

**Gold Peak Industries (Holdings) Limited**

---

**金山工業(集團)有限公司**

*(Incorporated in Hong Kong under the Companies Ordinance)*

**(Stock Code : 40)**



**Interim Report 2021/2022**

## Corporate Information

---

### BOARD OF DIRECTORS

#### Executive Directors

Victor LO Chung Wing, *Chairman & Chief Executive*  
Richard KU Yuk Hing  
(resigned with effect from 1 July 2021)  
Brian LI Yiu Cheung,  
*Vice Chairman & Executive Vice President*  
Michael LAM Hin Lap  
Brian WONG Tze Hang  
Victor CHONG Toong Ying  
(appointed with effect from 1 July 2021)  
Waltery LAW Wang Chak  
(appointed with effect from 1 July 2021)

#### Non-Executive Director

Karen NG Ka Fai

#### Independent Non-Executive Directors

LUI Ming Wah  
Frank CHAN Chi Chung  
CHAN Kei Bui  
Timothy TONG Wai Cheung

### AUDIT COMMITTEE

LUI Ming Wah, *Chairman*  
Frank CHAN Chi Chung  
CHAN Kei Bui  
Karen NG Ka Fai  
Timothy TONG Wai Cheung

### REMUNERATION COMMITTEE

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

### NOMINATION COMMITTEE

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

### AUDITOR

Deloitte Touche Tohmatsu

### SECRETARY AND REGISTERED OFFICE

Louis WONG Man Kon  
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

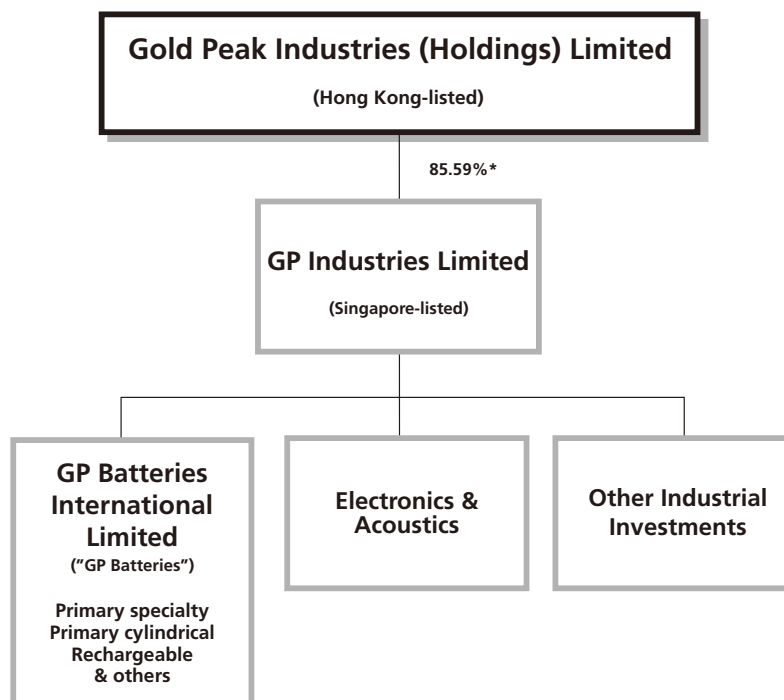
Tricor Abacus Limited  
Level 54, Hopewell Centre  
183 Queen's Road East, Hong Kong

### STOCK CODES

Hong Kong Stock Exchange	40
Bloomberg	40 HK
Reuters	0040 HK

## 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 85.59%\* interest in GP Industries which is publicly listed in Singapore.

GP Industries is engaged in the development, manufacture and distribution of electronics and acoustics products. GP Batteries is engaged in the development, manufacture and marketing of batteries and battery-related products.

\* As at 24 November 2021

The Board of Directors (the “Board”) 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 2021.

## Highlights

- Revenue from continuing operations increased by 14.5% to HK\$3,584 million
- Profit from continuing operations for the period attributable to owners of the Company increased by 22.5% to HK\$55.5 million
- Including discontinued operations, profit for the period attributable to owners of the Company decreased by 18.0% to HK\$40.4 million
- Earnings per share from continuing operations: 7.08 Hong Kong cents (2020/21: 5.78 Hong Kong cents)
- Including discontinued operations, earnings per share: 5.15 Hong Kong cents (2020/21: 6.29 Hong Kong cents)
- The Board does not recommend an interim dividend for the six months ended 30 September 2021 (2020/21: Nil)

## Summary of Results

---

For the six months ended 30 September 2021, the Group’s revenue from continuing operations amounted to HK\$3,584 million, an increase of 14.5% as compared with HK\$3,130 million for the same period last year. The unaudited consolidated profit from continuing operations attributable to owners of the Company amounted to HK\$55.5 million, an increase of 22.5% compared to the corresponding period in the previous year. Including discontinued operations, profit for the period attributable to owners of the Company decreased by 18.0% to HK\$40.4 million. The earnings per share from continuing operations for the period amounted to 7.08 HK cents as compared with 5.78 HK cents for the same period last year. Including discontinued operations, the earnings per share for the period amounted to 5.15 HK cents as compared with 6.29 HK cents for the same period last year.

## Business Review

---

### **GP Industries Limited (“GP Industries”) (85.59% owned by the Company as at 30 September 2021)**

During the financial half year ended 30 September 2021 (“1HFY2022”), revenue of GP Industries Group’s continuing operations increased by S\$56.7 million or 10.1% to S\$619.0 million, due mainly to a S\$51.4 million or 64.2% increase in revenue of the Electronics and Acoustics Business.

On 31 August 2021, GP Industries Group completed the disposal of the subsidiaries in the Automotive Wire Harness Business. Pursuant to the prevailing financial reporting standards, results of operations of the disposed Automotive Wire Harness Business for 1HFY2022 and prior period comparative figures for the financial half year ended 30 September 2020 (“1HFY2021”) are presented separately under discontinued operations.

