

Gold Peak Industries (Holdings) Limited

---

金山工業(集團)有限公司



Interim Report 2015/2016

## 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 (appointed on 21 April 2015)

#### Non-executive

LUI Ming Wah\*  
Frank CHAN Chi Chung\*  
CHAN Kei Bui\*  
Karen NG Ka Fai (appointed on 17 June 2015)  
\* 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

### ADR DEPOSITARY

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

### STOCK CODES

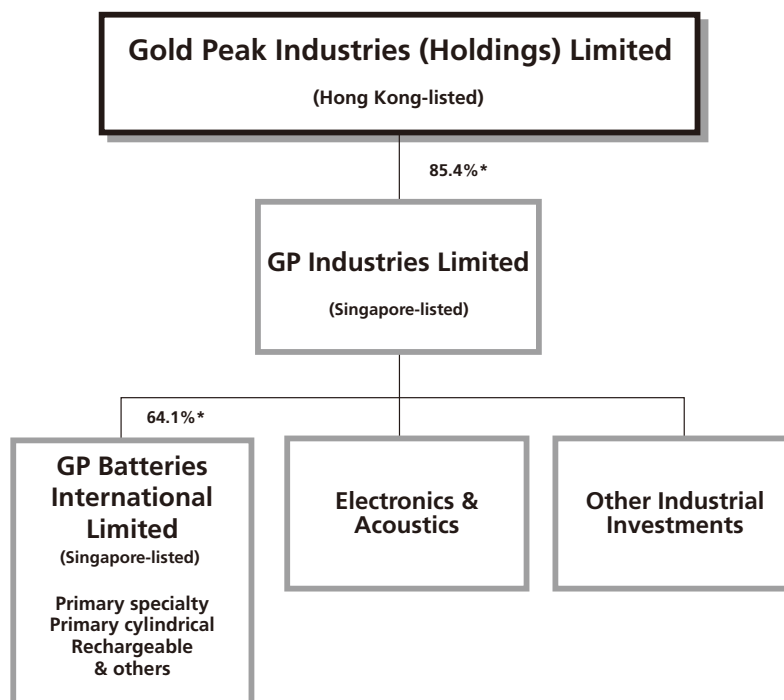
Hong Kong Stock Exchange	40
ADR	GPIN Y US
Bloomberg	40 HK
Reuters	0040 HK

#### KEY DATES

Closure of Register:	21 to 24 December 2015
Interim Dividend:	Payable on 7 January 2016

## 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 85.4%\* interest in GP Industries while GP Industries holds an approximately 64.1%\* 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 20 November 2015

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 2015.

## Highlights

- Turnover increased by 0.9% to HK\$3,013 million
- Profit for the period attributable to owners of the Company increased by 2.5% to HK\$46.4 million
- Earnings per share: 5.91 Hong Kong cents (2014/15: 5.76 Hong Kong cents)
- Interim dividend per share: 2.5 Hong Kong cents (2014/15: 2.5 Hong Kong cents)

## Summary of Results

---

For the six months ended 30 September 2015, the Group's turnover amounted to HK\$3,013 million, an increase of 0.9% as compared with HK\$2,987 million for the same period last year. The unaudited consolidated profit attributable to owners of the Company amounted to HK\$46.4 million, an increase of 2.5% compared to the corresponding period in the previous year. The earnings per share for the period amounted to 5.91 HK cents as compared with 5.76 HK cents for the same period last year.

## Business Review

---

### GP INDUSTRIES (85.3% owned by Gold Peak as at 30 September 2015)

GP Industries' revenue was S\$533 million, an increase of 10% over last year. When expressed in US dollar, revenue increased by 1% as a result of the appreciation of the US dollar against the Singapore dollar.

During the six-month period ended 30 September 2015, GP Industries reported a net exceptional gain of S\$5.4 million, which comprised a S\$1.3 million write-back of unutilised warranty provision upon the expiry of the warranty period relating to the disposal of a joint venture in 2013, and a property disposal gain of S\$4.1 million reported by GP Batteries International Limited ("GP Batteries"). GP Industries reported a net exceptional gain of S\$8.4 million last year, which included property disposal gains, impairment charge and restructuring costs.

