

Edgar Filing: PEAK INTERNATIONAL LTD - Form 10-Q

PEAK INTERNATIONAL LTD  
Form 10-Q  
July 30, 2001

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934  
For the Quarter Ended June 30, 2001

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 0-29332

PEAK INTERNATIONAL LIMITED  
(Exact Name of Registrant as Specified in its Charter)

Incorporated in Bermuda with limited liability  
(State or other jurisdiction  
of incorporation or organization)

None  
(I.R.S. Employer  
Identification Number)

44091 Nobel Drive, P.O.Box 1767, Fremont, California  
(Address of principal executive officer)

94538  
(Zip Code)

(510) 449-0100  
(Registrant's telephone number)

Indicate by check mark whether the registrant: (1) has filed all reports  
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of  
1934 during the preceding 12 months (or for such shorter period that the  
Registrant was required to file such reports), and (2) has been subject to such  
filing requirements for the past 90 days.

Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of  
common stock, as of July 24, 2001.

Class	Outstanding at July 24, 2001
----- Common Stock, \$0.01 Par Value -----	----- 12,985,591 -----

PART I  
FINANCIAL INFORMATION

Item 1. Financial Statements

Consolidated Statements of Operations  
(in thousands, except per share data)

Edgar Filing: PEAK INTERNATIONAL LTD - Form 10-Q

	Three Months Ended June 30,	
	----- 2001 ----- (Unaudited)	
Net Sales:		
- Third parties.....	\$ 10,737	\$
- Related companies.....	658	
	-----	
	11,395	
Cost of Goods Sold.....	9,156	
	-----	
Gross Profit.....	2,239	
General and Administrative.....	2,523	
Research and Development.....	52	
Selling and Marketing.....	2,131	
	-----	
Operating (Loss) Income.....	(2,467)	
Other (Expenses) Income - net.....	(92)	
Interest Income.....	290	
	-----	
(Loss) Income Before Tax.....	(2,269)	
Taxation.....	(78)	
	-----	
NET (LOSS) INCOME.....	\$ (2,191)	\$
	=====	
(LOSS) EARNINGS PER SHARE		
- Basic.....	\$ (0.16)	\$
- Diluted.....	\$ (0.16)	\$
Weighted Average Number of Shares		
- Basic.....	13,358	
- Diluted.....	13,358	

See notes to consolidated financial statements.

1

Consolidated Balance Sheets  
(in thousands)

	June 30, 2001	Mar
	----- (Unaudited)	
ASSETS		
Current Assets:		
Cash and cash equivalents.....	\$ 29,774	
Accounts receivable - net of allowance for doubtful accounts of \$320 at June 30, 2001 and \$344 at March 31, 2001.....	8,165	
Inventories - net.....	15,683	
Other receivables, deposits and prepayments.....	1,217	

Edgar Filing: PEAK INTERNATIONAL LTD - Form 10-Q

Income tax receivable.....	146
Amounts due from related companies.....	582
	-----
Total Current Assets.....	55,567
	-----
Deposits for Acquisition of Property, Plant and Equipment.....	141
Property, Plant and Equipment - net.....	55,527
	-----
TOTAL.....	\$111,235
	=====
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current Liabilities:	
Accounts payable:	
- Trade.....	\$ 2,329
- Property, plant and equipment.....	690
Accrued payroll and employee benefits.....	954
Accrued other expenses.....	1,353
Income tax payable.....	5,084
	-----
Total Current Liabilities.....	10,410
Deferred Income Taxes.....	2,296
	-----
Total Liabilities.....	12,706
	-----
Commitments and Contingencies (note 8)	
Stockholders' Equity:	
Share capital.....	130
Additional paid-in capital.....	29,984
Retained earnings.....	69,513
Accumulated other comprehensive loss.....	(1,098)
	-----
Total stockholders' equity.....	98,529
	-----
TOTAL.....	\$111,235
	=====

See notes to consolidated financial statements

2

Consolidated Statements of Cash Flows  
(in thousands)

	Three Months June 30
	-----
	2001
	-----
	(Unaudited)
Operating activities:	
Net (loss) income:	\$ (2,191)

