\$'000</i>	Total <i>HK\$'000</i>
2,816	212,571	9,416	393,820	1,268,332	1,185,484	2,453,816
-	-	(9,416)	-	(9,416)	-	(9,416)
-	-	9,416	(9,416)	-	-	-
-	-	-	-	-	(37,660)	(37,660)
26	-	-	13,278	49,187	103,104	152,291
<b>2,842</b>	<b>212,571</b>	<b>9,416</b>	<b>397,682</b>	<b>1,308,103</b>	<b>1,250,928</b>	<b>2,559,031</b>
1,886	203,472	7,847	396,760	1,323,510	1,236,244	2,559,754
-	2,342	-	(2,342)	-	-	-
-	861	-	(861)	-	-	-
-	43	-	-	43	(452)	(409)
-	45	-	-	45	322	367
-	-	-	-	-	(5,058)	(5,058)
-	-	(7,847)	-	(7,847)	-	(7,847)
-	-	9,416	(9,416)	-	-	-
-	-	-	-	-	(46,007)	(46,007)
94	-	-	13,136	(24,461)	14,495	(9,966)
<b>1,980</b>	<b>206,763</b>	<b>9,416</b>	<b>397,277</b>	<b>1,291,290</b>	<b>1,199,544</b>	<b>2,490,834</b>

# 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”).

The financial information relating to the year ended 31 March 2017 that is included in the half-year interim report 2017/2018 as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “Companies Ordinance”) is as follows:

The Company has delivered the financial statements for the year ended 31 March 2017 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company’s auditor has reported on the financial statements for the year ended 31 March 2017. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

## 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 2017 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2017.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 12	As part of annual improvements to HKFRSs 2014–2016 cycle
Amendments to HKAS 7	Disclosure initiative
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised loss

The application of the above 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. Additional disclosures about changes in liabilities arising from financing activities, including both changes from cashflows and non-cash changes on application of amendments to HKAS 7 will be provided in the consolidated financial statements for the year ending 31 March 2018.

## Notes to the Unaudited Condensed Consolidated 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 2017

	Electronics HK\$'000	Batteries HK\$'000	Other investments HK\$'000	Eliminations HK\$'000	Total HK\$'000
<b>Turnover</b>					
External sales	770,151	2,449,949	–	–	3,220,100
Inter-segment sales	64	–	–	(64)	–
Segment revenue	<u>770,215</u>	<u>2,449,949</u>	<u>–</u>	<u>(64)</u>	<u>3,220,100</u>
<b>Results</b>					
Segment results	71,122	172,084	(1,257)	–	241,949
Interest income					3,526
Other expenses					(33,260)
Finance costs					(55,995)
Unallocated expenses					<u>(38,179)</u>
Profit before taxation					118,041
Taxation					<u>(42,898)</u>
Profit for the period					<u>75,143</u>

#### For the six months ended 30 September 2016

	Electronics HK\$'000	Batteries HK\$'000	Other investments HK\$'000	Eliminations HK\$'000	Total HK\$'000
<b>Turnover</b>					
External sales	757,236	2,122,664	–	–	2,879,900
Inter-segment sales	13	281	–	(294)	–
Segment revenue	<u>757,249</u>	<u>2,122,945</u>	<u>–</u>	<u>(294)</u>	<u>2,879,900</u>
<b>Results</b>					
Segment results	86,469	113,824	(1,273)	–	199,020
Interest income					2,251
Finance costs					(45,772)
Unallocated expenses					<u>(36,627)</u>
Profit before taxation					118,872
Taxation					<u>(53,389)</u>
Profit for the period					<u>65,483</u>

## Notes to the Unaudited Condensed Consolidated Financial Statements

(Continued)

### 4. Other income

	For the six months ended 30 September	
	2017	2016
	HK\$'000	HK\$'000
Other income includes:		
Gain on disposal of property, plant and equipment	31,292	16,050
Gain from disposal of intangible assets	–	1,631
Write-back of excess restructuring costs	–	1,244
Exchange gain	–	30,039
	<u>31,292</u>	<u>49,964</u>

### 5. Other expenses

	For the six months ended 30 September	
	2017	2016
	HK\$'000	HK\$'000
Other expenses include:		
Allowance for impairment loss on property, plant and equipment	8,000	–
Exchange loss	25,260	–
	<u>33,260</u>	<u>–</u>

### 6. Profit before taxation

	For the six months ended 30 September	
	2017	2016
	HK\$'000	HK\$'000
Profit before taxation has been arrived at after charging:		
Amortisation of intangible assets:	2,130	2,175
Depreciation of property, plant and equipment	72,637	63,964
	<u>74,767</u>	<u>66,139</u>

### 7. Taxation

	For the six months ended 30 September	
	2017	2016
	HK\$'000	HK\$'000
Hong Kong Profits Tax	3,954	2,930
Taxation in jurisdictions other than Hong Kong	34,641	50,344
Deferred taxation	4,303	115
	<u>42,898</u>	<u>53,389</u>

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 September 2016: 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.



