



**INTERIM REPORT
2022-2023**



Corporate Information

BOARD OF DIRECTORS

Executive Directors

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

Waltery LAW Wang Chak

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

Certified Public Accountants

Registered Public Interest Entity Auditors

SECRETARY AND REGISTERED OFFICE

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Phase 3, Hong Kong Science Park

Pak Shek Kok, New Territories, Hong Kong

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SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Abacus Limited

17/F, Far East Finance Centre

16 Harcourt Road, Hong Kong

STOCK CODES

Hong Kong Stock Exchange

40

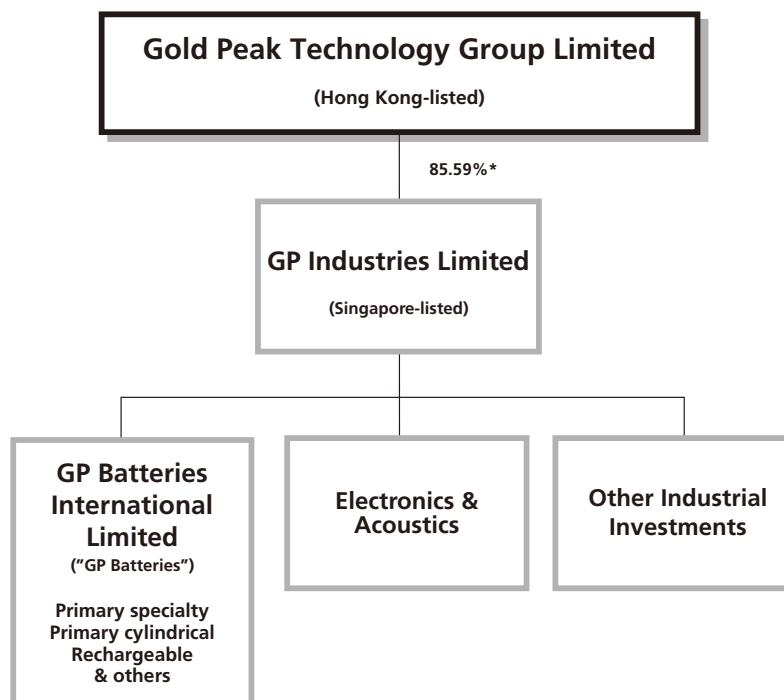
Bloomberg

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Reuters

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Group Structure



Group Profile

Gold Peak Technology Group is a global battery and electronics company with an aspiration to become one of the leaders in providing energy and sound solutions that enlighten and empower lives, and with sustainability as a focus.

The parent company, Gold Peak Technology Group Limited, was established in 1964 and has been listed on the Stock Exchange of Hong Kong since 1984. Gold Peak holds a majority stake at 85.59%* in the Singapore-listed GP Industries Limited (“GP Industries”) as its major industrial investment vehicle.

Gold Peak Technology Group Limited will focus on R&D of new rechargeable battery technology and B2B battery business, whilst GP Industries will continue its consumer batteries, and electronics and acoustics businesses in consumer products. The Group has built renowned brand names for its major product categories, including **GP** batteries, **Recyko** batteries, **KEF** premium acoustic products and **CELESTION** professional speakers.

* As at 24 November 2022

The Board of Directors (the “Board”) of Gold Peak Technology Group 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 2022.

Highlights

- Revenue from continuing operations decreased by 5.9% to HK\$3,373 million
- Profit from continuing operations for the period attributable to owners of the Company increased by 12.4% to HK\$62.4 million
- Total profit for the period attributable to owners of the Company increased to HK\$62.4 million, as compared to HK\$40.4 million for the same period last year which included a loss from discontinued operations of HK\$15.1 million.
- Earnings per share from continuing and discontinued operations: 6.82 Hong Kong cents (2021/22: 5.13 Hong Kong cents)
- The Board does not recommend an interim dividend for the six months ended 30 September 2022 (2021/22: Nil)

Summary of Results

For the six months ended 30 September 2022, the Group’s revenue from continuing operations amounted to HK\$3,373 million, a decrease of 5.9% as compared with HK\$3,584 million for the same period last year. The unaudited profit from continuing operations attributable to owners of the Company amounted to HK\$62.4 million, an increase of 12.4% compared to the corresponding period in the previous year. Total profit for the period attributable to owners of the Company increased to HK\$62.4 million, as compared to HK\$40.4 million for the same period last year, which included a loss from discontinued operations of HK\$15.1 million. Earnings per share for the period amounted to 6.82 HK cents as compared with 5.13 HK cents for the same period last year.

Business Review

For the first half year ended 30 September 2022 (“1HFY2023”), the Group’s revenue decreased by 5.9% to HK\$3,373 million when compared to the revenue reported for the first half last year (“1HFY2022”), due mainly to a 6.8% decrease in revenue of the Batteries Business. In terms of geographical markets, sales to Europe and the Americas decreased while sales to Asia increased.