Profit after taxation attributable to equity holders of GP Industries increased by 26% to S\$19.0 million over the S\$15.0 million reported last year.

### **Electronics and Acoustics Business**

- Revenue from the electronics and acoustics business increased by 3% in Singapore dollar terms but declined by 6% when presented in US dollar terms.
- Sales of electronics products decreased by 9% while sales of acoustics products increased by 3%. Sales of acoustics products to the US and Asia increased by 8% and 6% respectively while sales to Europe declined by 4%, all in US dollar terms.
- Aggregate profit contribution from the associates increased slightly.
- Excluding exceptional items, total profit contribution from the electronics and acoustics business decreased by 1%. This business segment reported a net exceptional gain of S\$0.3 million last year, attributable to a S\$1.3 million property disposal gain and S\$1.0 million restructuring costs.

### **Automotive Wire Harness Business**

- Revenue from the export-oriented automotive wire harness business grew by 14% in Singapore dollar terms and increased by 4% in US dollar terms. The sales growth was driven mainly by sales increase to China despite slow sales to the US.
- Excluding exceptional items, profit contribution from the automotive wire harness business declined by 18% due mainly to rising labour cost in China.
- During the period, this business segment wrote-back a S\$1.3 million unutilised warranty provision relating to the disposal of the previously 50%-owned automotive wire harness manufacturing joint venture, Shanghai Jinting Automobile Harness Limited, in 2013.

### **Battery Business (63.7% owned by GP Industries as at 30 September 2015)**

- Revenue of GP Batteries was S\$402 million, a 12% increase in Singapore dollar terms or 3% growth in US dollar terms.
- Sales of primary and rechargeable batteries increased by 11% and 18% respectively. Sales to the Americas, Europe and Asia increased by 13%, 4% and 14% respectively.
- GP Batteries reported a net foreign exchange gain of S\$8.8 million due to stronger US dollar against Asian currencies, in particular the Malaysian Ringgit.
- An exceptional property disposal gain of S\$4.1 million was reported, compared to a S\$9.2 million exceptional property disposal gain reported last year.
- The associates of GP Batteries recorded a profit of S\$2.4 million, compared to a loss of S\$0.3 million last year.
- Profit attributable to equity holders of GP Batteries was S\$12.6 million, compared to S\$11.5 million last year.

### **Other Industrial Investments**

- Meiloon Industrial Co., Ltd. reported a small profit compared to a loss last year while Linkz Industries Limited reported a higher pre-tax profit.
- Profit contribution from this business segment reported a small profit compared to a small loss last year.

## **Financial Review**

---

During the period, the Group's net bank borrowings increased by HK\$63 million to HK\$1,011 million. As at 30 September 2015, the aggregate of the Group's equity attributable to owners and non-controlling interests was HK\$2,637 million and the Group's gearing ratio (the ratio of consolidated net bank borrowings to equity attributable to owners and non-controlling interests) was 0.38 (31 March 2015: 0.35). The gearing ratios of the Company, GP Industries and GP Batteries were 0.43 (31 March 2015: 0.39), 0.21 (31 March 2015: 0.18) and 0.10 (31 March 2015: 0.13) respectively.

At 30 September 2015, 59% (31 March 2015: 71%) of the Group's bank borrowings were revolving or repayable within one year whereas 41% (31 March 2015: 29%) 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 2015, the Group's major business divisions employed about 8,630 (31 March 2015: 8,250) 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**

---

Market demand in Europe will likely remain weak. Market demand in China may soften whilst that in the US may strengthen. Manufacturing costs in China continue to rise but can be partly offset by lower commodity prices. A slightly weaker Renminbi also helps reduce costs.

The Group will continue its strategy to invest into technology and product development, to build its brands and to further strengthen its distribution network. The acquisition of the KEF, Celestion and GP brands by GP Industries in July 2015 rationalised the ownership structure of the brands and reinforced the Group's commitment to continue investing into the development of its brands and distribution network.

