



**INTERIM REPORT
2023-2024**



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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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

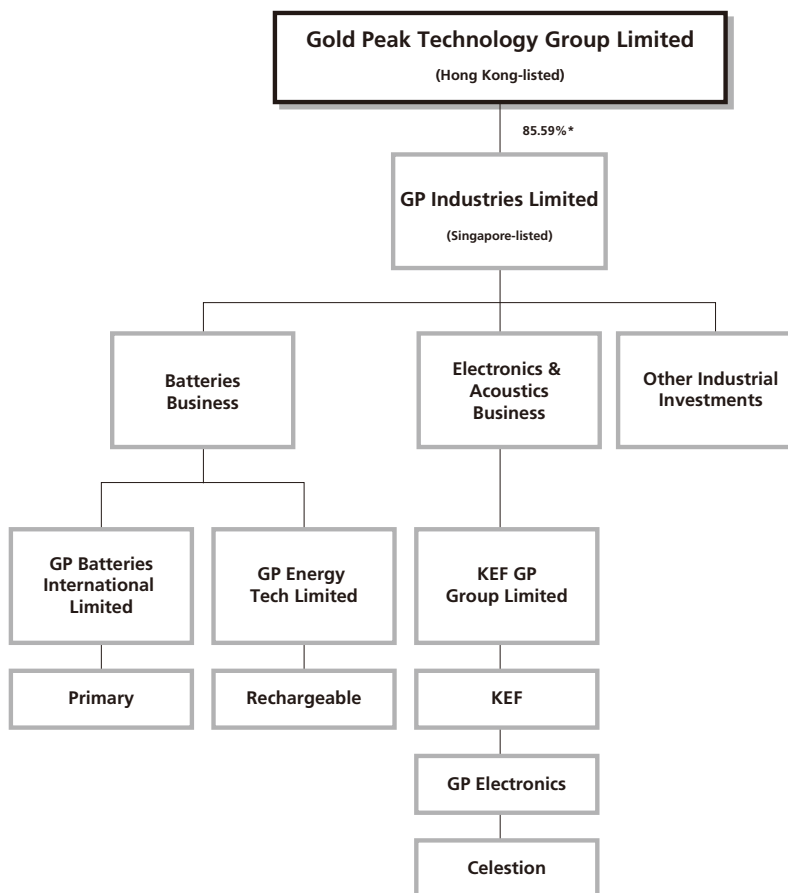
Bloomberg

40 HK

Reuters

0040 HK

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 not only develops its consumer batteries, and electronics and acoustics businesses in consumer products, but also puts great emphasis on R&D of new rechargeable battery technology and B2B battery business. The Group has built renowned brand names for its major product categories, including **GP** batteries, **GP Recyko** batteries, **KEF** premium acoustic products and **Celestion** professional speakers.

* As at 22 November 2023

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 2023.

Highlights

- Revenue decreased by 2.6% to HK\$3,284 million.
- Profit for the period decreased by 64% to HK\$39.9 million.
- Profit for the period attributable to owners of the Company decreased by 95.4% to HK\$3.5 million.
- Earnings per share: 0.38 Hong Kong cents (2022/23: 8.27 Hong Kong cents).
- The Board does not recommend an interim dividend for the six months ended 30 September 2023 (2022/23: Nil).

Summary of Results

For the six months ended 30 September 2023, the Group’s revenue amounted to HK\$3,284 million, a decrease of 2.6% as compared with HK\$3,373 million for the same period last year. Profit for the period decreased to HK\$39.9 million, a decrease of 64% as compared with HK\$110.9 million for the same period last year. Profit attributable to owners of the Company amounted to HK\$3.5 million, a decrease of 95.4% as compared with HK\$75.7 million for the same period last year. Earnings per share for the period amounted to 0.38 HK cents as compared with 8.27 HK cents for the same period last year.

Business Review

For the first half year (“1H”) ended 30 September 2023 (“1HFY2024”), the Group’s revenue decreased by HK\$89 million or 2.6% to HK\$3,284 million, compared to the revenue reported for the first half last year (“1HFY2023”). The decline was mainly due to a 2.9% and 1.6% decrease in revenue of the Batteries Business and the Electronics and Acoustics Business, respectively. In terms of geographical markets, sales to Europe and Asia decreased while sales to the Americas increased.

During 1HFY2024, the Group has enhanced its product mix, implemented stricter cost control measures and monitored the optimal level and timing of commodities purchases. As a result, the Group’s gross profit margin increased from 25.5% in 1HFY2023 to 27.4% in 1HFY2024.

The improved profit margin outweighed the decrease in revenue and achieved an increase in gross profit for 1HFY2024 by 4.6% to HK\$898.3 million.