Gross profit for 1HFY2023 dropped by 8.1% to HK\$858.7 million. Gross profit margin decreased slightly from 26.08% for 1HFY2022 to 25.46% for 1HFY2023. During 1HFY2023, the Group increased prices of some of its products to mitigate the adverse effects of rising material costs. However, increase in overheads absorption due to reduced sales volume eroded part of the effect of product price increase.

Other income and other gains for 1HFY2023 increased to HK\$221.0 million when compared to HK\$47.0 million for 1HFY2022. The increase was attributable to aggregate disposal gains of HK\$127.2 million reported by the Batteries Business, and an HK\$46.9 million foreign currency exchange gain due mainly to the appreciation of the United States (“US”) dollar.

Distribution costs increased by HK\$0.3 million or 0.1% to HK\$414.5 million due mainly to an increase in advertising and promotion cost despite global shipping cost declined in 1HFY2023.

Administrative expenses increased by 4.8% to HK\$464.0 million due mainly to staff cost increases on a year-on-year comparison basis and an increase in depreciation charge after the new factory of the Ningbo GP & Sonluk Battery Co., Ltd in Ningbo, China started operation. In addition, rental charge and depreciation were reported by the new factory of GP Electronics (Huizhou) Co., Ltd. (“GPEHZ”) upon its becoming operational.

Other expenses and other losses for 1HFY2023 increased to HK\$49.4 million, compared to HK\$18.9 million for 1HFY2022. The increase was due mainly to the HK\$18.9 million cumulative translation deficit charged to profit or loss upon de-registration of a subsidiary of the Batteries Business and a HK\$17.0 million adjustment to the estimated compensation receivable in relation to the disposal of the old GPEHZ factory of the Electronics and Acoustics Business during the financial year ended 31 March 2020 (“FY2020”).

Finance costs for 1HFY2023 was HK\$85.2 million, an increase of HK\$17.3 million or 25.5% from HK\$67.9 million reported for 1HFY2022, due mainly to the rapidly increasing interest rates.

Total profit attributable to equity holders of the Company increased to HK\$62.4 million for 1HFY2023, as compared to HK\$40.4 million for 1HFY2022 which included a loss from discontinued operations of HK\$15.1 million.

Batteries Business

- Revenue of the Batteries Business for 1HFY2023 was S\$464.6 million, decreased by 4.7%.
- Sales of primary batteries and rechargeable batteries decreased by 3.3% and 13.7%, respectively.
- In geographical terms, sales to the Americas and Europe decreased by 25.2% and 11.6%, respectively, while sales to Asia increased by 5.3%.
- Gross profit margin of the Batteries Business continued to be adversely affected by the high material costs and low market demand. Despite an increase in selling prices, gross profit margin decreased due partly to an increased overheads absorption as sales volume decreased.

- Decline in private label sales to US customers with Delivered Duty Paid terms and lower freight rates contributed to a lower distribution costs.
- Batteries Business reported a total disposal gains of S\$23.0 million, representing a gain on disposal of S\$12.4 million for its entire 29.28% equity interest in the Taipei-listed STL Technology Co., Ltd, and the gain on disposal of S\$10.6 million for its entire 100% equity interest in Huizhou Modern Battery Limited (“Modern Battery”), after relocating its rechargeable battery production to the new manufacturing campus located at Xiegang, Dongguan, China. The gain from disposal of Modern Battery was mainly attributable to the value of the land owned by Modern Battery.

Electronics and Acoustics Business

- Revenue of the Electronics and Acoustics Business was S\$130.9 million, compared to S\$131.4 million last year.
- Revenue of both the branded acoustics business and the professional audio manufacturing business decreased marginally.
- Revenue of the branded acoustics business decreased by 0.3%. Sales of KEF products decreased by 4.0%, with sales to the Americas and European markets declined while sales to Asian markets increased. The Celestion brand professional speaker driver business reported an 18.4% revenue growth, due to increase in sales to Europe and Asia while sales to the Americas decreased. Revenue of the professional audio manufacturing business decreased by 0.5% with sales to the Americas decreased by 9.2% while sales to other markets increased.
- Gross profit margin of the Electronic and Acoustics Business was also adversely affected by high material costs and flat sales. Despite an increase in selling prices, profit margin decreased due partly to increased overheads absorption and partly due to higher advertising and promotion expenses for new product introduction. In April 2022, the electronic factory in Huizhou relocated its manufacturing facilities to a new location at Dongjiang Industrial Park in Huizhou, China and production was disrupted by nearly two months. This also led to a drop in profitability of the business segment.
- Pursuant to the property disposal agreement for the old factory site owned by GPEHZ (the “Property”), GP Industries Group is entitled to an early removal compensation and incentive based on the actual handover date of the vacated Property before the expiry of a 60-month rent free period. An estimated compensation receivable (the “Compensation Receivable”) was included in determining the related property disposal gain in FY2020. Upon handing over the Property to the buyer during 1HFY2023, the parties agreed to a final compensation which is less than the Compensation Receivable by S\$3.0 million and the difference is recognized under other operating expenses in 1HFY2023.