Gross profit margin decreased slightly from 26.8% in 1HFY2021 to 26.1% in 1HFY2022. The decrease was due mainly to appreciation of Chinese Renminbi (“RMB”) and significant increases in material costs across a wide range of raw materials and components. Comparing 1HFY2022 and 1HFY2021, RMB appreciated by more than 7% against the United States (“US”) Dollar. While material and component price increases varied from type to type, it is common to find 15% to 25% cost increase for some materials and components in higher demand. However, selling price increases to customers and improvements in sales mix with increase in sales of the KEF acoustic systems partially offset the adverse effects of RMB appreciation and material price increase on gross profit margin of GP Industries Group.

Distribution costs increased by S\$5.8 million or 8.8% to S\$71.5 million, due partly to rapid and substantial increases in global shipping costs. The standard container shipping cost from key Chinese ports to the key USA ports increased from approximately US\$2,500 per container in past years to its peak of around US\$23,000 per container in 1HFY2022.

Administrative expenses increased by S\$13.0 million or 21.2% to S\$74.3 million due mainly to staff costs increases on a year-on-year comparison basis. During 1HFY2021, GP Industries Group implemented aggressive cost control measures and received some government subsidies from various countries during COVID-19 lockdown period, which contributed to reduce staff cost for comparison basis in 1HFY2021.

Profit from continuing operations attributable to equity holders of GP Industries increased by S\$1.9 million to S\$14.8 million, or 14.6% over the profit same period last year.

Net loss from discontinued operations arose from disposal of the Automotive Wire Harness Business in 1HFY2022 amounted to S\$3.05 million, which included the cumulative translation deficit of S\$2.07 million charged back to profit or loss.

Including discontinued operations, total profit attributable to equity holders of GP Industries decreased from S\$13.7 million for 1HFY2021 to S\$11.7 million for 1HFY2022.

### ***Batteries Business***

- Revenue of the Batteries Business increased 1.1% to S\$487.6 million.
- Sales of primary and rechargeable batteries increased by 0.7% and 0.6% respectively.
- Sales to Europe and Asia increased by 9.4% and 5.7% respectively while sales to the Americas decreased by 16.7%.
- The relocation of the Nickel Metal Hydride rechargeable and Carbon Zinc 9-volt batteries manufacturing facilities from Huizhou to the new manufacturing campus located at Xiegang, Dongguan is expected to be completed in the early half of the next financial year commencing on 1 April 2022 (“FY2023”).

- Renovation of the Malaysian and Vietnam factories were delayed by the surge of domestic COVID-19 cases and the resulting lockdown measures which delayed the factories' achieving normal production capacity in 1HFY2022.
- The capital investments required for setting up the new factories are expected to be mostly completed in the early part of FY2023, significantly reducing the investment needed for this business thereafter.
- Gross profit margin of the Batteries Business has been affected by the rapidly increased material costs, the strengthened RMB and the delay between contract renewal negotiations and customer's acceptance of price increases.
- The combined impact of (i) decrease in gross profit margin, (ii) disruptions to global shipping causing significant delays and drastic increases in shipping costs and (iii) the decrease in share of profit from associates led to a decline in profit contribution from the Battery Business.

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

- Due to strong growth in professional audio manufacturing business and branded acoustics business, revenue of the Electronics and Acoustics Business increased 64.2% to S\$131.4 million.
- The professional audio manufacturing business grew in all major geographical markets and reported a 54.6% increase in revenue, including a 97.8% increase to the Americas, mainly driven by the recovery of the professional audio business after key global markets started to reopen when the pandemic gradually subsided.
- Sales of KEF products increased by 73.4% with growth in sales of both traditional premium loudspeakers and wireless music systems achieving a record high in revenue in 1HFY2022.
- KEF reported revenue growth of 74.6%, 80.3% and 53.6% in the Americas, Europe and Asia respectively.
- The Celestion brand professional speaker driver business also reported a revenue growth of 51.0%, with 67.3% and 65.0% increase in sales to the Americas and Asia respectively.
- Strong revenue growth of the subsidiaries and an increase in aggregate share of profit of associated companies resulted in a significant increase in profit contribution from the Electronics and Acoustics Business.
- The inventory holding level of this business segment increased due to the strong sales leading to the need for maintaining a higher level of inventory for products and critical components to safeguard against the global shortages in electronics components and shipping capacity. While this strategy helped to support the revenue growth achieved, it also required significantly higher working capital for the business.

### **Automotive Wire Harness Business**

- Profit after taxation of the Automotive Wire Harness Business amounted to S\$0.16 million, compared to S\$0.84 million in 1HFY2021.
- The Automotive Wire Harness Business was disposed of on 31 August 2021 and the disposal resulted in a loss of S\$3.21 million in 1HFY2022, which included S\$2.07 million translation deficit charged back to profit or loss and goodwill written-off amounted to S\$0.27 million.

### **Other Industrial Investments**

- Meiloon Industrial Co., Ltd. reported an increase in revenue and contributed more profit.
- Profit contribution from Linkz Industries Limited decreased.

## **Financial Review**

---

During the period, the Group's net bank borrowings increased by HK\$304 million to HK\$2,744 million. As at 30 September 2021, the aggregate of the Group's shareholders' funds and non-controlling interests was HK\$2,616 million and the Group's gearing ratio (the ratio of consolidated net bank borrowings to shareholders' funds and non-controlling interests) was 1.05 (31 March 2021: 0.98). The gearing ratios of the Company and GP Industries were 0.64 (31 March 2021: 0.57) and 0.70 (31 March 2021: 0.66) respectively.

At 30 September 2021, 70% (31 March 2021: 72%) of the Group's bank borrowings was revolving or repayable within one year whereas 30% (31 March 2021: 28%) was repayable from one to five years. Most of these bank borrowings are in US dollars, Singapore dollars and Hong Kong dollars.