Other income for 1HFY2024 decreased by 68.3% to HK\$73.5 million when compared to the HK\$231.5 million registered in 1HFY2023. During 1HFY2023, the Group reported a gain on disposal of HK\$70.7 million for its entire 29.28% equity interests in STL Technology Co., Ltd, and a gain on disposal of HK\$60.2 million for its entire 100% equity interests in Huizhou Modern Battery Limited after relocating its rechargeable battery manufacturing facilities. The Group did not register similar one-off disposal gains in 1HFY2024.

Distribution costs decreased by HK\$8.0 million or 1.9% to HK\$406.5 million, when compared to 1HFY2023 due mainly to reduced global shipping cost in 1HFY2024 and was in line with the drop in sales volume for 1HFY2024.

During 1HFY2024, the Group actively implemented operational efficiency enhancement and expense control measures. The Group's administrative expenses decreased by 6.6% to HK\$433.5 million, compared to HK\$464.0 million in 1HFY2023. The decline in 1HFY2024 was due mainly to a drop in staff cost after the Group's headcount reduction, salary reduction for senior management and a reduction in rental expense and back-office expense after the completion of efficiency enhancement procedures.

Other expenses for 1HFY2024 decreased to HK\$5.9 million, compared to HK\$51.3 million for 1HFY2023. The decrease in 1HFY2024 was due mainly to higher level of non-recurring charges recorded in 1HFY2023, which included a 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 GP Electronics (Huizhou) Co., Ltd.'s factory of the Electronics and Acoustics Business.

The Group's profit before finance costs and share of results of associate ("PBFCRA") for 1HFY2024 decreased to HK\$125.9 million, compared to HK\$160.4 million for 1HFY2023. The adjusted PBFCRA, calculated by adding back "Other Expenses" and deducting "Other Income" from PBFCRA, was a profit of HK\$58.3 million for 1HFY2024, a significant improvement over the loss of HK\$19.8 million reported in 1HFY2023, which reflected a substantial improvement in the operating results before other operating items of the Group in 1HFY2024 as compared to 1HFY2023.

Finance costs for 1HFY2024 was HK\$120.6 million, an increase of HK\$35.4 million or 41.5% from HK\$85.2 million reported for 1HFY2023, due mainly to rapidly increasing global interest rates.

Share of results of associates for 1HFY2024 increased by HK\$13.5 million to HK\$68.4 million. The increase in 1HFY2024 was due mainly to the share of the land disposal gain from Changzhou Lithium Batteries Limited ("CZLB"), which was partly offset by the decrease in operating results of the Group's associates including Meiloon Industrial Co., Ltd. ("Meiloon"), Wisefull Technology Limited ("Wisefull").

Total profit attributable to equity holders of the Company decreased to HK\$3.5 million for 1HFY2024, as compared to HK\$75.7 million for 1HFY2023.

Batteries Business

- Revenue of the Batteries Business for 1HFY2024 was S\$438.9 million, a decrease of 5.5% in Singapore dollar as compared to that of 1HFY2023.
- Sales of primary batteries and rechargeable batteries decreased by 3.8% and 14.6%, respectively. In geographical terms, sales to Asia and Europe decreased by 5.9% and 8.0%, respectively, while sales to the Americas increased slightly by 1.7%.
- Gross profit margin improved to 23.4% from 20.7% for 1HFY2023. The improvement was due mainly to lower cost for some commodities, improvement in product mix and the strengthening of the United States dollars (“US dollars”) against the Chinese Renminbi (“RMB”).

Electronics and Acoustics Business

- KEF GP Group Limited (“KGG”), a wholly-owned subsidiary of GP Industries incorporated in the last financial year ended 31 March 2023, was to act as the intermediate holding company for GP Industries Group’s principal subsidiaries in the Electronics and Acoustics Business. Under the new holding structure, KGG and its subsidiaries (“KGG Group”) will better reflect the synergies and mutually reinforcing relationships of the principal subsidiaries of the Electronics and Acoustics Business in research and development, product design, manufacturing, branding, marketing and sales activities.
- Revenue of the KGG Group was S\$125.3 million, a 4.3% decline in Singapore dollar when compared to the S\$130.9 million revenue reported in 1HFY2023.
- Revenue of the branded acoustics business decreased by 13.1%. Sales of KEF products decreased by 14.2%, with sales declined in the Asian and European markets while sales to the Americas markets remained stable. The Celestion brand professional speaker driver business reported an 8.7% revenue decline due to a decrease in sales to Europe and Americas while sales to Asia increased.
- Revenue of the professional audio manufacturing business increased by 13.7% due mainly to a 20.1% sales increase to the Americas.
- Gross profit margin of the KGG Group for 1HFY2024 decreased slightly to 41.1%, a decline of 1.4% when compared with 1HFY2023. Despite a more favorable RMB exchange rate, the decrease in gross profit margin of KGG Group was adversely affected by revenue drop of the branded acoustics business which has a higher gross profit margin compared to professional audio manufacturing business. This also contributed to a drop in profitability of the Electronics and Acoustics Business in 1HFY2024.