Other Industrial Investments

- Meiloon Industrial Co., Ltd. reported a loss.
- XIC Innovation Limited also reported a small loss due to disposal of its major subsidiary, Time Interconnect Technology Limited, in March 2022.

Financial Review

During the period, the Group's net bank borrowings decreased by HK\$73 million to HK\$2,564 million. As at 30 September 2022, the aggregate of the Group's shareholders' funds and non-controlling interests was HK\$2,706 million and the Group's gearing ratio (the ratio of consolidated net bank borrowings to shareholders' funds and non-controlling interests) was 0.95 (31 March 2022: 0.91). The gearing ratios of the Company and GP Industries were 0.58 (31 March 2022: 0.50) and 0.65 (31 March 2022: 0.66) respectively.

At 30 September 2022, 71% (31 March 2022: 81%) of the Group's bank borrowings was revolving or repayable within one year whereas 29% (31 March 2022: 19%) 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 2022, the Group's current liabilities exceeded its current assets by approximately HK\$292 million. The improvement in net current liabilities position as at 30 September 2022 was due mainly to the drawdown of a S\$70 million term loan by GP Industries during the six months ended 30 September 2022, which reduced the adverse effect of funding part of the capital expenditure incurred in recent years with cash and short term borrowings. 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 2022, the Group's major business divisions employed about 6,740 (31 March 2022: 7,050) 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

Business activities started to increase when more countries re-open from COVID-19 lockdowns as the pandemic started to subside. However, consumers in developed countries also started to refocus their demand on services such as holidays and dining out. Rapidly rising inflation and repeated interest rate hikes during 1HFY2023 may also adversely affect consumer spending on manufactured goods. Nevertheless, demands for the Group's battery products may gradually increase when the major overseas private-label customers start to rebuild their inventories.

Rapidly rising interest rates are expected to significantly increase the Group's finance costs. Where appropriate, the Group may fund some of its future expansions by equity financing instead of by bank borrowings in order to reduce its borrowing level.

Recent strengthening of the US dollar against the Chinese Renminbi, if continues, may reduce some of the Group's cost pressure and allow more flexibility for it to price its products and optimize its capacity utilization.

The Batteries Business will continue to be affected by volatile raw material prices and shipping challenges. However, when the project to rebalance its manufacturing facilities is completed in FY2023, the business is expected to improve with reduced redundant operations and better economies of scale in FY2024.

With a strong product program and aggressive sales expansion, demands for the Group's KEF consumer speakers, Celestion professional speaker drivers and professional audio manufacturing businesses are expected to continue growing.

Disruption to global shipping services is improving but shortages of electronics components are expected to continue posing challenges to the Group in optimizing its inventory level and working capital requirements for meeting delivery commitments.

On 28 December 2021, the Company announced the proposed distribution in-specie of the rechargeable batteries manufacturing business (the "Proposed Distribution"). The Proposed Distribution is conditional, inter alia, on the completion of the restructuring of the rechargeable batteries manufacturing business, which is still in progress. The Company will make further announcement to update the shareholders on the Proposed Distribution.

Unaudited Condensed Consolidated Statement of Profit or Loss

		For the six months ended 30 September	
	Notes	2022 HK\$'000	2021 HK\$'000
Continuing operations			
Revenue	4 & 5	3,372,728	3,583,564
Cost of sales		<u>(2,514,014)</u>	<u>(2,649,054)</u>
Gross profit		858,714	934,510
Other income and other gains	6	221,006	46,966
Selling and distribution expenses		(414,490)	(414,215)
Administrative expenses		(463,983)	(442,822)
Other expenses and other losses	7	(49,408)	(18,858)
Finance costs	8	(85,221)	(67,892)
Share of results of associates		<u>48,044</u>	<u>69,019</u>
Profit before taxation	9	114,662	106,708
Taxation	10	<u>(19,173)</u>	<u>(24,519)</u>
Profit for the period from continuing operations		95,489	82,189
Discontinued operations			
Loss for the period from discontinued operations		<u>–</u>	<u>(17,659)</u>
Profit for the period		<u>95,489</u>	<u>64,530</u>
Profit (loss) for the period attributable to owners of the Company			
– from continuing operations		62,442	55,549
– from discontinued operations		<u>–</u>	<u>(15,112)</u>
		<u>62,442</u>	<u>40,437</u>
Profit (loss) for the period attributable to non-controlling interests			
– from continuing operations		33,047	26,640
– from discontinued operations		<u>–</u>	<u>(2,547)</u>
		<u>33,047</u>	<u>24,093</u>
		<u>95,489</u>	<u>64,530</u>
Earnings per share – Basic			
– From continuing and discontinued operations	11	<u>6.82 HK cents</u>	<u>5.13 HK cents</u>
– From continuing operations		<u>6.82 HK cents</u>	<u>7.05 HK cents</u>