## Unaudited Condensed Consolidated Statement of Profit or Loss

	Notes	For the six months ended 30 September	
		2015 HK\$'000	2014 HK\$'000
Turnover	3	3,012,690	2,987,266
Cost of sales		<u>(2,260,691)</u>	<u>(2,232,264)</u>
Gross profit		751,999	755,002
Other income	4	94,660	85,830
Selling and distribution expenses		(321,092)	(281,323)
Administrative expenses		(385,538)	(368,594)
Other expenses	5	–	(13,119)
Finance costs		(42,981)	(41,666)
Share of results of associates		<u>61,437</u>	<u>40,217</u>
Profit before taxation	6	158,485	176,347
Taxation	7	<u>(34,736)</u>	<u>(42,903)</u>
Profit for the period		<u>123,749</u>	<u>133,444</u>
Attributable to:			
Owners of the Company		46,378	45,225
Non-controlling interests		<u>77,371</u>	<u>88,219</u>
		<u>123,749</u>	<u>133,444</u>
Interim dividend		<u>19,617</u>	<u>19,617</u>
Earnings per share – Basic and diluted	8	<u>5.91 HK cents</u>	<u>5.76 HK cents</u>

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

	For the six months ended	
	30 September	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the period	<u>123,749</u>	<u>133,444</u>
Other comprehensive (expense) income:		
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Share of other comprehensive expense of associates	(39,705)	(2,672)
Exchange differences arising from translation of foreign operations	(68,342)	9,552
Fair value loss on available-for-sale investments	(5,419)	(3,275)
Other comprehensive (expense) income for the period	<u>(113,466)</u>	<u>3,605</u>
Total comprehensive income for the period	<u>10,283</u>	<u>137,049</u>
Total comprehensive income (expense) attributable to:		
Owners of the Company	(11,895)	42,448
Non-controlling interests	22,178	94,601
	<u>10,283</u>	<u>137,049</u>



## Unaudited Condensed Consolidated Statement of Financial Position

		30 September 2015 <i>HK\$'000</i>	31 March 2015 <i>HK\$'000</i>
	<i>Notes</i>		
<b>Non-current assets</b>			
Investment properties		9,718	9,849
Property, plant and equipment	9	1,400,355	1,409,224
Interests in associates		1,313,581	1,318,842
Available-for-sale investments		55,705	61,123
Intangible assets		8,488	10,635
Goodwill		118,448	118,448
Deferred tax assets		26,309	20,639
Receivables, deposits & prepayments		5,603	8,547
		<b>2,938,207</b>	<b>2,957,307</b>
<b>Current assets</b>			
Inventories		870,642	789,141
Trade and other receivables and prepayments	10	1,202,349	1,034,952
Dividend receivable		4,650	9,300
Taxation recoverable		6,257	24,271
Bank balances, deposits and cash		953,100	846,155
		<b>3,036,998</b>	<b>2,703,819</b>
Assets classified as held for sale		–	397
		<b>3,036,998</b>	<b>2,704,216</b>
<b>Current liabilities</b>			
Creditors and accrued charges	11	1,312,402	1,078,018
Derivative financial instruments	12	2,368	1,102
Taxation payable		36,888	24,037
Obligations under finance leases			
– amount due within one year		799	1,120
Bank overdrafts, bank loans and import loans		1,167,625	1,267,029
		<b>2,520,082</b>	<b>2,371,306</b>
<b>Net current assets</b>		<b>516,916</b>	<b>332,910</b>
<b>Total assets less current liabilities</b>		<b>3,455,123</b>	<b>3,290,217</b>

## Unaudited Condensed Consolidated Statement of Financial Position

(Continued)