## Edgar Filing: PEAK INTERNATIONAL LTD - Form 10-Q

Adjustments to reconcile net (loss) income to net cash provided by operating activities:	
Depreciation and amortization.....	1,529
Deferred income taxes.....	(74)
Gain (Loss) on disposal/write-off of property, plant and equipment.....	17
Provision for bad debts.....	(24)
Changes in operating assets and liabilities:	
Accounts receivables.....	1,207
Inventories.....	644
Other receivables, deposits and prepayments.....	(3)
Income tax receivable.....	1
Amounts due from related companies.....	7
Accounts payable - trade.....	(415)
Accrued payroll and other liabilities.....	112
Income tax payable.....	(4)
Net cash provided by operating activities.....	806
Investing activities:	
Proceeds on sale of plant and equipment.....	0
Acquisition of property, plant and equipment.....	(751)
Increase in deposits for acquisition of property, plant and equipment.....	(26)
Net cash used in investing activities.....	(777)
Financing activities:	
Increase in bank borrowings.....	0
Payment for share / TrENDS buyback.....	(4,396)
Proceeds from issue of common stock.....	150
Net cash (used in) provided by financing activities.....	(4,246)
Net (decrease) increase in cash and cash equivalents.....	(4,217)
Cash and cash equivalents at beginning of period.....	33,901
Effects of exchange rate changes on cash and cash equivalents.....	90
Cash and cash equivalents at end of period.....	\$29,774
Supplemental cash flow information:	
Cash paid during period	
Interest.....	\$ 0
Income taxes.....	0
	=====

See notes to consolidated financial statements.

## Edgar Filing: PEAK INTERNATIONAL LTD - Form 10-Q

Peak International Limited (the "Company") was incorporated as an exempted company with limited liability in Bermuda under the Companies Act 1981 of Bermuda (as amended) on January 3, 1997. The subsidiaries of the Company are principally engaged in the manufacture and sale of precision engineered packaging products, such as matrix trays, shipping tubes, reels and carrier tape, leadframe boxes and interleaves used in the storage and transportation of semiconductor devices and other electronic components. The Company's principal production facilities are located in the People's Republic of China and the Company maintains sales offices in Hong Kong, the United States of America, Singapore, Malaysia, Taiwan, and the Philippines.

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and include the accounts of the Company and its subsidiaries. All significant intra-group balances and transactions have been eliminated on consolidation.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect reported amounts of certain assets, liabilities, revenues and expenses as of and for the reporting periods. Actual results could differ from those estimates. Differences from those estimates are reported in the period they become known.

The unaudited consolidated financial statements reflect all adjustments (including normal recurring adjustments) which in the opinion of management are required for a fair presentation of the Company's interim results. The results for interim periods are not necessarily indicative of the results that may be achieved in the entire year.

Certain amounts in the prior period have been reclassified to conform with the current period's presentation.

In June 1998, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133, as amended, is effective for all fiscal quarters of all fiscal years beginning after June 15, 2000. SFAS No. 133 requires that all derivative instruments be recorded on the balance sheet at their fair value. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income, depending on whether a derivative is designed as part of a hedge transaction and, if it is, the type of hedge transaction. The Company considers that the adoption of SFAS No. 133 on April 1, 2001 did not have a significant impact on its consolidated financial statements or business practices.

These unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto contained in the Company's Annual Report on Form 10K for the year ended March 31, 2001.

Deloitte Touche Tohmatsu, the Company's independent accountants, have performed a review of the financial information included herein. Their report on such review accompanies this filing.

Edgar Filing: PEAK INTERNATIONAL LTD - Form 10-Q

	June 30, 2001	March 31, 2001
	-----	-----
	(Unaudited)	
Raw materials.....	\$ 8,439	\$ 8,589
Finished goods.....	7,244	7,738
	-----	-----
	\$ 15,683	\$ 16,327
	=====	=====

3) Statements of Comprehensive (Loss) Income

	Three Months June
	-----
	2001
	-----
	(Unaudited)
Net (Loss) Income.....	\$ (2,191)
Foreign currency translation adjustment.....	94
	-----
Comprehensive (Loss) Income.....	\$ (2,097)
	=====

4) Stock Options

Option activity relating to the Company's stock option plan is summarized as follows (unaudited):

	Number of Shares
	-----
Outstanding at April 1, 2001.....	2,498,593
Exercised.....	(2,083)
Forfeited.....	(73,149)
	-----
Outstanding at June 30, 2001.....	2,423,361
	=====

5) (Loss) Earnings Per Share

The following is a reconciliation of the numerator and the denominators of the basic and diluted (loss) earnings per share:

Three Months End  
June 30,

-----

Edgar Filing: PEAK INTERNATIONAL LTD - Form 10-Q

	2001
	----- (Unaudited)
Net (Loss) Income (numerator).....	\$ (2,191)
Shares - Weighted average (denominator) (in thousands)	
Basic.....	13,358
Options.....	0
Diluted.....	----- 13,358 =====

5

6) Employee Stock Purchase and Option Plans

During the quarter ended June 30, 2001 the Company issued 30,986 shares at \$4.488 to employees under the 1998 Employee Stock Purchase Plan.