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

	For the six months ended 30 September	
	2022 HK\$'000	2021 HK\$'000
Profit for the period	<u>95,489</u>	<u>64,530</u>
Other comprehensive income (expense):		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising from translation of foreign operations	(234,106)	36,215
Translation deficit reclassified to profit or loss upon deregistration/disposal of subsidiaries	25,698	13,004
Translation deficit reclassified to profit or loss upon deregistration/disposal of interest in an associate	21,946	–
Share of other comprehensive (expense) income of associates	<u>(64,793)</u>	<u>17,759</u>
	<u>(251,255)</u>	<u>66,978</u>
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Fair value (loss) gain on equity instruments at fair value through other comprehensive income	(1,853)	1,274
Share of other comprehensive expense of associates	<u>–</u>	<u>(677)</u>
	<u>(1,853)</u>	<u>597</u>
Other comprehensive (expense) income for the period	<u>(253,108)</u>	<u>67,575</u>
Total comprehensive (expense) income for the period	<u>(157,619)</u>	<u>132,105</u>
Total comprehensive (expense) income attributable to:		
Owners of the Company	(108,556)	93,113
Non-controlling interests	<u>(49,063)</u>	<u>38,992</u>
	<u>(157,619)</u>	<u>132,105</u>

Unaudited Condensed Consolidated Statement of Financial Position

		30 September 2022 HK\$'000	31 March 2022 HK\$'000
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment	12	2,230,513	2,386,178
Right-of-use assets	13	250,396	291,653
Interests in associates		1,633,187	1,756,840
Equity instruments at fair value through other comprehensive income		94,941	90,384
Intangible assets		1,055	1,093
Goodwill		70,399	70,399
Non-current receivables		–	18,674
Non-current deposits		27,501	29,852
Deferred tax assets		34,412	34,365
		4,342,404	4,679,438
Current assets			
Inventories		1,332,108	1,473,046
Trade and other receivables and prepayments	14	1,559,886	1,610,902
Dividend receivable		16,965	28,117
Taxation recoverable		25,876	22,206
Equity instruments at fair value through profit or loss		518	4,220
Derivative financial instruments		–	955
Bank balances, deposits and cash		1,165,889	1,186,326
		4,101,242	4,325,772
Assets classified as held for sale		–	42,905
		4,101,242	4,368,677
Current liabilities			
Creditors and accrued charges	15	1,537,592	1,764,823
Contract liabilities		88,614	109,293
Taxation payable		51,185	46,708
Derivative financial instruments		2,812	111
Lease liabilities		67,971	78,471
Bank loans, import and other loans	16	2,631,455	3,082,962
Bank overdrafts		896	–
Provision for restructuring		12,600	24,600
		4,393,125	5,106,968
Net current liabilities		(291,883)	(738,291)
Total assets less current liabilities		4,050,521	3,941,147

Unaudited Condensed Consolidated Statement of Financial Position

(Continued)

		30 September 2022	31 March 2022
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current liabilities			
Lease liabilities		201,962	243,938
Bank and other loans	17	1,098,031	740,846
Deferred tax liabilities		44,470	64,400
		1,344,463	1,049,184
Net assets		2,706,058	2,891,963
Capital and reserves			
Share capital	19	998,666	998,666
Reserves		809,090	917,646
Equity attributable to owners of the Company		1,807,756	1,916,312
Non-controlling interests		898,302	975,651
Total equity		2,706,058	2,891,963

Unaudited Condensed Consolidated Cash Flow Statement

	For the six months ended	
	2022	2021
	HK\$'000	HK\$'000
Net cash used in operating activities	(6,188)	(223,444)
Investing activities		
Purchase of property, plant and equipment	(159,046)	(110,236)
Deposits paid for acquisition of property, plant and equipment	(476)	(1,940)
Dividends received from associates	43,497	51,604
Net proceeds from disposal of a subsidiary (note 22)	154,299	–
Net proceed from disposal of AWH Business (note 23)	–	55,840
Proceeds from disposal of property, plant and equipment	22,859	2,142
Acquisition of additional interests in an associate	(16,679)	–
Interest received	7,997	3,301
Proceeds from disposal of an associate	57,215	–
Proceeds from disposal of equity instruments at fair value through profit or loss	109,570	–
Purchase of equity instruments at fair value through other comprehensive income	(11,745)	–
Dividends received from equity instruments at fair value through other comprehensive income	172	–
Net cash from investing activities	207,663	711
Financing activities		
New borrowings raised	562,459	437,813
Repayment of bank and other loans	(508,521)	(476,928)
Interest on bank and other loans paid	(77,648)	(55,773)
Interest on lease liabilities	(6,911)	(8,140)
Repayment of lease liabilities	(36,774)	(38,504)
Dividends paid to non-controlling shareholders of subsidiaries	(28,286)	–
Deemed acquisition of additional interests in a subsidiary	–	(657)
Net cash used in financing activities	(95,681)	(142,189)
Increase (decrease) in cash and cash equivalents	105,794	(364,922)
Cash and cash equivalents at beginning of the period	1,186,326	1,318,468
Effect of foreign exchange rate changes	(127,127)	18,534
Cash and cash equivalents at the end of the period	1,164,993	972,080
Analysis of cash and cash equivalents		
Bank balances, deposits and cash	1,165,889	972,080
Bank overdrafts	(896)	–
	1,164,993	972,080