	Notes	30 September 2015 HK\$'000	31 March 2015 HK\$'000
<b>Non-current liabilities</b>			
Obligations under finance leases			
– amount due after one year		892	682
Borrowings		794,596	524,850
Deferred taxation liabilities		22,532	26,845
		<u>818,020</u>	<u>552,377</u>
<b>Net assets</b>		<u>2,637,103</u>	<u>2,737,840</u>
<b>Capital and reserves</b>			
Share capital	13	921,014	921,014
Reserves		467,138	485,036
		<u>1,388,152</u>	<u>1,406,050</u>
Equity attributable to owners of the Company		1,388,152	1,406,050
Non-controlling interests		1,248,951	1,331,790
		<u>2,637,103</u>	<u>2,737,840</u>
<b>Total equity</b>		<u>2,637,103</u>	<u>2,737,840</u>

## Unaudited Condensed Consolidated Cash Flow Statement

	For the six months ended 30 September	
	2015	2014
	HK\$'000	HK\$'000
Net cash generated from operating activities	94,900	76,210
Net cash (used in) from investing activities	(49,532)	103,714
Net cash from (used in) financing activities	55,134	(293,447)
Increase (decrease) in cash and cash equivalents	100,502	(113,523)
Cash and cash equivalents at beginning of the period	846,155	993,752
Effect of foreign exchange rate changes	(1,134)	(875)
Cash and cash equivalents at the end of the period	945,523	879,354
Cash and cash equivalents at the end of the period comprise:		
Bank balances, deposits and cash	953,100	886,543
Bank overdrafts	(7,577)	(7,189)
	945,523	879,354

## Unaudited Condensed Consolidated Statement of Changes in Equity

	Share Capital HK\$'000	Legal Reserve HK\$'000	Properties Revaluation Reserve HK\$'000	Translation Reserve HK\$'000
For the six months ended 30 September 2015				
At 1 April 2015	921,014	14,830	37,804	(181,464)
Transfer of reserve	-	-	-	-
Transfer upon cancellation of share options	-	-	-	-
Deemed acquisition of a subsidiary	-	-	-	-
Acquisition of additional interests in a subsidiary	-	-	-	-
Dividend paid – 2015 final dividend	-	-	-	-
Dividend declared – 2016 interim dividend	-	-	-	-
Dividend paid to non-controlling interests	-	-	-	-
Total comprehensive income for the period	-	-	-	(55,380)
At 30 September 2015	<u>921,014</u>	<u>14,830</u>	<u>37,804</u>	<u>(236,844)</u>
For the six months ended 30 September 2014				
At 1 April 2014	921,014	14,830	34,802	(129,381)
Transfer of reserve	-	-	-	-
Transfer upon cancellation of share options	-	-	-	-
Deemed acquisition of a subsidiary	-	-	-	-
Acquisition of additional interests in a subsidiary	-	-	-	-
Disposal of a subsidiary	-	-	-	-
Capital contribution by non-controlling shareholders	-	-	-	-
Dividend paid – 2014 final dividend	-	-	-	-
Dividend declared – 2015 interim dividend	-	-	-	-
Dividend paid to non-controlling interests	-	-	-	-
Total comprehensive income for the period	-	-	-	(1,322)
At 30 September 2014	<u>921,014</u>	<u>14,830</u>	<u>34,802</u>	<u>(130,703)</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
3,299	180,991	19,617	4,429	405,530	1,406,050	1,331,790	2,737,840
-	2,978	-	-	(2,978)	-	-	-
-	-	-	(4,429)	4,429	-	-	-
-	336	-	-	-	336	(8,911)	(8,575)
-	13,278	-	-	-	13,278	(43,168)	(29,890)
-	-	(19,617)	-	-	(19,617)	-	(19,617)
-	-	19,617	-	(19,617)	-	-	-
-	-	-	-	-	-	(52,938)	(52,938)
(2,893)	-	-	-	46,378	(11,895)	22,178	10,283
<b>406</b>	<b>197,583</b>	<b>19,617</b>	<b>-</b>	<b>433,742</b>	<b>1,388,152</b>	<b>1,248,951</b>	<b>2,637,103</b>
3,620	122,493	15,694	4,625	393,269	1,380,966	1,445,760	2,826,726
-	631	-	-	(631)	-	-	-
-	-	-	(172)	1,065	893	(893)	-
-	3,522	-	-	-	3,522	(19,357)	(15,835)
-	15,060	-	-	-	15,060	(30,516)	(15,456)
-	-	-	-	-	-	(1,048)	(1,048)
-	-	-	-	-	-	2,186	2,186
-	-	(15,694)	-	-	(15,694)	-	(15,694)
-	-	19,617	-	(19,617)	-	-	-
-	-	-	-	-	-	(32,155)	(32,155)
(1,455)	-	-	-	45,225	42,448	94,601	137,049
<b>2,165</b>	<b>141,706</b>	<b>19,617</b>	<b>4,453</b>	<b>419,311</b>	<b>1,427,195</b>	<b>1,458,578</b>	<b>2,885,773</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 2015 that is included in the half-year interim report 2015/2016 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 2015 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 2015. 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 2015 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2015.