7) Share Repurchase

The Board of Directors of the Company has authorized the repurchase by the Company of up to \$10 million of its common stock at prices not to exceed 150% of the company's net asset value per share. In the quarter ended June 30, 2001, the Company repurchased 194,668 shares at an average price of \$6.76. To date, the Company has spent approximately \$2.5 million for common stock repurchases. In addition, pursuant to authority granted by the Board of Directors, the Company purchased 473,876 units of Trust Enhanced Dividend Securities of Peak TrENDS Trust ("TrENDS") at an average price of \$6.50 per TrENDS through a tender offer. In May, 2001, the shares obtained as a result of the automatic conversion of TrENDS into common shares were cancelled. The Company engaged Tucker Anthony & Sutro for the repurchase activities in the June 30, 2001 quarter.

8) Commitments and Contingencies

(a) Litigation

Please refer to "Part II: Other Information, Item 1. Legal Proceedings".

(b) Commitments

At June 30, 2001, the Company had no outstanding foreign currency exchange contracts. At June 30, 2001, the Company had commitments for capital expenditures of \$4.2 million.

9) Segmental Information

	Hong Kong & PRC	United States	Other Asian countries	Eliminati
	-----	-----	-----	-----
Quarter ended June 30, 2001 (unaudited)				
Net sales to third parties	\$ 7,092	\$1,220	\$2,425	\$
Net sales to related companies	658	0	0	
Transfer between geographic areas	3,677	0	362	(4,03
	-----	-----	-----	-----

Edgar Filing: PEAK INTERNATIONAL LTD - Form 10-Q

Total net sales	\$11,427	\$1,220	\$2,787	\$ (4,03
	-----	-----	-----	-----
Loss before tax	\$ (1,120)	\$ (632)	\$ (471)	\$ (4
	=====	=====	=====	=====
Quarter ended June 30, 2000 (unaudited)				
Net sales to third parties	\$13,118	\$2,985	\$4,280	\$
Net sales to related companies	1,915	0	0	
Transfer between geographic areas	6,563	0	354	(6,91
	-----	-----	-----	-----
Total net sales	\$21,596	\$2,985	\$4,634	\$ (6,91
	-----	-----	-----	-----
Income (loss) before tax	\$ 4,817	\$ (322)	\$ 61	\$ 10
	=====	=====	=====	=====

6

To the Board of Directors of  
Peak International Limited:

We have reviewed the accompanying consolidated balance sheet of Peak International Limited and subsidiaries as of June 30, 2001, and the related consolidated statements of operations and cash flows for the three months ended June 30, 2001 and 2000. These financial statements are the responsibility of the company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and of making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to such consolidated financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of Peak International Limited and subsidiaries as of March 31, 2001, and the related consolidated statements of income and comprehensive income, shareholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated May 4, 2001, except for Note 17 to the financial statements, as to which the date is May 11, 2001, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of March 31, 2001, is fairly stated, in all material respects, in relation to the balance sheet from which it has been derived.

DELOITTE TOUCHE TOHMATSU

Hong Kong,  
July 23, 2001

7



## Edgar Filing: PEAK INTERNATIONAL LTD - Form 10-Q

### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

#### General

The following discussion and analysis of financial condition and results of operations is based upon and should be read in conjunction with the consolidated financial statements of the Company and notes thereto included in this Report and the Registrant's Annual Report on Form 10-K for the year ended March 31, 2001.

#### Forward-Looking Statements

Management's discussion and analysis of financial condition and results of operations and other sections of this Report contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. We intend for the forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in these sections. All statements regarding the Company's expected financial position, business and financing plans are forward-looking statements. Such forward-looking statements are identified by use of forward-looking words such as "anticipates," "believes," "plans," "estimates," "expects," and "intends" or words or phrases of similar expression. These forward-looking statements are subject to various assumptions, risks and uncertainties, including but not limited to, changes in political and economic conditions, demand for the Company's products, acceptance of new products, technology developments affecting the Company's products and to those discussed in the Company's filings with the Securities and Exchange Commission. Accordingly, actual results could differ materially from those contemplated by the forward-looking statements.

#### Results of Operations

**Net Sales.** Net sales decreased by 48.9% to \$11.4 million in Fiscal 1Q 2002 from \$22.3 million in Fiscal 1Q 2001. Net sales of trays decreased by 46.3% over the period reflecting a 41.2% decrease in sales volume, and a 8.7% drop in average realized sales price. Net sales of carrier tape decreased by 66.0% over the period, driven by a 59.3% decrease in sales volume, and a 16.5% drop in average realized sales price. Net sales for tubes decreased by 53.1% over the year. Sales volume for tubes decreased by 50.4%, the average realized sales price of tubes dropped 5.6% over the same period. The decrease in revenue reflected the significant down turn in the business environment of the semiconductor industry. Sales of disk drive trays made up 3.5% of our revenue for the quarter and represented a nice addition to our revenue in this down market.