Other Industrial Investments

- The drop in the contribution before taxation of Other Industrial Investments from S\$10.2 million for 1HFY2023 to S\$4.3 million for 1HFY2024 was due mainly to the decrease in the share of results of Meiloon Industrial Co., Ltd. and Wisefull Technology Limited.

Financial Review

During the period, the Group's net bank borrowings increased by HK\$77 million to HK\$2,317 million. As at 30 September 2023, the aggregate of the Group's shareholders' funds and non-controlling interests was HK\$2,532 million and the Group's gearing ratio (the ratio of consolidated net bank borrowings to shareholders' funds and non-controlling interests) was 0.92 (31 March 2023: 0.82). The gearing ratios of the Company and GP Industries were 0.55 (31 March 2023: 0.54) and 0.61 (31 March 2023: 0.55) respectively.

At 30 September 2023, 86% (31 March 2023: 70%) of the Group's bank borrowings was revolving or repayable within one year whereas 14% (31 March 2023: 30%) 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 2023, the Group's current liabilities exceeded its current assets by approximately HK\$971 million. The increase in net current liabilities as at 30 September 2023 was due mainly to the increase in loans repayable within one year after reclassification of non-current loans to current liabilities, and the funding of capital expenditure and repayment of term loans and loan interest 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.

Rights Issue and Use of Proceeds

On 14 February 2022, the Company announced a rights issue (“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. The gross proceeds from the Rights Issue are approximately HK\$81.1 million and the net proceeds from the Rights Issue, after deducting professional fees and all other relevant expenses, are approximately HK\$77.5 million. Details of the Rights Issue were disclosed in the prospectus of the Company dated 8 March 2022 (the “Prospectus”).

As at 30 September 2023, the intended use and actual use of the net proceeds from the Rights Issue, as well as the unutilised net proceeds are as follows:

Intended use of net proceeds as disclosed in the Prospectus	Planned use of net proceeds as disclosed in the Prospectus <i>HK\$ million</i>	Utilised net proceeds up to 30 September 2023 <i>HK\$ million</i>	Unutilised net proceeds as at 30 September 2023 <i>HK\$ million</i>	Expected timeline for utilising the remaining net proceeds
For financing the expansion of the Rechargeable Batteries Business (as defined in the Prospectus)	62.0	–	62.0	Within two years from the publication of the Prospectus and by the year ending 31 March 2024
For general working capital purposes, including staff costs and administration expenses	15.5	15.5	–	N/A
Total:	77.5	15.5	62.0	

The Group has been developing advance sustainable energy storage solutions business and intends to upgrade and expand its existing Rechargeable Batteries Business production capacity as disclosed in the Prospectus and the net proceeds of the Rights Issue allocated for such purpose will be applied in line with such implementation.

The Rechargeable Batteries Business was carried out by GP Energy Tech Limited (“GP Energy Tech”). As the distribution in specie of GP Energy Tech by GP Industries to its shareholders was approved at the extraordinary general meeting of GP Industries on 4 December 2023, the Company will invest the remaining net proceeds of HK\$62 million in GP Energy Tech by the year ending 31 March 2024 as planned.

Employees and Remuneration Policies

As at 30 September 2023, the Group's major business divisions employed about 6,620 (31 March 2023: 6,650) 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

The global economy remains soft with high inflation and repeated interest rate hikes during 1HFY2024. It may adversely affect consumer spending on electronic and acoustics products. Also, demand for the Group's battery products may be affected when the major overseas customers continue to optimize their inventory level and reduce their inventories.

High interest rates are expected to significantly increase the Group's finance costs. The Group may explore funding some of its future expansions by other sources of financing, when appropriate, in order to reduce its bank borrowing and finance costs.

Recent strengthening of the US dollars against RMB, if it continues, may reduce some of the Group's cost pressure and provide more flexibility to price its products and optimize its production capacity.

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 in reducing its working capital requirements for fulfilling its delivery commitments.

With a strong product program and new experience centres in Tokyo and London to be opened in the second half of the financial year ending 31 March 2024 ("FY2024"), demand for KEF consumer speakers is expected to gradually strengthen. Demand for Celestion professional speaker drivers and professional audio manufacturing businesses is expected to benefit from strong consumer reception for public performance events and the ending of inventory adjustments at the trade level.