In the current interim period, the Group has applied, for the first time, the following new and revised 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 HKAS 19	Defined benefit plans: Employee contributions
Amendments to HKFRSs	Annual improvements to HKFRSs 2010-2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011-2013 cycle

The application of the above new interpretation and 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.

## Notes to the Unaudited Condensed Interim Financial Statements

(Continued)

### 3. Segment information

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

For the six months ended 30 September 2015

	Electronics HK\$'000	Batteries HK\$'000	Other investments HK\$'000	Eliminations HK\$'000	Total HK\$'000
<b>Turnover</b>					
External sales	737,768	2,274,922	–	–	3,012,690
Inter-segment sales	24	325	–	(349)	–
Segment revenue	<u>737,792</u>	<u>2,275,247</u>	<u>–</u>	<u>(349)</u>	<u>3,012,690</u>
<b>Results</b>					
Segment results	87,896	144,802	(664)	–	232,034
Interest income					4,402
Rental income					1,952
Finance costs					(42,981)
Unallocated expenses					(36,922)
Profit before taxation					158,485
Taxation					(34,736)
Profit for the period					<u>123,749</u>

For the six months ended 30 September 2014

	Electronics HK\$'000	Batteries HK\$'000	Other investments HK\$'000	Eliminations HK\$'000	Total HK\$'000
<b>Turnover</b>					
External sales	770,078	2,217,188	–	–	2,987,266
Inter-segment sales	247	–	–	(247)	–
Segment revenue	<u>770,325</u>	<u>2,217,188</u>	<u>–</u>	<u>(247)</u>	<u>2,987,266</u>
<b>Results</b>					
Segment results	73,958	158,546	40	–	232,544
Interest income					7,766
Rental income					3,254
Finance costs					(41,666)
Unallocated expenses					(25,551)
Profit before taxation					176,347
Taxation					(42,903)
Profit for the period					<u>133,444</u>

## Notes to the Unaudited Condensed Interim Financial Statements

(Continued)

### 4. Other income

	For the six months ended 30 September	
	2015 HK\$'000	2014 HK\$'000
Other income includes:		
Gain on disposal of properties	22,976	65,040
Write-back of unutilised warranty provision relating to the disposal of a joint venture in 2013	7,327	–
Exchange gain	53,307	1,778
	<u>83,610</u>	<u>66,818</u>

### 5. Other expenses

	For the six months ended 30 September	
	2015 HK\$'000	2014 HK\$'000
Restructuring costs	–	6,154
Provision for impairment loss recognised on assets classified as held for sale	–	6,965
	<u>–</u>	<u>13,119</u>

### 6. Profit before taxation

	For the six months ended 30 September	
	2015 HK\$'000	2014 HK\$'000
Profit before taxation has been arrived at after charging:		
Amortisation of intangible assets:	2,146	2,146
Depreciation of property, plant and equipment	74,450	79,299
	<u>76,596</u>	<u>81,445</u>