At 30 September 2021, the Group's current liabilities exceeded its current assets by approximately HK\$585 million. The net current liabilities position as at 30 September 2021 was due mainly to the Group's strategy to consolidate some of the Group's older factories into new highly automated mega factories and to rebalance the Group's manufacturing capacity in Asia led to a period of higher investments in property, plant and equipment ("CAPEX") in the past few years. From 1 April 2017 to 30 September 2021, the Group's CAPEX amounted to approximately HK\$1,878 million in aggregate. These investments were funded primarily by the Group's internal resources, including cash and short-term banking facilities. Taking into consideration the Group's internally generated funds and available banking facilities, the Group has sufficient resources to settle its current liabilities as they fall due.

The Group's exposure to foreign currencies 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 2021, the Group's major business divisions employed about 7,130 (31 March 2021: 7,510) 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**

---

More global economies are re-opening for domestic activities and foreign visitors when COVID-19 starts to subside and general business sentiment improves. However, the Batteries Business will continue to be affected by material supply disruptions, steep cost increases and shipping challenges. When the project to rebalance the Group's manufacturing facilities is completed in the early part of FY2023, the business is expected to improve from reduced redundant operations and better economies of scale. The demands for the Group's professional audio manufacturing business and Celestion professional speaker driver business, which were hard-hit during the outbreak of COVID-19 as activities involving crowd gatherings were banned, are expected to continue to recover. With a strong product program and aggressive sales expansion, revenue of KEF is expected to continue to grow.

Disruptions to global shipping services and shortages of electronics components are expected to continue to pose challenges to the Group in optimizing inventory level and working capital requirements in order to meet delivery commitments.

The Group's strategy to invest into building its brands, its sales and distribution capabilities, into technology and product development and into rebalancing its production capacity in China and South East Asia helped the Group maintain relatively stable business performance during the COVID-19 pandemic. It will continue this strategy to further strengthen the competitiveness of its brands and products in key priority markets.



## Unaudited Condensed Consolidated Statement of Profit or Loss

	Notes	For the six months ended 30 September	
		2021 HK\$'000	2020 HK\$'000 (Restated)
<b>Continuing operations</b>			
Revenue	4 & 5	3,583,564	3,130,312
Cost of sales		(2,649,054)	(2,292,906)
Gross profit		934,510	837,406
Other income and other gains	6	46,966	29,464
Selling and distribution expenses		(414,215)	(366,484)
Administrative expenses		(442,822)	(349,071)
Other expenses and other losses	7	(18,858)	(40,633)
Finance costs	8	(67,892)	(69,302)
Share of results of associates		69,019	87,159
Profit before taxation	9	106,708	128,539
Taxation	10	(24,519)	(32,989)
Profit for the period from continuing operations		82,189	95,550
<b>Discontinued operations</b>			
(Loss) Profit for the period from discontinued operations		(17,659)	4,660
Profit for the period		64,530	100,210
Attributable to:			
Owners of the Company			
Continuing operations		55,549	45,353
Discontinued operations		(15,112)	3,987
		40,437	49,340
Non-controlling interests			
Continuing operations		26,640	50,197
Discontinued operations		(2,547)	673
		24,093	50,870
		64,530	100,210
Earnings (Loss) per share – Basic			
From continuing operations		7.08 HK cents	5.78 HK cents
From discontinued operations		(1.93 HK cents)	0.51 HK cents
	11	5.15 HK cents	6.29 HK cents

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

	For the six months ended 30 September	
	2021 HK\$'000	2020 HK\$'000
Profit for the period	64,530	100,210
<b>Other comprehensive income (expense):</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising from translation of foreign operations	36,215	56,733
Translation deficit reclassified to profit or loss upon deregistration/disposal of subsidiaries	13,004	–
Net change in fair value of cash flow hedges	–	1,055
Share of other comprehensive income of associates	17,759	35,541
	66,978	93,329
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Fair value gain on equity instruments at fair value through other comprehensive income	1,274	3,479
Share of other comprehensive expense of associates – property revaluation deficit	(677)	–
	597	3,479
Other comprehensive income for the period	67,575	96,808
Total comprehensive income for the period	132,105	197,018
Total comprehensive income attributable to:		
Owners of the Company	93,113	115,546
Non-controlling interests	38,992	81,472
	132,105	197,018
<b>Total comprehensive income (expenses) attributable to owners of the Company</b>		
– From continuing operations	97,964	111,559
– From discontinued operations	(4,851)	3,987
	93,113	115,546

## Unaudited Condensed Consolidated Statement of Financial Position

		30 September 2021 HK\$'000	31 March 2021 HK\$'000
	<i>Notes</i>		
<b>Non-current assets</b>			
Property, plant and equipment	12	2,268,385	2,234,627
Right-of-use assets	13	298,152	282,447
Interests in associates		1,836,472	1,784,099
Equity instruments at fair value through other comprehensive income		61,339	60,065
Intangible assets		1,132	1,170
Goodwill		77,487	79,066
Non-current receivables		11,145	86,179
Non-current deposits		29,988	38,749
Deferred tax assets		27,655	27,787
		<b>4,611,755</b>	<b>4,594,189</b>
<b>Current assets</b>			
Inventories		1,403,013	1,192,082
Trade and other receivables and prepayments	14	1,725,595	1,557,618
Dividend receivable		7,010	24,826
Taxation recoverable		27,501	27,308
Equity instruments at fair value through profit or loss		6,588	7,455
Derivative financial instruments		1,915	–
Bank balances, deposits and cash		972,080	1,318,468
		<b>4,143,702</b>	<b>4,127,757</b>
Assets classified as held for sale		42,650	42,214
		<b>4,186,352</b>	<b>4,169,971</b>
<b>Current liabilities</b>			
Creditors and accrued charges	15	1,882,866	1,953,572
Contract liabilities		62,901	51,451
Provision for restructuring		99,810	–
Taxation payable		47,281	61,579
Derivative financial instruments		456	7,122
Lease liabilities		61,022	72,339
Bank loans, import and other loans	16	2,616,663	2,710,704
		<b>4,770,999</b>	<b>4,856,767</b>
<b>Net current liabilities</b>		<b>(584,647)</b>	<b>(686,796)</b>
<b>Total assets less current liabilities</b>		<b>4,027,108</b>	<b>3,907,393</b>