No significant "Other Income or Expenses" related to disposal of non-core assets is expected for FY2024.

Upon completion of the proposed distribution in-specie for the Nickel Metal Hydride (“NiMH”) rechargeable batteries manufacturing business to the shareholders of GP Industries, which is expected to be completed in the second half of FY2024, the Company will directly own the NiMH rechargeable batteries manufacturing business so the Company can focus more on its growth strategy and enhance access to equity and debt capital markets.

GP Energy Tech, which is responsible for the Group’s rechargeable battery manufacturing business, has just been certified by the respected Carbon Trust Assurance Limited in London for successfully achieving carbon neutrality for its Scope 1 and Scope 2 and Scope 3 category 6 (air travel) in accordance with the internationally recognized PAS 2060 standard. This is a very significant achievement and another milestone in the Group’s persistent effort into environmentally friendly and sustainable manufacturing. This certification also opens up new opportunities for GP Batteries in providing environmentally friendly products to global customers who are more advanced in their sustainability development.

Unaudited Condensed Consolidated Statement of Profit or Loss

	Notes	For the six months ended	
		2023	2022
		HK\$'000	HK\$'000 (Restated)
Revenue	4 & 5	3,283,720	3,372,728
Cost of sales		(2,385,386)	(2,514,014)
Gross profit		898,334	858,714
Other income and other gains	6	73,496	231,536
Selling and distribution expenses		(406,509)	(414,490)
Administrative expenses		(433,532)	(463,983)
Other expenses and other losses	7	(5,906)	(51,331)
Finance costs	8	(120,583)	(85,221)
Share of results of associates		68,429	54,895
Profit before taxation	9	73,729	130,120
Taxation	10	(33,824)	(19,173)
Profit for the period		39,905	110,947
Profit for the period attributable to			
Owners of the Company		3,493	75,672
Non-controlling interests		36,412	35,275
		39,905	110,947
Earnings per share – Basic	11	0.38 HK cents	8.27 HK cents

The condensed interim consolidated statement of profit and loss for the six months ended 30 September 2022 was restated due to the effect of equity accounting of an associate, XIC Innovation Limited (“XIC”) (Note 1).

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

	For the six months ended 30 September	
	2023 HK\$'000	2022 HK\$'000 (Restated)
Profit for the period	39,905	110,947
Other comprehensive income (expense):		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising from translation of foreign operations	(109,503)	(234,106)
Translation deficit reclassified to profit or loss upon deregistration/disposal of subsidiaries	–	25,698
Translation deficit reclassified to profit or loss upon deregistration/disposal of interest in associates	202	21,946
Share of other comprehensive expense of associates	(73,400)	(55,879)
	(182,701)	(242,341)
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Fair value loss on equity instruments at fair value through other comprehensive income	(3,993)	(1,853)
	(3,993)	(1,853)
Other comprehensive expense for the period	(186,694)	(244,194)
Total comprehensive expense for the period	(146,789)	(133,247)
Total comprehensive expense attributable to:		
Owners of the Company	(130,650)	(87,696)
Non-controlling interests	(16,139)	(45,551)
	(146,789)	(133,247)

Unaudited Condensed Consolidated Statement of Financial Position

		30 September 2023	31 March 2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Property, plant and equipment	12	2,128,454	2,320,789
Right-of-use assets	13	285,609	262,754
Interests in associates		1,599,369	1,614,594
Equity instruments at fair value through other comprehensive income		79,497	83,496
Intangible assets		1,746	2,410
Goodwill		70,399	70,399
Non-current deposits		28,449	19,706
Deferred tax assets		32,659	34,457
		<u>4,226,182</u>	<u>4,408,605</u>
Current assets			
Inventories		1,156,999	1,232,477
Trade and other receivables and prepayments	14	1,384,451	1,287,901
Dividend receivable		4,696	25,905
Taxation recoverable		32,547	34,331
Equity instruments at fair value through profit or loss		704	958
Bank balances, deposits and cash		914,756	1,277,888
		<u>3,494,153</u>	<u>3,859,460</u>
Current liabilities			
Creditors and accrued charges	15	1,529,210	1,561,900
Contract liabilities		71,166	88,150
Taxation payable		19,027	51,161
Lease liabilities		62,821	60,427
Bank loans, import and other loans	16	2,782,919	2,474,487
		<u>4,465,143</u>	<u>4,236,125</u>
Net current liabilities		<u>(970,990)</u>	<u>(376,665)</u>
Total assets less current liabilities		<u>3,255,192</u>	<u>4,031,940</u>

Unaudited Condensed Consolidated Statement of Financial Position

(Continued)