### 7. Taxation

	For the six months ended 30 September	
	2015 HK\$'000	2014 HK\$'000
Hong Kong Profits Tax	2,484	5,119
Taxation in jurisdictions other than Hong Kong	40,748	48,288
Deferred taxation	(8,496)	(10,504)
	<u>34,736</u>	<u>42,903</u>

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 September 2014: 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 Interim 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	
	2015 HK\$'000	2014 HK\$'000
<i>Earnings</i>		
Profit for the period attributable to owners of the Company	<u>46,378</u>	<u>45,225</u>
	<u>'000</u>	<u>'000</u>
<i>Number of shares</i>		
Number of shares in issue during the period for the purpose of basic and diluted earnings per share	<u>784,693</u>	<u>784,693</u>

The computation of diluted earnings per share for the period ended 30 September 2015 did not assume the exercise of the outstanding share options of the Company because the exercise price of the Company's share options was higher than the average market prices for the Company's shares for the period ended 30 September 2015.

The computation of diluted earnings per share for the period ended 30 September 2014 did not assume the exercise of the outstanding share options of the Company and GP Industries, a subsidiary of the Group, because the exercise prices of the Company's and GP Industries' share options were higher than the average market prices for the respective shares for the period ended 30 September 2014.

## 9. Property, plant and equipment

During the period, the Group spent approximately HK\$112,355,000 (six months ended 30 September 2014: HK\$60,574,000) 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 2015 HK\$'000	31 March 2015 HK\$'000
Trade and bills receivables		
0-60 days	834,410	626,874
61-90 days	51,033	57,395
Over 90 days	<u>86,290</u>	<u>132,383</u>
	971,733	816,652
Other receivables, deposits and prepayments	<u>236,219</u>	<u>226,847</u>
	1,207,952	1,043,499
Less: Non-current portion of other receivables, deposits and prepayments	<u>(5,603)</u>	<u>(8,547)</u>
	<u>1,202,349</u>	<u>1,034,952</u>

# Notes to the Unaudited Condensed Interim Financial Statements

(Continued)

## 11. Creditors and accrued charges

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

	30 September 2015 HK\$'000	31 March 2015 HK\$'000
Trade payables		
0-60 days	816,918	585,780
61-90 days	103,406	90,702
Over 90 days	84,060	125,745
	<b>1,004,384</b>	802,227
Other payables and accrued charges	<b>308,018</b>	275,791
	<b>1,312,402</b>	1,078,018

## 12. Fair value measurement of financial instruments

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).

Financial liabilities	Fair value as at 30 September 2015 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
1. Commodity forward contracts classified as derivative financial instruments	(2,368)	Level 2	Discounted cash flow.  Future cash flows are estimated based on closing forward price (from observable forward price of related metals 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	N/A

There is no transfer between different levels of the fair value hierarchy during the six months ended 30 September 2015.

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.

## Notes to the Unaudited Condensed Interim Financial Statements

(Continued)

### 13. Share Capital

	Number of shares '000	HK\$'000
Authorised:		
At 1 April 2014, 30 September 2014, 31 March 2015 and 30 September 2015 ( <i>Note</i> )	N/A	N/A
Issued and fully paid:		
At 1 April 2014, 30 September 2014, 31 March 2015 and 30 September 2015 – ordinary shares with no par value ( <i>Note</i> )	784,693	921,014

*Note:* The Company has no authorised share capital and its shares have no par value from the commencement date of new Hong Kong Companies Ordinance (i.e. 3 March 2014).

### 14. Contingencies and commitments

#### (a) Contingent liabilities

	30 September 2015 HK\$'000	31 March 2015 HK\$'000
Guarantees given to banks in respect of banking facilities to associates	16,327	16,327

#### (b) Capital commitments

	30 September 2015 HK\$'000	31 March 2015 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	29,002	66,091
Capital expenditure in respect of acquisition of property, plant and equipment authorised but not contracted for	58,971	10,214

## Notes to the Unaudited Condensed Interim 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	
	2015	2014
	HK\$'000	HK\$'000
Sales to associates	63,733	88,803
Purchases from associates	255,106	260,825
Management fee income received from associates	1,657	1,690