## Unaudited Condensed Consolidated Statement of Financial Position

(Continued)

		30 September 2021 HK\$'000	31 March 2021 HK\$'000
	<i>Notes</i>		
<b>Non-current liabilities</b>			
Lease liabilities		254,001	215,585
Bank and other loans	17	1,099,235	1,047,933
Deferred tax liabilities		58,257	59,898
Provision for restructuring		–	99,810
		1,411,493	1,423,226
<b>Net assets</b>		<b>2,615,615</b>	<b>2,484,167</b>
<b>Capital and reserves</b>			
Share capital	19	921,014	921,014
Reserves		771,226	677,760
Equity attributable to owners of the Company		1,692,240	1,598,774
Non-controlling interests		923,375	885,393
<b>Total equity</b>		<b>2,615,615</b>	<b>2,484,167</b>

## Unaudited Condensed Consolidated Cash Flow Statement

	For the six months ended	
	2021	2020
	HK\$'000	HK\$'000
Net cash (used in) generated from operating activities	<b>(223,444)</b>	80,356
Net cash from (used in) investing activities		
Purchase of property, plant and equipment	<b>(110,236)</b>	(170,941)
Deposits paid for acquisition of property, plant and equipment	<b>(1,940)</b>	(8,485)
Dividends received from associates	<b>51,604</b>	55,913
Net proceed from disposal of AWH Business (note 22)	<b>55,840</b>	–
Proceeds from disposal of property, plant and equipment	<b>2,142</b>	922
Compensation received for disposal of assets classified as held for sale	–	80,328
Acquisition of additional interests in an associate	–	(874)
Interest received	<b>3,301</b>	4,695
Proceeds from disposal of equity instruments at fair value through other comprehensive income	–	28
	<b>711</b>	<b>(38,414)</b>
Net cash used in financing activities		
New borrowings raised	<b>437,813</b>	167,132
Repayment of bank and other loans	<b>(476,928)</b>	(361,196)
Interest on bank and other loans paid	<b>(55,773)</b>	(63,129)
Interest on lease liabilities	<b>(8,140)</b>	(3,509)
Repayment of lease liabilities	<b>(38,504)</b>	(30,401)
Dividends paid to non-controlling shareholders of subsidiaries	–	(41,005)
Deemed acquisition of additional interests in a subsidiary	<b>(657)</b>	–
	<b>(142,189)</b>	<b>(332,108)</b>
Decrease in cash and cash equivalents	<b>(364,922)</b>	(290,166)
Cash and cash equivalents at beginning of the period	<b>1,318,468</b>	1,250,672
Effect of foreign exchange rate changes	<b>18,534</b>	18,283
Cash and cash equivalents at the end of the period, bank balances, deposits and cash	<b>972,080</b>	<b>978,789</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 2021				
At 1 April 2021	<u>921,014</u>	<u>13,601</u>	<u>40,113</u>	<u>(250,699)</u>
Profit for the period	-	-	-	-
Other comprehensive (expense) income for the period	-	-	<u>(579)</u>	<u>52,763</u>
Total comprehensive (expense) income for the period	-	-	<u>(579)</u>	<u>52,763</u>
Transfer of reserves upon disposal of subsidiaries	-	<u>(846)</u>	-	-
Deemed acquisition of additional interests in a subsidiary	-	-	-	-
At 30 September 2021	<u>921,014</u>	<u>12,755</u>	<u>39,534</u>	<u>(197,936)</u>
For the six months ended 30 September 2020				
At 1 April 2020	<u>921,014</u>	<u>13,601</u>	<u>37,804</u>	<u>(384,271)</u>
Profit for the period	-	-	-	-
Other comprehensive income for the period	-	-	-	<u>63,841</u>
Total comprehensive income for the period	-	-	-	<u>63,841</u>
De-registration of a subsidiary	-	-	-	-
Transfer from investment revaluation reserve upon disposal of equity instruments at fair value through other comprehensive income	-	-	-	-
Dividend paid to non-controlling interests	-	-	-	-
	-	-	-	-
At 30 September 2020	<u>921,014</u>	<u>13,601</u>	<u>37,804</u>	<u>(320,430)</u>

Investment Revaluation Reserve <i>HK\$'000</i>	Capital Reserve <i>HK\$'000</i>	Hedging 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>
<u>12,496</u>	<u>316,638</u>	<u>-</u>	<u>545,611</u>	<u>1,598,774</u>	<u>885,393</u>	<u>2,484,167</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>40,437</u>	<u>40,437</u>	<u>24,093</u>	<u>64,530</u>
<u>492</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,676</u>	<u>14,899</u>	<u>67,575</u>
<u>492</u>	<u>-</u>	<u>-</u>	<u>40,437</u>	<u>93,113</u>	<u>38,992</u>	<u>132,105</u>
<u>-</u>	<u>(15,533)</u>	<u>-</u>	<u>16,379</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>353</u>	<u>-</u>	<u>-</u>	<u>353</u>	<u>(1,010)</u>	<u>(657)</u>
<u><b>12,988</b></u>	<u><b>301,458</b></u>	<u><b>-</b></u>	<u><b>602,427</b></u>	<u><b>1,692,240</b></u>	<u><b>923,375</b></u>	<u><b>2,615,615</b></u>
<u>1,905</u>	<u>285,826</u>	<u>(3,545)</u>	<u>428,564</u>	<u>1,300,898</u>	<u>814,847</u>	<u>2,115,745</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>49,340</u>	<u>49,340</u>	<u>50,870</u>	<u>100,210</u>
<u>1,424</u>	<u>-</u>	<u>903</u>	<u>38</u>	<u>66,206</u>	<u>30,602</u>	<u>96,808</u>
<u>1,424</u>	<u>-</u>	<u>903</u>	<u>49,378</u>	<u>115,546</u>	<u>81,472</u>	<u>197,018</u>
<u>-</u>	<u>(2,407)</u>	<u>-</u>	<u>2,407</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>6</u>	<u>-</u>	<u>-</u>	<u>(6)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(41,005)</u>	<u>(41,005)</u>
<u>6</u>	<u>(2,407)</u>	<u>-</u>	<u>2,401</u>	<u>-</u>	<u>(41,005)</u>	<u>(41,005)</u>
<u><b>3,335</b></u>	<u><b>283,419</b></u>	<u><b>(2,642)</b></u>	<u><b>480,343</b></u>	<u><b>1,416,444</b></u>	<u><b>855,314</b></u>	<u><b>2,271,758</b></u>