		30 September 2023	31 March 2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current liabilities			
Lease liabilities		235,158	226,883
Bank and other loans	17	448,850	1,043,848
Deferred tax liabilities		39,007	38,447
		723,015	1,309,178
Net assets		2,532,177	2,722,762
Capital and reserves			
Share capital	19	998,666	998,666
Reserves		571,953	702,603
Equity attributable to owners of the Company		1,570,619	1,701,269
Non-controlling interests			
Simple agreement for future equity		107,544	107,544
Share of net assets of subsidiaries		854,014	913,949
		961,558	1,021,493
Total equity		2,532,177	2,722,762

Unaudited Condensed Consolidated Cash Flow Statement

	For the six months ended	
	2023	2022
	HK\$'000	HK\$'000
Net cash from (used in) operating activities	99,521	(6,188)
Investing activities		
Purchase of property, plant and equipment	(33,058)	(159,046)
Deposits paid for acquisition of property, plant and equipment	(1,409)	(476)
Dividends received from associates	41,184	43,497
Net proceeds from disposal of a subsidiary (note 22)	–	154,299
Proceeds from disposal of property, plant and equipment	1,845	22,859
Acquisition of additional interests in associates	(10,797)	(16,679)
Interest received	9,575	7,997
Proceeds from disposal of associates	297	57,215
Proceeds from disposal of equity instruments at fair value through profit or loss	52	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	7,689	207,663
Financing activities		
New borrowings raised	50,000	562,459
Repayment of bank and other loans	(253,552)	(508,521)
Interest on bank and other loans paid	(110,019)	(77,648)
Interest on lease liabilities	(6,950)	(6,911)
Repayment of lease liabilities	(37,565)	(36,774)
Dividends paid to non-controlling shareholders of subsidiaries	(43,796)	(28,286)
Proceed from issue of SAFE by a subsidiary	3,917	–
Net cash used in financing activities	(397,965)	(95,681)
(Decrease) increase in cash and cash equivalents	(290,755)	105,794
Cash and cash equivalents at beginning of the period	1,277,888	1,186,326
Effect of foreign exchange rate changes	(72,377)	(127,127)
Cash and cash equivalents at the end of the period	914,756	1,164,993
Analysis of cash and cash equivalents		
Bank balances, deposits and cash	914,756	1,165,889
Bank overdrafts	–	(896)
	914,756	1,164,993

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 2023				
At 1 April 2023	998,666	12,756	39,533	(323,404)
Profit for the period	-	-	-	-
Other comprehensive expense for the period	-	-	-	(133,011)
Total comprehensive (expense) income for the period	-	-	-	(133,011)
Transfer of reserves	-	-	-	-
Dividend paid to non-controlling interests	-	-	-	-
	-	-	-	-
At 30 September 2023	998,666	12,756	39,533	(456,415)
For the six months ended 30 September 2022 (restated)				
At 1 April 2022 (as originally stated)	998,666	12,756	39,533	(170,361)
Adjustment on merger accounting (note 1)	-	-	-	2,307
At 1 April 2022 (restated)	998,666	12,756	39,533	(168,054)
Profit for the period	-	-	-	-
Other comprehensive expense for the period	-	-	-	(161,804)
Total comprehensive (expense) income for the period	-	-	-	(161,804)
Transfer of reserves upon disposal of a subsidiary	-	-	-	-
Dividend paid to non-controlling interests	-	-	-	-
	-	-	-	-
At 30 September 2022	998,666	12,756	39,533	(329,858)

Attributable to Owners of the Company				Non-controlling Interests			
Investment Revaluation Reserve <i>HK\$'000</i>	Capital Reserve <i>HK\$'000</i>	Retained Profits <i>HK\$'000</i>	Sub-total <i>HK\$'000</i>	SAFE <i>HK\$'000</i>	Share of net assets of subsidiaries <i>HK\$'000</i>	Sub- total <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
24,029	(29,142)	978,831	1,701,269	107,544	913,949	1,021,493	2,722,762
-	-	3,493	3,493	-	36,412	36,412	39,905
(1,132)	-	-	(134,143)	-	(52,551)	(52,551)	(186,694)
(1,132)	-	3,493	(130,650)	-	(16,139)	(16,139)	(146,789)
-	20	(20)	-	-	-	-	-
-	-	-	-	-	(43,796)	(43,796)	(43,796)
-	20	(20)	-	-	(43,796)	(43,796)	(43,796)
22,897	(29,122)	982,304	1,570,619	107,544	854,014	961,558	2,532,177
36,817	295,338	703,563	1,916,312	-	975,651	975,651	2,891,963
-	30,044	246,305	278,656	-	46,933	46,933	325,589
36,817	325,382	949,868	2,194,968	-	1,022,584	1,022,584	3,217,552
-	-	75,672	75,672	-	35,275	35,275	110,947
(1,564)	-	-	(163,368)	-	(80,826)	(80,826)	(244,194)
(1,564)	-	75,672	(87,696)	-	(45,551)	(45,551)	(133,247)
-	(2,745)	2,745	-	-	-	-	-
-	-	-	-	-	(28,286)	(28,286)	(28,286)
-	(2,745)	2,745	-	-	(28,286)	(28,286)	(28,286)
35,253	322,637	1,028,285	2,107,272	-	948,747	948,747	3,056,019

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”).