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>
For the six months ended 30 September 2022			
At 1 April 2022	<u>998,666</u>	<u>12,756</u>	<u>39,533</u>
Profit for the period	-	-	-
Other comprehensive expense for the period	-	-	-
Total comprehensive (expense) income for the period	-	-	-
Transfer of reserves upon disposal of a subsidiary	-	-	-
Dividend paid to non-controlling interests	-	-	-
	-	-	-
At 30 September 2022	<u>998,666</u>	<u>12,756</u>	<u>39,533</u>
For the six months ended 30 September 2021			
At 1 April 2021	<u>921,014</u>	<u>13,601</u>	<u>40,113</u>
Profit for the period	-	-	-
Other comprehensive (expense) income for the period	-	-	(580)
Total comprehensive (expense) income for the period	-	-	(580)
Transfer of reserves upon disposal of subsidiaries	-	(845)	-
Deemed acquisition of additional interests in a subsidiary	-	-	-
	-	(845)	-
At 30 September 2021	<u>921,014</u>	<u>12,756</u>	<u>39,533</u>

Translation Reserve HK\$'000	Investment Revaluation Reserve HK\$'000	Capital Reserve HK\$'000	Retained Profits HK\$'000	Attributable to Owners of the Company HK\$'000	Non-controlling Interests HK\$'000	Total HK\$'000
(170,361)	36,817	295,338	703,563	1,916,312	975,651	2,891,963
-	-	-	62,442	62,442	33,047	95,489
(169,434)	(1,564)	-	-	(170,998)	(82,110)	(253,108)
(169,434)	(1,564)	-	62,442	(108,556)	(49,063)	(157,619)
-	-	(2,745)	2,745	-	-	-
-	-	-	-	-	(28,286)	(28,286)
-	-	(2,745)	2,745	-	(28,286)	(28,286)
(339,795)	35,253	292,593	768,750	1,807,756	898,302	2,706,058
(250,699)	12,496	316,638	545,611	1,598,774	885,393	2,484,167
-	-	-	40,437	40,437	24,093	64,530
52,764	492	-	-	52,676	14,899	67,575
52,764	492	-	40,437	93,113	38,992	132,105
-	-	(15,533)	16,378	-	-	-
-	-	353	-	353	(1,010)	(657)
-	-	(15,180)	16,378	353	(1,010)	(657)
(197,935)	12,988	301,458	602,426	1,692,240	923,375	2,615,615

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 2022 that is included in the half-year interim report 2022/2023 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 2022 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 2022. 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 2022, the Group’s current liabilities exceeded its current assets by approximately HK\$292 million. The Group’s current liabilities as at 30 September 2022 included bank overdrafts, bank loans, import and other loans of approximately HK\$2,632 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 additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standard (“HKFRS”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six-month period ended 30 September 2022 are the same as those presented in the Group’s annual financial statements for the year ended 31 March 2022.

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 2022 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contract – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020

The application of the amendments to HKFRSs in the current 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.

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 2022

	Electronics HK\$'000	Batteries HK\$'000	Other investments HK\$'000	Total reportable segments HK\$'000	Eliminations HK\$'000	Total HK\$'000
<i>Continuing operations</i>						
Revenue						
External sales	741,499	2,631,229	–	3,372,728	–	3,372,728
Inter-segment sales	1	15	–	16	(16)	–
Segment revenue	<u>741,500</u>	<u>2,631,244</u>	<u>–</u>	<u>3,372,744</u>	<u>(16)</u>	<u>3,372,728</u>
Results						
Segment results	30,160	220,705	(8)	250,857	–	250,857
Interest income						9,469
Other expenses and other losses						(49,408)
Finance costs						(85,221)
Unallocated expenses						<u>(11,035)</u>
Profit before taxation from continuing operations						<u>114,662</u>

Six months ended 30 September 2021

	Electronics HK\$'000	Batteries HK\$'000	Other investments HK\$'000	Total reportable segments HK\$'000	Eliminations HK\$'000	Total HK\$'000
<i>Continuing operations</i>						
Revenue						
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>
Results						
Segment results	83,442	113,995	(9)	197,428	–	197,428
Interest income						6,856
Other expenses and other losses						(18,858)
Finance costs						(67,892)
Unallocated expenses						<u>(10,826)</u>
Profit before taxation from continuing operations						<u>106,708</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	
	2022	2021
	HK\$'000	HK\$'000
<i>Continuing operations</i>		
Electronics and acoustics products	741,499	760,796
Batteries and battery related products	2,631,229	2,822,768
Revenue from contracts with customers	3,372,728	3,583,564

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	
	2022	2021
	HK\$'000	HK\$'000
<i>Continuing operations</i>		
The People's Republic of China		
– Hong Kong	152,977	158,122
– Mainland China	1,325,232	1,241,138
Other Asian countries	274,599	273,008
Europe	950,340	1,076,739
Americas	643,300	806,222
Others	26,280	28,335
	3,372,728	3,583,564

Notes to the Unaudited Condensed Consolidated Financial Statements

(Continued)