# 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 34 (“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 2021 that is included in the half-year interim report 2021/2022 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 2021 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 2021. 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. Basis of presentation

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group. As at 30 September 2021, the Group’s current liabilities exceeded its current assets by approximately HK\$585 million. The Group’s current liabilities as at 30 September 2021 included bank loans, import and other loans of approximately HK\$2,617 million that are repayable within twelve months from the end of the reporting period. Taking into account of the Group’s internally generated funds and available banking facilities, the directors of the Company are confident that the Group will be able to meet their financial obligations when they fall due in the foreseeable future and be able to operate on a going concern basis.

## 3. Significant accounting policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values or revalued amounts, as appropriate.

Other than changes in accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 September 2021 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2021.



# Notes to the Unaudited Condensed Consolidated Financial Statements

(Continued)

---

## 3. Significant accounting policies (Continued)

### Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2021 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9, Interest Rate Benchmark Reform – Phase 2  
HKAS 39, HKFRS 7, HKFRS 4  
and HKFRS 16

Except as described below, the application of the amendments to HKFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements:

#### 3.1 Impacts and accounting policies on application of Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 "Interest Rate Benchmark Reform – Phase 2"

##### Financial instruments

##### Changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform

For changes in the basis for determining the contractual cash flows of a financial asset or financial liability to which the amortised cost measurement applies as a result of interest rate benchmark reform, the Group applies the practical expedient to account for these changes by updating the effective interest rate, such change in effective interest rate normally has no significant effect on the carrying amount of the relevant financial asset or financial liability.

A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if and only if, both these conditions are met:

- the change is necessary as a direct consequence of interest rate benchmark reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis (i.e. the basis immediately preceding the change).

For other changes made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first applies the practical expedient to the changes required by interest rate benchmark reform by updating the effective interest rate. The Group then applies the applicable requirements in HKFRS 9 "Financial Instrument" on modification of a financial asset or a financial liability to the additional changes to which the practical expedient does not apply.

The Group intends to apply the practical expedient in relation to the changes in contractual cash flows resulting from the interest rate benchmark reform for bank and other borrowings measured at amortised cost. The amendments have had no impact on the condensed consolidated financial statements as none of the above contracts has been transitioned to the relevant replacement rates during the interim period. The impacts on application of the amendments, if any, including additional disclosures, will be reflected in the Group's consolidated financial statements for the year ending 31 March 2022.

## Notes to the Unaudited Condensed Consolidated Financial Statements

(Continued)

### 4. Segment information

The following is an analysis of the Group's revenue and results by operating segments and reporting segments for the period under review:

#### Six months ended 30 September 2021

	Electronics HK\$'000	Batteries HK\$'000	Other investments HK\$'000	Total reportable segments HK\$'000	Eliminations HK\$'000	Continuing operations Total HK\$'000
<b>Revenue</b>						
External sales	760,796	2,822,768	–	3,583,564	–	3,583,564
Inter-segment sales	325	88	–	413	(413)	–
Segment revenue	<u>761,121</u>	<u>2,822,856</u>	<u>–</u>	<u>3,583,977</u>	<u>(413)</u>	<u>3,583,564</u>
<b>Results</b>						
Segment results	83,442	113,995	(9)	197,428	–	197,428
Interest income						6,856
Other expenses						(18,858)
Finance costs						(67,892)
Unallocated expenses						(10,826)
Profit before taxation						<u>106,708</u>
Taxation						<u>(24,519)</u>
						<u>82,189</u>

#### Six months ended 30 September 2020

	Electronics HK\$'000	Batteries HK\$'000	Other investments HK\$'000	Total reportable segments HK\$'000	Eliminations HK\$'000	Continuing operations Total HK\$'000
<b>Revenue</b>						
External sales	445,725	2,684,587	–	3,130,312	–	3,130,312
Inter-segment sales	17	13	–	30	(30)	–
Segment revenue	<u>445,742</u>	<u>2,684,600</u>	<u>–</u>	<u>3,130,342</u>	<u>(30)</u>	<u>3,130,312</u>
<b>Results</b>						
Segment results	5,104	232,799	(8)	237,895	–	237,895
Interest income						7,546
Other expenses						(40,633)
Finance costs						(69,302)
Unallocated expenses						(6,967)
Profit before taxation						<u>128,539</u>
Taxation						<u>(32,989)</u>
						<u>95,550</u>

## Notes to the Unaudited Condensed Consolidated Financial Statements

(Continued)

### 5. Revenue

The following is an analysis of the Group's revenue from continuing operations recognised at a point in time from its major products:

	For the six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
<i>Continuing operations</i>		
Electronics and acoustics products	760,796	445,725
Batteries and battery related products	2,822,768	2,684,587
Revenue from contracts with customers	<b>3,583,564</b>	<b>3,130,312</b>

The following table provides an analysis of the Group's revenue from continuing operations from external customers based on location of customers:

	For the six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
<i>Continuing operations</i>		
The People's Republic of China		
– Hong Kong	158,122	146,932
– Mainland China	1,241,138	1,112,476
Other Asian countries	273,008	221,853
Europe	1,076,739	887,335
Americas	806,222	712,702
Others	28,335	49,014
	<b>3,583,564</b>	<b>3,130,312</b>

## Notes to the Unaudited Condensed Consolidated Financial Statements

(Continued)