On 30 December 2022, XIC, a 39.13% directly held associate of GP Industries, has completed the acquisition of the entire issued share capital of Light Engine Technologies Limited (“Light Engine”) for a cash consideration of HK\$1,100.0 million of which XIC and Light Engine were under the common control of their controlling shareholder preceding to this acquisition. Following completion of the aforementioned acquisition, the consolidated financial statements of XIC and its subsidiaries (the “XIC Group”) have been restated to include assets and liabilities and the operating results of the Light Engine and its subsidiaries (the “Light Engine Group”), as if Light Engine Group had been in existence as at 1 April 2021 in accordance with Accounting Guideline 5 “Merger Accounting for Common Control Combinations” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Considering the restatement of consolidated financial statements of XIC Group from 1 April 2021, the unaudited condensed interim consolidated financial statements of the Group as at 30 September 2022 have been restated to adjust the interest in associates, share of results, other comprehensive income (loss) and share of change in net assets of XIC other than other comprehensive income.

The financial information relating to the year ended 31 March 2023 that is included in the half-year interim report 2023/2024 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 is as follows:

The Company has delivered the financial statements for the year ended 31 March 2023 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 those financial statements. 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 2023, the Group’s current liabilities exceeded its current assets by approximately HK\$971 million. The increase in net current liabilities as at 30 September 2023 was due mainly to the increase in loans repayable within one year after reclassification of non-current loans to current liabilities, and the funding of capital expenditure and repayment of term loans and loan interest with cash and short term borrowings. The Group’s current liabilities as at 30 September 2023 included bank loans, import and other loans of approximately HK\$2,783 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 2023 are the same as those presented in the Group’s annual financial statements for the year ended 31 March 2023.

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 2023 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two model Rules

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.

Impacts and changes in accounting policies on application of Amendments to HKAS 12

Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Accounting policies

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the condensed consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities, and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

As disclosed in the Group's annual financial statements for the year ended 31 March 2023, the Group previously applied the HKAS 12 requirements to assets and liabilities arising from a single transaction separately and temporary differences on initial recognition on the relevant assets and liabilities were not recognised due to application of the initial recognition exemption. In accordance with the transition provision:

- (i) the Group has applied the new accounting policy retrospectively to leasing transactions that occurred on or after 1 April 2022;
- (ii) the Group also, as at 1 April 2022, recognised a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary difference associated with right-of-use assets and lease liabilities.

The application of amendments to HKAS 12 in the current period had no material impact on the condensed consolidated financial statements but is expected to affect the disclosure notes to the consolidated financial statements of the Group for the financial year ending 31 March 2024.

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 2023

	Electronics HK\$'000	Batteries HK\$'000	Other investments HK\$'000	Total reportable segments HK\$'000	Eliminations HK\$'000	Total HK\$'000
REVENUE						
External sales	729,458	2,554,262	–	3,283,720	–	3,283,720
Inter-segment sales	345	47	–	392	(392)	–
Segment revenue	<u>729,803</u>	<u>2,554,309</u>	<u>–</u>	<u>3,284,112</u>	<u>(392)</u>	<u>3,283,720</u>
RESULTS						
Segment results	32,862	180,555	21	213,438	–	213,438
Interest income						9,718
Other expenses and other losses						(5,906)
Finance costs						(120,583)
Unallocated expenses						(22,938)
Profit before taxation						<u>73,729</u>

Six months ended 30 September 2022 (restated)

	Electronics HK\$'000	Batteries HK\$'000	Other investments HK\$'000	Total reportable segments HK\$'000	Eliminations HK\$'000	Total HK\$'000
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	45,843	222,403	(8)	268,238	–	268,238
Interest income						9,469
Other expenses and other losses						(51,331)
Finance costs						(85,221)
Unallocated expenses						(11,035)
Profit before taxation						<u>130,120</u>

Notes to the Unaudited Condensed Consolidated Financial Statements

(Continued)

5. Revenue

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

	For the six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
Electronics segment:		
Electronics and acoustics products	729,458	741,499
Batteries segment:		
Batteries and battery related products	2,554,262	2,631,229
Revenue from contracts with customers	3,283,720	3,372,728