6. Other income and other gains

	For the six months ended	
	30 September	
	2022	2021
	HK\$'000	HK\$'000
<i>Continuing operations</i>		
Gain on disposal of property, plant and equipment	11,198	262
Interest income	9,469	6,856
Government grant	3,624	15,738
Unrealised fair value gain on derivative financial instruments	–	7,458
Realised fair value gain on derivative financial instruments	–	6,079
Rental concession related to COVID-19	2,080	428
Product development and engineering fee income	1,663	937
Gain on disposal of a subsidiary	60,245	–
Gain on disposal/deemed partial disposal of an associate	24,024	71
Management fee income received from associates	2,521	2,536
Gain on sales of parts, samples, scrap and surplus materials	4,000	4,282
Recovery of bad debts and write-back of expected credit losses	1,205	145
Operating lease income	1,608	1,108
Fair value gain on equity instruments at fair value through profit or loss	42,935	–
Gain on bargain purchase arising from purchase of additional interest in an associate	3,973	–
Royalty income	2,806	631
Exchange gain	46,948	–
Others	2,707	435
	221,006	46,966

7. Other expenses and other losses

	For the six months ended	
	30 September	
	2022	2021
	HK\$'000	HK\$'000
<i>Continuing operations</i>		
Fair value loss on equity instruments at fair value through profit or loss	–	876
Unrealised fair value loss on derivative financial instruments	3,482	–
Realised fair value loss on derivative financial instruments	7,774	–
Closure and relocation costs	1,732	10,472
Loss on deregistration of subsidiaries	18,945	1,011
Exchange loss	–	6,499
Reduction in compensation receivable	16,982	–
Others	493	–
	49,408	18,858

Notes to the Unaudited Condensed Consolidated Financial Statements

(Continued)

8. Finance costs

	For the six months ended 30 September	
	2022 HK\$'000	2021 HK\$'000
<i>Continuing operations</i>		
Interest on bank and other loans	78,310	59,752
Interest on lease liabilities	6,911	8,140
	85,221	67,892

9. Profit before taxation

	For the six months ended 30 September	
	2022 HK\$'000	2021 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	92,079	84,067
Depreciation of right-of-use assets	41,806	49,301

10. Taxation

	For the six months ended 30 September	
	2022 HK\$'000	2021 HK\$'000
<i>Continuing operations</i>		
Hong Kong Profits Tax	7,356	8,058
Taxation in jurisdictions other than Hong Kong	29,155	19,635
Deferred taxation	(17,338)	(3,174)
	19,173	24,519

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 September 2021: 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	
	2022	2021
	HK\$'000	HK\$'000
<i>Earnings</i>		
Profit for the period attributable to owners of the Company	62,442	40,437
Loss for the period from discontinued operations	–	(15,112)
Profit for the purpose of basic earnings per share from continuing operations	62,442	55,549
	'000	'000
<i>Number of shares</i>		
Number of shares in issue during the period for the purpose of basic earnings per share	915,475	788,212

From continuing and discontinued operations

Basic earnings per share for the continuing and discontinued operations is 6.82 HK cents (2021/2022: 5.13 HK cents), based on the profit for the period from the continuing and discontinued operations attributable to the owners of the Company of profit of HK\$62,442,000 (2021/2022: HK\$40,437,000) and the denominators detailed above for both basic earnings per share.

From discontinued operations

Basic loss per share for the discontinued operations is 1.92 HK cents for the period ended 30 September 2021 (2022/2023: nil), based on the loss for the period ended 30 September 2021 from the discontinued operations attributable to the owners of the Company of HK\$15,112,000 (2022/2023: nil) and the denominators detailed above for basic earnings per share.

No computation of diluted earnings per share for the periods ended 30 September 2022 and 30 September 2021 is disclosed as there are no potential ordinary shares in issue during the periods ended 30 September 2022 and 30 September 2021.

12. Property, plant and equipment

During the period ended 30 September 2022, the Group spent approximately HK\$159,445,000 (six months ended 30 September 2021: HK\$111,828,000) on property, plant and equipment to expand its business.

13. Right-of-use assets

During the period ended 30 September 2022, 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\$18,803,000 (six months ended 30 September 2021: HK\$108,223,000) and lease liabilities of HK\$17,522,000 (six months ended 30 September 2021: HK\$107,524,000).