### 6. Other income and other gains

	For the six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
Other income and other gains are as follow:		
<i>Continuing operations</i>		
Gain on disposal of property, plant and equipment	262	37
Interest income	6,856	7,546
Government grant	15,738	4,964
Fair value gain on derivative financial instruments	13,537	2,486
Rental concession related to COVID-19	428	981
Product development and tooling income	937	3,679
Gain on deemed partial disposal of an associate	71	–
Management fee income received from associates	2,536	1,403
Gain on sales of parts, samples, scrap and surplus materials	4,282	2,795
Recovery of bad debts, overprovision of claims and compensation income from customers	145	2,843
Operating leases income	1,108	1,150
Others	1,066	1,580
	<b>46,966</b>	<b>29,464</b>

### 7. Other expenses and other losses

	For the six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
Other expenses and other losses are as follow:		
<i>Continuing operations</i>		
Fair value loss on equity instruments at fair value through profit or loss	(876)	–
Realised loss on derivative financial instruments	–	(1,550)
Closure and relocation costs	(10,472)	(8,892)
Loss on deregistration of a subsidiary	(1,011)	–
Exchange loss	(6,499)	(30,191)
	<b>(18,858)</b>	<b>(40,633)</b>

### 8. Finance costs

	For the six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
<i>Continuing operations</i>		
Interest on bank and other loans	(59,752)	(65,807)
Interest on lease liabilities	(8,140)	(3,495)
	<b>(67,892)</b>	<b>(69,302)</b>

## Notes to the Unaudited Condensed Consolidated Financial Statements

(Continued)

### 9. Profit before taxation

	For the six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
Profit before taxation has been arrived at after charging:		
<i>Continuing operations</i>		
Amortisation of intangible assets	38	38
Depreciation of property, plant and equipment	84,067	72,850
Depreciation of right-of-use assets	49,301	39,863

### 10. Taxation

	For the six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
<i>Continuing operations</i>		
Hong Kong Profits Tax	8,058	5,400
Taxation in jurisdictions other than Hong Kong	19,635	33,913
Deferred taxation	(3,174)	(6,324)
	24,519	32,989

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 September 2020: 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)

### 11. Earnings per share

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	For the six months ended 30 September	
	2021 HK\$'000	2020 HK\$'000
<i>Earnings</i>		
Profit (Loss) for the period attributable to owners of the Company		
– Continuing operations	55,549	45,353
– Discontinued operations	(15,112)	3,987
Total	<u>40,437</u>	<u>49,340</u>
	'000	'000
<i>Number of shares</i>		
Number of shares in issue during the period for the purpose of basic earnings per share	<u>784,693</u>	<u>784,693</u>
	HK cents	HK cents
<i>Basic earnings (loss) per share</i>		
– From Continuing operations	7.08	5.78
– From Discontinued operations	(1.93)	0.51
Total	<u>5.15</u>	<u>6.29</u>

No computation of diluted earnings per share for the periods ended 30 September 2021 and 30 September 2020 is disclosed as there are no potential ordinary shares in issue during both periods.

### 12. Property, plant and equipment

During the period, the Group spent approximately HK\$111,828,000 (six months ended 30 September 2020: HK\$190,545,000) on property, plant and equipment to expand its business.

### 13. Right-of-use assets

During the period ended 30 September 2021, the Group entered into new lease agreements for the use of land and buildings and machinery and equipment. The Group is required to make periodic payments. On lease commencement, the Group recognised right-of-use assets of HK\$108,223,000 (six months ended 30 September 2020: HK\$36,616,000) and lease liabilities of HK\$107,524,000 (six months ended 30 September 2020: HK\$36,365,000).

## Notes to the Unaudited Condensed Consolidated Financial Statements

(Continued)

### 14. Trade and other receivables and prepayments

	As at 30 September 2021 HK\$'000	As at 31 March 2021 HK\$'000
Trade and bills receivables from contracts with customers	1,282,117	1,235,839
Less: Allowance for credit losses	<u>(26,879)</u>	<u>(26,478)</u>
	1,255,238	1,209,361
Other receivables, deposits and prepayments	<u>470,357</u>	<u>348,257</u>
	<b><u>1,725,595</u></b>	<b><u>1,557,618</u></b>

The Group allows its trade customers with credit periods normally ranging from 30 days to 120 days. The following is an ageing of trade and bills receivables, net of allowance for credit losses, presented based on the invoice date at the end of the reporting period:

	As at 30 September 2021 HK\$'000	As at 31 March 2021 HK\$'000
Trade and bills receivables from contracts with customers		
0–60 days	1,020,416	923,161
61–90 days	56,947	109,992
Over 90 days	<u>177,875</u>	<u>176,208</u>
	1,255,238	1,209,361
Other receivables, deposits and prepayments	<u>500,345</u>	<u>387,006</u>
	1,755,583	1,596,367
Less: Non-current deposits	<u>(29,988)</u>	<u>(38,749)</u>
	<b><u>1,725,595</u></b>	<b><u>1,557,618</u></b>

### 15. Creditors and accrued charges

The following is the ageing of creditors presented based on the invoice date at the end of the reporting period:

	As at 30 September 2021 HK\$'000	As at 31 March 2021 HK\$'000
Trade creditors		
0–60 days	958,551	1,030,043
61–90 days	136,852	117,880
Over 90 days	<u>88,599</u>	<u>79,513</u>
	1,184,002	1,227,436
Other payables and accrued charges	<u>698,864</u>	<u>726,136</u>
	<b><u>1,882,866</u></b>	<b><u>1,953,572</u></b>

## Notes to the Unaudited Condensed Consolidated Financial Statements

(Continued)

### 16. Bank loans, import and other loans

	As at 30 September 2021 HK\$'000	As at 31 March 2021 HK\$'000
Current portion of unsecured bank and other loans	627,314	546,180
Unsecured short-term bank loans and import loans	1,988,820	2,156,215
Short-term interest free loan	411	8,107
Current portion of secured motor vehicle loan	118	202
	<b>2,616,663</b>	<b>2,710,704</b>