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

	For the six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
The People's Republic of China		
– Hong Kong	156,700	152,977
– Mainland China	1,293,322	1,325,232
Other Asian countries	239,604	274,599
Europe	886,379	950,340
Americas	686,120	643,300
Others	21,595	26,280
	3,283,720	3,372,728

Notes to the Unaudited Condensed Consolidated Financial Statements

(Continued)

6. Other income and other gains

	For the six months ended 30 September	
	2023 HK\$'000	2022 HK\$'000 (Restated)
Gain on disposal of property, plant and equipment	383	13,121
Interest income	9,718	9,469
Government grant	19,185	3,624
Realised gain on derivative financial instruments	24	–
Rental concession related to COVID-19	–	2,080
Product development and engineering fee income	18,230	1,663
Gain on disposal of a subsidiary	–	60,245
Gain on disposal/deemed partial disposal of interest in associates	114	24,024
Management fee income received from associates	2,741	2,521
Gain on sales of parts, samples, scrap and surplus materials	2,376	4,000
Recovery of bad debts and write-back of expected credit losses	9	1,205
Operating lease income	1,993	1,608
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 associates	16	12,580
Royalty income	2,323	2,806
Exchange gain	16,288	46,948
Others	96	2,707
	73,496	231,536

7. Other expenses and other losses

	For the six months ended 30 September	
	2023 HK\$'000	2022 HK\$'000 (Restated)
Property, plant and equipment written off	1,684	1,923
Fair value loss on equity instruments at fair value through profit or loss	199	–
Unrealised fair value loss on derivative financial instruments	–	3,482
Realised loss on derivative financial instruments	193	7,774
Closure and relocation costs	–	1,732
Loss on deregistration of a subsidiary	–	18,945
Loss from deemed disposal of interest in an associate	1,201	–
Expected credit losses on other receivables	2,161	–
Reduction in compensation receivable	–	16,982
Others	468	493
	5,906	51,331

Notes to the Unaudited Condensed Consolidated Financial Statements

(Continued)

8. Finance costs

	For the six months ended 30 September	
	2023 HK\$'000	2022 HK\$'000
Interest on bank and other loans	113,633	78,310
Interest on lease liabilities	6,950	6,911
	120,583	85,221

9. Profit before taxation

	For the six months ended 30 September	
	2023 HK\$'000	2022 HK\$'000
Profit before taxation has been arrived at after charging:		
Amortisation of intangible assets	664	38
Depreciation of property, plant and equipment	96,929	92,079
Depreciation of right-of-use assets	39,052	41,806

10. Taxation

	For the six months ended 30 September	
	2023 HK\$'000	2022 HK\$'000
Hong Kong Profits Tax	7,654	7,356
Taxation in jurisdictions other than Hong Kong	23,980	29,155
Deferred taxation	2,190	(17,338)
	33,824	19,173

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 September 2022: 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	
	2023	2022
	HK\$'000	HK\$'000 (Restated)
<i>Earnings</i>		
Profit for the period attributable to owners of the Company	<u>3,493</u>	<u>75,672</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>915,475</u>	<u>915,475</u>

No computation of diluted earnings per share for the periods ended 30 September 2023 and 30 September 2022 is disclosed as there are no potential ordinary shares in issue during the periods ended 30 September 2023 and 30 September 2022.

12. Property, plant and equipment

During the period ended 30 September 2023, the Group spent approximately HK\$33,730,000 (six months ended 30 September 2022: HK\$159,445,000) on property, plant and equipment to expand its business.

13. Right-of-use assets

During the period ended 30 September 2023, 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\$71,007,000 (six months ended 30 September 2022: HK\$18,803,000) and lease liabilities of HK\$63,222,000 (six months ended 30 September 2022: HK\$17,522,000).

Notes to the Unaudited Condensed Consolidated Financial Statements

(Continued)

14. Trade and other receivables and prepayments

	As at 30 September 2023 HK\$'000	As at 31 March 2023 HK\$'000
Trade and bills receivables from contracts with customers	1,153,755	986,573
Less: Allowance for credit losses	<u>(38,760)</u>	<u>(40,300)</u>
	1,114,995	946,273
Other receivables, deposits and prepayments	<u>297,905</u>	<u>361,334</u>
	1,412,900	1,307,607
Less: Non-current portion of deposits		
Deposits paid for acquisition of property, plant and equipment	(19,302)	(19,706)
Non-current rental deposits	<u>(9,147)</u>	<u>—</u>
	(28,449)	(19,706)
	<u>1,384,451</u>	<u>1,287,901</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 2023 HK\$'000	As at 31 March 2023 HK\$'000
0–60 days	1,024,241	760,577
61–90 days	36,365	113,153
Over 90 days	<u>54,389</u>	<u>72,543</u>
	1,114,995	946,273