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	31 March
	2015	2015
	HK\$'000	HK\$'000
Trade receivables due from associates	52,927	59,897
Other receivables due from associates	24,796	24,165
Trade payables due to associates	141,050	126,459
Other payables due to associates	19,241	17,216

## **Interim Dividend**

---

The Directors have declared an interim dividend of 2.5 Hong Kong cents (2014/15: 2.5 Hong Kong cents) per share. This amounts to a total dividend payment of approximately HK\$19,617,000 (2014/15: HK\$19,617,000) based on the total number of shares in issue as at 19 November 2015, being the latest practicable date prior to the publication of the announcement of the interim results. Dividend will be paid on 7 January 2016 to registered shareholders of the Company as at 24 December 2015.

## **Closure of Register**

---

The Register of Shareholders of the Company will be closed from 21 to 24 December 2015, 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 2015.

## **Disclosure of Interest**

---

As at 30 September 2015, 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 2015, 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	Corporate Interests	Total Interests	%
Victor LO Chung Wing	107,082,008	125,807,760*	232,889,768	29.68
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 Biu	–	–	–	–
Karen NG Ka Fai	24,920,554	–	24,920,554	3.18

\* 125,807,760 ordinary shares were beneficially owned by Well Glory International Limited, a company in which Mr. Victor LO Chung Wing and the estate of Mr. Andrew NG Sung On (deceased) have beneficial interests. Mr. Andrew NG Sung On, a former director of the Company, passed away on 17 April 2014.

## Disclosure of Interest *(Continued)*

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

As at 30 September 2015, the direct and indirect beneficial interests of the directors and the chief executive in the shares of GP Batteries International Limited ("GPBI"), a 63.7% 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 85.3% owned subsidiary of the Company, were as follows:

Name of Director	Number of ordinary shares and percentage of their issued share capital held					
	GPBI		GPIT		GP Ind	
	Number	%	Number	%	Number	%
Victor LO Chung Wing	300,000	0.19	–	–	300,000	0.06
LEUNG Pak Chuen	–	–	–	–	1,608,000	0.33
Richard KU Yuk Hing	151,500	0.09	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 Biu	–	–	–	–	–	–
Karen NG Ka Fai	–	–	–	–	–	–

Save as disclosed above, as at 30 September 2015, none of the directors or the chief executive 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 table discloses the movements in the number of share options of the Company during the six months ended 30 September 2015.

#### *The Company's share option scheme:*

Name of Director	Date of grant	Exercisable period	Exercise price HK\$	Number of option shares		
				Outstanding at 1.4.2015	Lapsed during the period	Outstanding at 30.9.2015
Victor LO Chung Wing	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)	–
Brian LI Yiu Cheung	27.04.2010	27.04.2010-26.04.2015	1.27	700,000	(700,000)	–
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)	–
Karen NG Ka Fai	–	–	–	–	–	–
				4,450,000	(4,450,000)	–
Employees of the Group and other participants	27.04.2010	27.04.2010-26.04.2015	1.27	10,715,000	(10,715,000)	–
				<u>15,165,000</u>	<u>(15,165,000)</u>	<u>–</u>



## Disclosure of Interest *(Continued)*

---

Saved as disclosed above, as at 30 September 2015, 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.

## Substantial Shareholders

---

As at 30 September 2015, 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>
Well Glory International Limited	Beneficial owner	125,807,760	16.03%
Ring Lotus Investment Limited ("Ring Lotus")	Interests of controlled corporation	62,787,143 <i>(note)</i>	8.00%
HSBC International Trustee Limited ("HSBC Trustee")	Trustee	62,787,143 <i>(note)</i>	8.00%
TO May Mee	Beneficial owner	50,436,824	6.43%

*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 2015, 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 2015.

## **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 2015, except for the following deviation:

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 and the 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' 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 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 2015.

## **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 2015 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 a Non-Executive Director.

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

Hong Kong, 20 November 2015  
[www.goldpeak.com](http://www.goldpeak.com)