Notes to the Unaudited Condensed Consolidated Financial Statements

(Continued)

14. Trade and other receivables and prepayments

	As at 30 September 2022 HK\$'000	As at 31 March 2022 HK\$'000
Trade and bills receivables from contracts with customers	1,183,776	1,145,906
Less: Allowance for credit losses	(48,162)	(49,973)
	<u>1,135,614</u>	<u>1,095,933</u>
Other receivables, deposits and prepayments	451,773	544,821
	<u>1,587,387</u>	<u>1,640,754</u>
Less: Non-current portion of deposits		
Deposits paid for acquisition of property, plant and equipment	(16,185)	(18,480)
Non-current rental deposits	(11,316)	(11,372)
	<u>(27,501)</u>	<u>(29,852)</u>
	<u>1,559,886</u>	<u>1,610,902</u>

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 2022 HK\$'000	As at 31 March 2022 HK\$'000
0–60 days	967,199	912,399
61–90 days	52,206	130,025
Over 90 days	116,209	53,509
	<u>1,135,614</u>	<u>1,095,933</u>

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 2022 HK\$'000	As at 31 March 2022 HK\$'000
Trade creditors		
0–60 days	852,660	972,962
61–90 days	91,388	150,998
Over 90 days	62,967	64,987
	<u>1,007,015</u>	<u>1,188,947</u>
Other payables and accrued charges	530,577	575,876
	<u>1,537,592</u>	<u>1,764,823</u>

Notes to the Unaudited Condensed Consolidated Financial Statements

(Continued)

16. Bank loans, import and other loans

	As at 30 September 2022 HK\$'000	As at 31 March 2022 HK\$'000
Current portion of unsecured bank and other loans	573,584	727,641
Unsecured short-term bank loans and import loans	2,057,871	2,355,304
Current portion of secured motor vehicle loan	–	17
	<u>2,631,455</u>	<u>3,082,962</u>

17. Bank and other loans

	As at 30 September 2022 HK\$'000	As at 31 March 2022 HK\$'000
The unsecured bank and other loans are loans repayable:		
Within one year	573,584	727,641
Within a period of more than one year but not exceeding two years	710,611	579,291
Within a period of more than two years but not exceeding five years	387,420	161,555
The secured motor vehicle loan is repayable:		
Within one year	–	17
	<u>1,671,615</u>	<u>1,468,504</u>
Less: Amount due within one year shown under current liabilities	(573,584)	(727,641)
Current portion of secured motor vehicle loan	–	(17)
	<u>1,098,031</u>	<u>740,846</u>

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 2022 HK\$'000	31 March 2022 HK\$'000				
1. Listed equity securities classified as equity instrument at fair value through profit or loss	518	4,220	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	Assets – Liabilities 2,812	Assets 955 Liabilities 111	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. Equity instruments at FVTOCI	46,195	51,378	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.
4. Equity instruments at FVTOCI	41,250	31,367	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.

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 2022 HK\$'000	31 March 2022 HK\$'000				
5. Equity instruments at FVTOCI	7,496	7,639	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 2022 and the year ended 31 March 2022.

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.

19. Share Capital

	Number of shares '000	HK\$'000
Issued and fully paid ordinary shares:		
At 1 April 2021 & 30 September 2021	784,693	921,014
Issue of shares upon rights issue (Note)	130,782	81,085
Transaction costs attributable to issue of new shares	—	(3,433)
At 31 March 2022 and 30 September 2022	<u>915,475</u>	<u>998,666</u>

Note: On 14 February 2022, the Company announced a rights issue on the basis of one rights share for every six existing shares held by shareholders of the Company at a subscription price of HK\$0.62 per rights share. The Rights Issue was completed and 130,782,158 ordinary shares was issued before 31 March 2022.

Notes to the Unaudited Condensed Consolidated Financial Statements

(Continued)

20. Contingencies and commitments

(a) Contingent liabilities

	30 September 2022 HK\$'000	31 March 2022 HK\$'000
Guarantees given to banks in respect of banking facilities to associates	16,537	16,496
Others	<u>12,515</u>	<u>12,885</u>

(b) Capital commitments

	30 September 2022 HK\$'000	31 March 2022 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	<u>16,606</u>	<u>55,640</u>

21. Related party transactions

(a) Continuing connected transactions

During the period, the Group entered into the following continuing connected transactions:

	For the six months ended 30 September	
	2022 HK\$'000	2021 HK\$'000
Sales to Light Engine Group	735	–
Purchases from Light Engine Group	<u>2,556</u>	<u>–</u>
Aggregate amount of continuing connected transactions	<u>3,291</u>	<u>–</u>

(b) Other related party transactions

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

	For the six months ended 30 September	
	2022 HK\$'000	2021 HK\$'000
Sales to associates	106,789	87,917
Purchases from associates	165,284	198,914
Management fee income received from associates	<u>2,521</u>	<u>2,536</u>

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 2022 HK\$'000	31 March 2022 HK\$'000
Trade receivables due from associates	35,814	41,700
Other receivables due from associates	6,919	5,624
Trade payables due to associates	83,072	84,778
Other payables due to associates	<u>696</u>	<u>994</u>

Notes to the Unaudited Condensed Consolidated Financial Statements

(Continued)

22. Disposal of a subsidiary

On 31 January 2021, the Group entered into an equity transfer agreement with an independent third party to dispose of the entire equity interests in Modern Battery. The Group completed the disposal of Modern Battery during the period ended 30 September 2022.