## Notes to the Unaudited Condensed Consolidated Financial Statements

(Continued)

### 8. 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 2017 HK\$'000	2016 HK\$'000
<i>Earnings</i>		
Profit for the period attributable to owners of the Company	<b>13,278</b>	13,136
	<b>'000</b>	'000
<i>Number of shares</i>		
Number of shares in issue during the period for the purpose of basic and diluted earnings per share	<b>784,693</b>	784,693

No computation of diluted earnings per share is disclosed as there are no outstanding share options as at the end of or at any time during both periods.

### 9. Property, plant and equipment

During the period, the Group spent approximately HK\$352,250,000 (six months ended 30 September 2016: HK\$78,629,000) on property, plant and equipment to expand its business.

### 10. Trade and other receivables and prepayments

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

	30 September 2017 HK\$'000	31 March 2017 HK\$'000
Trade and bills receivables		
0–60 days	<b>873,719</b>	747,553
61–90 days	<b>84,240</b>	90,729
Over 90 days	<b>63,170</b>	76,602
	<b>1,021,129</b>	914,884
Other receivables, deposits and prepayments	<b>327,044</b>	293,325
	<b>1,348,173</b>	1,208,209
Less: Non-current portion of other receivables, deposits and prepayments	<b>(13,896)</b>	(37,384)
	<b>1,334,277</b>	1,170,825

# Notes to the Unaudited Condensed Consolidated Financial Statements

(Continued)

## 11. Creditors and accrued charges

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

	<b>30 September 2017 HK\$'000</b>	31 March 2017 HK\$'000
Trade payables		
0–60 days	<b>919,030</b>	740,446
61–90 days	<b>86,192</b>	71,070
Over 90 days	<b>88,229</b>	87,612
	<b>1,093,451</b>	899,128
Other payables and accrued charges	<b>410,656</b>	400,042
	<b>1,504,107</b>	1,299,170

## 12. Fair value measurement of financial instruments

Some of the Group's financial assets 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 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).

Financial assets	Fair value assets as at		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
	30 September 2017 HK\$'000	31 March 2017 HK\$'000				
Equity securities classified as available- for-sale investments	15,444	15,396	Level 2	The fair value of the equity securities is estimated by the price quotation available on the Emerging Market Board in Taiwan, which does not trade actively.	N/A	N/A

There is no transfer between different levels of the fair value hierarchy during the six months ended 30 September 2017 and the year ended 31 March 2017.

The fair value of other financial assets and financial liabilities are determined in accordance with general accepted pricing models based on discounted cash flow analysis. The directors of the Company consider that the carrying amounts of these financial assets and financial liabilities recorded at amortised cost approximate their fair values.

## Notes to the Unaudited Condensed Consolidated Financial Statements

(Continued)

### 13. Share Capital

	Number of shares '000	HK\$'000
Issued and fully paid ordinary shares:		
At 1 April 2016, 30 September 2016, 31 March 2017 and 30 September 2017	<b>784,693</b>	<b>921,014</b>

There were no changes in the Company's issued and fully paid share capital in both periods.

### 14. Contingencies and commitments

#### (a) Contingent liabilities

	30 September 2017 HK\$'000	31 March 2017 HK\$'000
Guarantees given to banks in respect of banking facilities to associates		
Others	<b>16,327</b>	16,327
	<b>7,750</b>	<b>7,750</b>

#### (b) Capital commitments

	30 September 2017 HK\$'000	31 March 2017 HK\$'000
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the unaudited condensed consolidated financial statements	<b>34,456</b>	<b>83,360</b>

## Notes to the Unaudited Condensed Consolidated Financial Statements

(Continued)

### 15. Related party transactions

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

	For the six months ended	
	30 September 2017 HK\$'000	2016 HK\$'000
Sales to associates	74,560	83,550
Purchases from associates	265,432	270,703
Management fee income received from associates	766	762

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 2017 HK\$'000	31 March 2017 HK\$'000
Trade receivables due from associates	58,437	46,404
Other receivables due from associates	2,302	2,266
Trade payables due to associates	124,677	123,350
Other payables due to associates	789	417

## **Interim Dividend**

---

The Directors have declared an interim dividend of 1.2 HK cents (2016/17: 1.2 HK cents) per share. This amounts to a total dividend payment of approximately HK\$9,416,000 (2016/17: HK\$9,416,000) based on the total number of shares in issue as at 22 November 2017, being the latest practicable date prior to the publication of the announcement of the interim results. Dividend will be paid on 12 January 2018 to registered shareholders of the Company as at 22 December 2017.