### 17. Bank and other loans

	As at 30 September 2021 HK\$'000	As at 31 March 2021 HK\$'000
The unsecured bank and other loans are loans repayable:		
Within one year	627,314	546,180
Within a period of more than one year but not exceeding two years	541,873	567,482
Within a period of more than two years but not exceeding five years	557,362	480,434
The secured motor vehicle loan is repayable:		
Within one year	118	202
Within a period of more than one year but not exceeding two years	–	17
	<b>1,726,667</b>	<b>1,594,315</b>
Less: Amount due within one year shown under current liabilities	<b>(627,314)</b>	<b>(546,180)</b>
Current portion of secured motor vehicle loan	<b>(118)</b>	<b>(202)</b>
	<b>1,099,235</b>	<b>1,047,933</b>

### 18. 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).



## Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

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

Financial assets/ financial liabilities	Fair value 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 2021 HK\$'000	31 March 2021 HK\$'000				
1. Listed equity securities classified as equity instrument at fair value through profit or loss	6,588	7,455	Level 1	The fair value of the equity securities is estimated by the price quotation available on the New York Stock Exchange in United States.	N/A	N/A
2. Foreign currency forward contracts classified as derivative financial instruments	<b>Assets</b> 1,915  <b>Liabilities</b> 456	Liabilities 5,979	Level 2	Discounted cash flow.  Future cash flows are estimated based on closing forward price (from observable forward exchange rate 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
3. Interest rate swap contract classified as derivative financial instruments	–	Liabilities 843	Level 2	Discounted cash flow.  Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contracted interest rates, discounted at an applicable discount rate taking into account the credit risk of the counterparties and of the Group as appropriate.	N/A	N/A
4. Forward commodity contracts classified as derivative financial instruments	–	Liabilities 300	Level 2	Discounted cash flow.  Future cash flows are estimated based on closing 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
5. Equity instruments at FVTOCI	49,966	48,704	Level 3	Asset-based approach.  The fair value of the target company was determined by the asset-based approach using the adjusted net asset value. Net asset value of the target company was adjusted through fair value adjustments held by the target company primarily by the direct comparison approach.	Price per square meter. Using market direct comparable and taking into account of location and other individual factors such as size, building facilities, levels, age of building, etc.	The higher the price per square meter, the higher the fair value.

## Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

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

Financial assets/ financial liabilities	Fair value 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 2021 HK\$'000	31 March 2021 HK\$'000				
6. Equity instruments at FVTOCI	7,967	8,109	Level 3	Market approach.  The market approach was used to determine the valuation by the average estimated values using the following multiples: enterprise value to earnings before interest, taxes, depreciation and amortisation ratio, enterprise value to earnings before interest, taxes ratio and price to earning ratio of selected comparable listed companies in a similar business and similar business model and adjusted for the lack of marketability.	The discount of lack of marketability and applied multiples.	The higher the discount of lack of marketability, the lower the fair value.  The higher the applied multiples, the higher the fair value.
7. Equity instruments at FVTOCI	3,406	3,252	Level 3	Combination of asset-based approach and market approach.  The fair value of the target company was determined by the asset-based approach using the adjusted net asset value with adjustments for the lack of marketability. Net asset value of the target company was adjusted through fair value adjustments of each sub-entity held by the target company primarily by the market approach using enterprise value to sales ratio or enterprise value to earnings before interest, taxes ratio of selected comparable listed companies in a similar business and similar business model and adjusted for the lack of marketability.	The discount of lack of marketability and applied multiples.	The higher the discount of lack of marketability, the lower the fair value.  The higher the applied multiples, the higher the fair value.

There is no transfer between different levels of the fair value hierarchy during the six months ended 30 September 2021 and the year ended 31 March 2021.

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)

### 19. Share Capital

	Number of shares '000	HK\$'000
Issued and fully paid ordinary shares:		
At 1 April 2020, 30 September 2020, 31 March 2021 and 30 September 2021	784,693	921,014

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

### 20. Contingencies and commitments

#### (a) Contingent liabilities

	30 September 2021 HK\$'000	31 March 2021 HK\$'000
Guarantees given to banks in respect of banking facilities to associates	16,408	16,337
Others	12,486	12,476

#### (b) Capital commitments

	30 September 2021 HK\$'000	31 March 2021 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	20,655	19,258

### 21. Related party transactions

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

	For the six months ended	
	30 September 2021 HK\$'000	2020 HK\$'000
<i>Continuing operations</i>		
Sales to associates	87,917	65,881
Purchases from associates	198,914	237,420
Management fee income received from associates	2,536	1,403

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 2021 HK\$'000	31 March 2021 HK\$'000
Trade receivables due from associates	68,820	61,283
Other receivables due from associates	8,622	8,969
Trade payables due to associates	78,031	102,532
Other payables due to associates	5,112	995

## Notes to the Unaudited Condensed Consolidated Financial Statements

(Continued)

### 22. Discontinued operations

On 31 May 2021, GP Industries, as Seller, entered into a sale and purchase agreement with Time Interconnect Investment Limited as Purchaser, to sell the Group's Automotive Wire Harness Business (the "AWH Business Disposal"). As the Purchaser is regarded as a connected person of the Company under Chapter 14A of the Listing Rules, the AWH Business Disposal constituted a discloseable and connected transaction for the Company. An announcement was made by the Company on 31 May 2021 regarding the AWH Business Disposal which was completed on 31 August 2021.