The net assets of Modern Battery disposed of were as follows:

	<u>HK\$'000</u>
Consideration received:	
Cash received	<u>165,831</u>
Analysis of assets and liabilities over which control was lost:	
Assets classified as held for sale	39,961
Receivables and prepayments	61,018
Bank balances and cash	148
Creditors and accrued charges	(148)
Deferred tax liabilities	<u>(2,146)</u>
Net assets disposed of	<u>98,833</u>
Gain on disposal:	
Consideration received	165,831
Net assets disposed of	(98,833)
Reclassification of cumulative translation reserve upon disposal to profit or loss	<u>(6,753)</u>
	<u>60,245</u>
Net cash inflow arising on disposal	
Cash consideration	165,831
Less: Deposit received during the year ended 31 March 2022	(11,384)
Bank balances and cash disposed of	<u>(148)</u>
	<u>154,299</u>

Notes to the Unaudited Condensed Consolidated Financial Statements

(Continued)

23. Discontinued operations

On 31 May 2021, the Group entered into a sale and purchase agreement to sell the entire issued share capital of GP Industries Marketing Limited (“GPIM”), a wholly-owned subsidiary of the Group, inter alia, conditional upon the satisfaction of various conditions precedent on or before 30 September 2021 (the “Business Disposal”). As a condition of the Business Disposal, GPIM and Huizhou GP Wiring Technology Ltd. (“GPWT”), another wholly-owned subsidiary of the Group, shall undergo a reorganisation such that GPWT shall become a wholly-owned subsidiary of GPIM at completion. GPIM and GPWT comprised the Group’s automotive wire harness business. The Business Disposal was completed on 31 August 2021.

The loss from the discontinued automotive wire harness operation is set out below:

	For the six months ended 30 September 2021 <i>HK\$'000</i>
Profit of automotive wire harness operation for the period	930
Loss on disposal of automotive wire harness operation	(16,739)
Tax expenses on the disposal	(1,850)
	<u>(17,659)</u>

The results of the automotive wire harness operation for the period from 1 April 2021 to 31 August 2021, which have been included in the consolidated statement of profit or loss and other comprehensive income, were as follows:

	For the six months ended 30 September 2021 <i>HK\$'000</i>
Revenue	84,147
Cost of sales	(70,319)
Other income and other gains	797
Selling and distribution expenses	(6,387)
Administrative expenses	(6,705)
Finance costs	(418)
Profit before taxation	1,115
Income tax expense	(185)
Profit for the period	<u>930</u>

During the period ended 30 September 2021, automotive wire harness operation contributed cash outflow approximately HK\$7,596,000 to the Group’s net operating cash flows, paid approximately HK\$434,000 in respect of investing activities and paid approximately HK\$359,000 in respect of financing activities.

Notes to the Unaudited Condensed Consolidated Financial Statements

(Continued)

23. Discontinued operations (Continued)

The net assets of GPIM and GPWT at the date of disposal were as follows:

	31 August 2021 HK\$'000
Consideration received:	
Cash received	69,513
Analysis of assets and liabilities over which control was lost:	
Property, plant and equipment	11,735
Right-of-use assets	14,688
Inventories	32,026
Trade and other receivables and prepayments	86,067
Bank balances and cash	13,177
Creditors and accrued charges	(70,370)
Lease liabilities	(14,785)
Taxation payable	(352)
Net assets	72,186
Attributable goodwill	1,579
Net assets disposed of	73,765
Loss on disposal:	
Consideration received	69,513
Net assets disposed of	(73,765)
Reclassification of cumulative translation reserve upon disposal to profit or loss	(11,991)
Transaction costs	(496)
	(16,739)
Net cash inflow arising on disposal	
Cash consideration	69,513
Less: Bank balances and cash disposed of	(13,177)
Transaction costs paid	(496)
	55,840

Interim Dividend

The Board does not recommend an interim dividend for the six months ended 30 September 2022 (2021/22: Nil).

Disclosure of Interest

As at 30 September 2022, 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 2022, 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	242,941,685	26.54
Brian LI Yiu Cheung	350,000	0.04
Michael LAM Hin Lap	—	—
Brian WONG Tze Hang	—	—
Victor CHONG Toong Ying	—	—
Waltery LAW Wang Chak	—	—
Karen NG Ka Fai	48,868,573	5.34
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 2022, 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 2022, 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 2022, 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:

Name of shareholder	Capacity	Number of ordinary shares held	Percentage of issued share capital of the Company
TO May Mee	Beneficial owner	98,432,150 (Note 1)	10.75%
Jessica NG Sheen Fai	Beneficial owner	48,868,573 (Note 1)	5.34%
Ring Lotus Investment Limited ("Ring Lotus")	Interests of controlled corporation	70,569,500 (Note 2)	7.71%
HSBC International Trustee Limited ("HSBC Trustee")	Trustee	70,569,500 (Note 2)	7.71%

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 70,569,500 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 2022, 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

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 2021/2022 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 2022.

Corporate Governance Practices

The Company has complied with the code provisions set out in Part 2 of Appendix 14 to the Listing Rules during the six months ended 30 September 2022, except for the deviation from Code Provision C.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 2022.

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 2022 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
Gold Peak Technology Group Limited
Louis WONG Man Kon
Company Secretary

Hong Kong, 24 November 2022
www.goldpeak.com