## **Closure of Register**

---

The Register of Shareholders of the Company will be closed from 19 to 22 December 2017, 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 18 December 2017.

## **Disclosure of Interest**

---

As at 30 September 2017, the interests and short positions of the directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Appendix 10 "Model Code for Securities Transactions by Directors of Listed Issuers" 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 2017, the interests of the directors and the chief executive in the ordinary share of the Company were as follows:

Name of Director	Number of ordinary shares held		Percentage of issued share capital of the Company
	Personal Interests	Total Interests	%
Victor LO Chung Wing	169,985,888	169,985,888	21.66
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
Brian LI Yiu Cheung	300,000	300,000	0.04
LUI Ming Wah	–	–	–
Frank CHAN Chi Chung	–	–	–
CHAN Kei Bui	–	–	–
Karen NG Ka Fai	40,646,524	40,646,524	5.18

## Disclosure of Interest (Continued)

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

As at 30 September 2017, the direct beneficial interests of the directors and the chief executive in the shares of GP Batteries International Limited ("GPBI"), a 64.9% 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 85.5% 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	300,000 (Note)	0.19	-	-	300,000	0.06
LEUNG Pak Chuen	-	-	-	-	1,608,000	0.33
Richard KU Yuk Hing	151,500 (Note)	0.10	200,000	0.10	340,000	0.07
Andrew CHUANG Siu Leung	-	-	-	-	155,000	0.03
Brian LI Yiu Cheung	-	-	-	-	1,465,000	0.30
LUI Ming Wah	-	-	-	-	-	-
Frank CHAN Chi Chung	-	-	-	-	-	-
CHAN Kei Bui	-	-	-	-	-	-
Karen NG Ka Fai	199,999 (Note)	0.13	-	-	-	-

Note: Subsequent to 30 September 2017, Mr. Victor LO Chung Wing, Mr. Richard KU Yuk Hing and Ms. Karen NG Ka Fai accepted the Offer and ceased to be interested in these GP Batteries shares.

Saved as disclosed above, as at 30 September 2017, 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 "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.

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

On 7 September 2007, an ordinary resolution was passed to adopt a share option scheme (the "Option Scheme"). The purpose of the Option Scheme is to enable the Company to grant options to eligible employees and directors as incentives and rewards for their contributions to the Company. The Option Scheme was for a term of ten financial years. The Option Scheme commenced on 7 September 2007 and expired on 6 September 2017.

During the six months ended 30 September 2017, no share option was granted, exercised, expired or lapsed and there was no outstanding share option under the Option Scheme.

## Substantial Shareholders

As at 30 September 2017, 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 were, directly or indirectly, interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of the Company:

<u>Name of shareholder</u>	<u>Capacity</u>	<u>Number of ordinary shares held</u>	<u>Percentage of issued share capital of the Company</u>
TO May Mee	Beneficial owner	81,888,764 (Note 1)	10.44%
Jessica NG Sheen Fai	Beneficial owner	40,646,524 (Note 1)	5.18%
Ring Lotus Investment Limited ("Ring Lotus")	Interests of controlled corporation	60,288,143 (Note 2)	7.68%
HSBC International Trustee Limited ("HSBC Trustee")	Trustee	60,288,143 (Note 2)	7.68%

Notes:

1. Madam TO May Mee and Ms. Jessica NG Sheen Fai are the mother and sister, respectively, of Ms. Karen NG Ka Fai, a non-executive director of the Company.
2. According to the two corporate substantial shareholder notices filed by Ring Lotus and HSBC Trustee respectively, HSBC Trustee was deemed to be interested in 60,288,143 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 2017, 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 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 2017.

## **Corporate Governance Practices**

---

The Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules during the six months ended 30 September 2017, except for the deviation from Code Provision A.2.1 which 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 currently the Chairman and 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.

## **Directors' Dealing in Securities of the Company**

---

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 of the Company, 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 2017.

## **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 of the Company. The unaudited condensed consolidated financial statements for the six months ended 30 September 2017 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), LEUNG Pak Chuen, Richard KU Yuk Hing, Andrew CHUANG Siu Leung and Brian LI Yiu Cheung as Executive Directors, Messrs. LUI Ming Wah, Frank CHAN Chi Chung and CHAN Kei Bui as Independent Non-Executive Directors, and Ms. Karen NG Ka Fai as Non-Executive Director.

By Order of the Board  
**WONG Man Kit**  
*Company Secretary*

Hong Kong, 23 November 2017  
*www.goldpeak.com*