The results of discontinued operations are as follows:

	For the six months ended	
	30 September 2021	2020
	HK\$'000	HK\$'000
Revenue	84,147	78,068
Cost of sales	(70,319)	(63,574)
Gross profit	13,828	14,494
Other income and other gains	797	2,382
Selling and distribution expenses	(6,387)	(5,668)
Administrative expenses	(6,705)	(5,618)
Finance costs	(418)	(73)
Profit before taxation	1,115	5,517
Income tax expense	(185)	(857)
Profit after taxation attributable to discontinued operations	930	4,660
Loss before taxation on disposal of AWH Business	(16,739)	–
Income tax expense on disposal of AWH Business	(1,850)	–
Loss on disposal of AWH Business, net of taxation	(18,589)	–
(Loss) Profit after taxation from discontinued operations	(17,659)	4,660
Attributable to:		
Owners of the Company	(15,112)	3,987
Non-controlling interests	(2,547)	673
	(17,659)	4,660

## Notes to the Unaudited Condensed Consolidated Financial Statements

(Continued)

### 22. Discontinued operations (Continued)

The major classes of assets and liabilities attributable to AWH Business and derecognised are as follows:

	<u>HK\$'000</u>
<b>Assets (Liabilities)</b>	
Property, plant and equipment	11,735
Right-of-use assets	14,688
Inventories	32,026
Receivables and prepayments	86,067
Bank balances, deposits and cash	13,177
Trade and other payables	(70,370)
Lease liabilities	(14,785)
Income tax payable	(352)
	<u>73,186</u>
Net assets of the AWH Business disposed	72,186
Attributable goodwill	1,579
	<u>73,765</u>
Total net assets derecognised	<u>73,765</u>

Loss before taxation from discontinued operations and net cash inflows from disposal of AWH Business during the six month ended 30 September 2021 are arrived as follows:

	<u>HK\$'000</u>
<b>Loss before taxation from discontinued operations</b>	
Consideration received	69,513
Total net assets derecognised	(73,765)
Reclassify of cumulative translation reserve	(11,991)
Disposal cost paid	(496)
	<u>(16,739)</u>
Loss before taxation on disposal of AWH Business	(16,739)
Profit before taxation for the period from discontinued operations	1,115
	<u>(15,624)</u>
Loss before taxation from discontinued operations	<u>(15,624)</u>
<b>Net cash inflow from disposal</b>	
Consideration received	69,513
Less: Disposal costs paid	(496)
Less: Cash and cash equivalents disposed of	(13,177)
	<u>55,840</u>
Net cash inflow from disposal	<u>55,840</u>

The cash outflows attributable to the discontinued operations are as follows:

	<b>For the six months ended</b>	
	<b>30 September</b>	
	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Operating activities	<b>(7,596)</b>	(1,570)
Investing activities	<b>(434)</b>	(952)
Financing activities	<b>(359)</b>	(535)
	<u><b>(8,389)</b></u>	<u>(3,057)</u>

The above does not include the net cash inflow from disposal of HK\$55,840,000 for the six months ended 30 September 2021.

## Interim Dividend

---

The Board does not recommend an interim dividend for the six months ended 30 September 2021 (2020/21: Nil), so as to conserve the Group's financial resources in view of the uncertainties ahead.

## Disclosure of Interest

---

As at 30 September 2021, 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 "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix 10 to the Listing Rules (the "Model Code") to be notified to the Company and the Stock Exchange were as follows:

### 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 2021, 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	
Victor LO Chung Wing	199,415,289	25.41
Brian LI Yiu Cheung	300,000	0.04
Michael LAM Hin Lap	—	—
Brian WONG Tze Hang	—	—
Victor CHONG Toong Ying	—	—
Waltery LAW Wang Chak	354,000	0.05
Karen NG Ka Fai	40,646,524	5.18
LUI Ming Wah	—	—
Frank CHAN Chi Chung	—	—
CHAN Kei Biu	—	—
Timothy TONG Wai Cheung	—	—

## Disclosure of Interest *(Continued)*

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

As at 30 September 2021, the direct beneficial interests of the directors and the chief executive in the shares of GP Industries Limited ("GP Ind") an 85.59% owned subsidiary of the Company, were as follows:

Name of director	Number of ordinary shares and percentage of issued share capital of GP Ind held	
	Number	%
Victor LO Chung Wing	300,000	0.06
Brian LI Yiu Cheung	1,465,000	0.30
Michael LAM Hin Lap	–	–
Brian WONG Tze Hang	–	–
Victor CHONG Toong Ying	–	–
Waltery LAW Wang Chak	116,400	0.02
Karen NG Ka Fai	94,603	0.02
LUI Ming Wah	–	–
Frank CHAN Chi Chung	–	–
CHAN Kei Bui	–	–
Timothy TONG Wai Cheung	–	–

Saved as disclosed above, as at 30 September 2021, none of the directors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

## Substantial Shareholders

As at 30 September 2021, 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:

<b>Name of shareholder</b>	<b>Capacity</b>	<b>Number of ordinary shares held</b>	<b>Percentage of issued share capital of the Company</b>
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 2021, 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.



## **Update on Directors' Information Under Rule 13.51B(1) of the Listing Rules**

---

During the six months ended 30 September 2021, Mr. Richard KU Yuk Hing resigned as executive director of the Company with effect from 1 July 2021. Mr. Victor CHONG Toong Ying and Mr. Waltery LAW Wang Chak were appointed as executive directors of the Company with effect from 1 July 2021.

Pursuant to Rule 13.51B(1) of the Listing Rules, there is no change in information of the directors of the Company required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules since the date of the Company's 2020/2021 annual report.

## **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 2021.

## **Corporate Governance Practices**

---

The Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules during the six months ended 30 September 2021, 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 run by a different board of directors.

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

---

The Company has adopted 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 2021.

## **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 four 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 2021 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), Brian LI Yiu Cheung (Vice Chairman & Executive Vice President), Michael LAM Hin Lap, Brian WONG Tze Hang, Victor CHONG Toong Ying and Waltery LAW Wang Chak as Executive Directors, Ms. Karen NG Ka Fai as Non-Executive Director and Messrs. LUI Ming Wah, Frank CHAN Chi Chung, CHAN Kei Bui and Timothy TONG Wai Cheung as Independent Non-Executive Directors.

By Order of the Board  
**Louis WONG Man Kon**  
*Company Secretary*

Hong Kong, 24 November 2021  
[www.goldpeak.com](http://www.goldpeak.com)