Notes to the Unaudited Condensed Consolidated Financial Statements

(Continued)

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 2023 HK\$'000	As at 31 March 2023 HK\$'000
Trade creditors		
0–60 days	935,473	890,294
61–90 days	46,746	68,146
Over 90 days	36,528	124,361
	<u>1,018,747</u>	<u>1,082,801</u>
Other payables and accrued charges	510,463	479,099
	<u>1,529,210</u>	<u>1,561,900</u>

16. Bank loans, import and other loans

	As at 30 September 2023 HK\$'000	As at 31 March 2023 HK\$'000
Unsecured short-term bank loans and import loans	1,690,470	1,723,536
Current portion of unsecured bank and other loans	1,092,449	750,951
	<u>2,782,919</u>	<u>2,474,487</u>

Notes to the Unaudited Condensed Consolidated Financial Statements

(Continued)

17. Bank and other loans

	As at 30 September 2023 HK\$'000	As at 31 March 2023 HK\$'000
The unsecured bank and other loans are loans repayable:		
Within one year	1,092,449	750,951
Within a period of more than one year but not exceeding two years	423,359	757,037
Within a period of more than two years but not exceeding five years	25,491	286,811
	<u>1,541,299</u>	<u>1,794,799</u>
Less: Amount due within one year shown under current liabilities	<u>(1,092,449)</u>	<u>(750,951)</u>
	<u>448,850</u>	<u>1,043,848</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	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 2023 HK\$'000	31 March 2023 HK\$'000				
1. Listed equity securities classified as equity instrument at fair value through profit or loss	704	958	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. Equity instruments at FVTOCI	11,739	11,745	Level 2	The fair value of the equity instrument is estimated by market value of the recent investment transactions.	N/A	N/A
3. Equity instruments at FVTOCI	42,819	46,978	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	17,466	17,519	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	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 2023 HK\$'000	31 March 2023 HK\$'000				
5. Equity instruments at FVTOCI	7,473	7,254	Level 3	<p>Combination of asset-based approach and market approach.</p> <p>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.</p>	The discount of lack of marketability and applied multiples.	<p>The higher the discount of lack of marketability, the lower the fair value.</p> <p>The higher the applied multiples, the higher the fair value.</p>

There is no transfer between different levels of the fair value hierarchy during the six months ended 30 September 2023 and the year ended 31 March 2023.

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 31 March 2023 and 30 September 2023	915,475	998,666

Notes to the Unaudited Condensed Consolidated Financial Statements

(Continued)

20. Contingencies and commitments

(a) Contingent liabilities

	30 September 2023 HK\$'000	31 March 2023 HK\$'000
Others	<u>11,916</u>	<u>12,709</u>

(b) Capital commitments

	30 September 2023 HK\$'000	31 March 2023 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>6,262</u>	<u>3,059</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	
	2023 HK\$'000	2022 HK\$'000
Sales to Light Engine Group	45	735
Purchases from Light Engine Group	<u>274</u>	<u>2,556</u>
Aggregate amount of continuing connected transactions	<u>319</u>	<u>3,291</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	
	2023 HK\$'000	2022 HK\$'000
Sales to associates	154,704	106,789
Purchases from associates	258,014	165,284
Management fee income received from associates	<u>2,741</u>	<u>2,521</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 2023 HK\$'000	31 March 2023 HK\$'000
Trade receivables due from associates	62,309	41,210
Other receivables due from associates	3,760	6,456
Trade payables due to associates	95,074	83,377
Other payables due to associates	<u>1,229</u>	<u>691</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 Huizhou Modern Battery Limited ("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>

Interim Dividend

The Board does not recommend an interim dividend for the six months ended 30 September 2023 (2022/23: Nil).

Disclosure of Interest

As at 30 September 2023, 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 2023, 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 2023, 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 2023, 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 2023, the following persons (not being a director or chief executive of the Company) had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under section 336 of the SFO, or who were, directly or indirectly, interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of the Company:

<u>Name of shareholder</u>	<u>Capacity</u>	<u>Number of ordinary shares held</u>	<u>Percentage of issued share capital of the Company</u>
TO May Mee	Beneficial owner	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 2023, 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 2022/2023 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 2023.

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 2023, 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 for Securities Transactions by Directors of Listed Issuers" set out in Appendix 10 to the Listing Rules (the "Model Code") as its code of conduct regarding the directors' securities transactions. Having made specific enquiry of all directors of the Company, the Company confirmed that all directors have complied with the required standards set out in the Model Code during the six months ended 30 September 2023.

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 2023 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, 22 November 2023
www.goldpeak.com