**Gross Profit.** Gross profit decreased by 76.9% to \$2.2 million in Fiscal 1Q 2002 from \$9.7 million in Fiscal 1Q 2001. Our gross margin dropped to 19.6% in Fiscal 1Q 2002 from 43.5% in Fiscal 1Q 2001. The drop in gross margin was mainly the result of the drop in the average realize sales price of our products over the period, and the cost of maintaining an under-utilized plant.

**Income from Operations.** Operating loss of \$2.5 million was noted in Fiscal 1Q 2002 compared to an operating income of \$4.3 million in Fiscal 1Q 2001. Our operating margin dropped to -21.6% from 19.3%.

**General and Administrative Expenses.** General and administrative expenses decreased by 9.7% to \$2.5 million in Fiscal 1Q 2002 from \$2.8 million in Fiscal 1Q 2001 mainly due to a reduction in legal expenses.

**Selling and Marketing Expenses.** Selling and marketing expenses decreased by 17.2% to \$2.1 million in Fiscal 1Q 2002 from \$2.6 million in Fiscal 1Q 2001,

## Edgar Filing: PEAK INTERNATIONAL LTD - Form 10-Q

primarily due to the reduction in freight and agency commissions as a result of the drop in business.

8

Other income/expenses. This represents mostly realized and unrealized exchange differences that the Company recorded during the period. Due to the strength of the US Dollar in the current period compared to the same period last year, an exchange loss of \$0.1 million was recorded during the quarter against an exchange gain of \$0.1 million during the same quarter last year.

Interest Income. For the quarter under consideration, interest income increased over the comparable period last year, primarily as a result of the increase in bank deposit balance.

Net Income. A net loss of \$2.2 million resulted for the fiscal quarter 1Q 2002, compared to a net income of \$4.3 million for the fiscal quarter 1Q 2001, reflecting the effects of the foregoing factors.

### Liquidity and Capital Resources

Our net cash provided by operating activities was \$0.8 million in the three months ended June 30, 2001, compared to \$8.3 million in the three months ended June 30, 2000. A total of \$4.4 million was used for the repurchase of the Company's common stock and TrENDS. We incurred capital expenditures of \$0.8 million for the acquisition of new equipment in our current facility during the three months ended June 30, 2001, compared with \$1.6 million for the same period last year. As of June 30, 2001, we had commitments for capital expenditures of \$4.2 million.

### Recent Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board (FASB) issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" which was adopted by the Company on April 1, 2001 the adoption of SFAS 33 did not have a significant impact on the Company's consolidated financial statements or business practices.

### Item 3. Quantitative and Qualitative Disclosures about Market Risk

#### PVC Resin Price

PVC resin, the principal raw material used in the manufacture of tubes, together with additives used in the manufacture of tubes accounted for 8.9% of our total raw material costs for the three months ended June 30, 2001. While we believe, principally as a result of increased production capacity by suppliers, that a severe shortage in the supply of PVC resin is unlikely to occur in the foreseeable future, there can be no assurance that such shortage will not occur. Any price increases would result in higher costs, which could have a material adverse effect on our results of operations and financial condition. We currently maintain approximately two to three months' stock of PVC resin and other raw materials used in our production processes, and increase such stock when we believe prices are favorable. We do not, and do not intend to, enter into future contracts or use any financial instruments to hedge our exposure to fluctuations in the price of PVC resin or other raw materials used in our production processes.

#### Currency Exchange Rate Fluctuations

Our sales are denominated primarily in US Dollars while our costs of goods sold are generally incurred in US Dollars, Hong Kong Dollars and Renminbi, and

## Edgar Filing: PEAK INTERNATIONAL LTD - Form 10-Q

our operating expenses are generally denominated in Renminbi, Hong Kong Dollars, US Dollars, New Taiwan Dollars, Malaysian Ringgits and the Philippine Peso. In addition, a substantial portion of our capital expenditures, primarily for the purchase of equipment, has been and is expected to continue to be denominated in US Dollars and Japanese Yen. Consequently, a portion of our costs and operating margins may be affected by fluctuations in exchange rates, primarily between the US Dollar and other currencies. Our results of

9

operations and financial condition could be adversely affected by fluctuations in currency exchange rates or the imposition of new or additional currency controls in the jurisdictions in which we operate. Primarily in response to recent developments in the Southeast Asian currency markets, from time to time, we engage in derivatives trading activities, such as entering into forward contracts, to hedge our currency exchange exposure. The Company does not utilize market-risk sensitive instruments for speculative purposes. At June 30, 2001, we had no outstanding foreign currency exchange contracts.

10

### PART II OTHER INFORMATION

#### Item 1. Legal Proceedings

On or about July 2, 1999, the Company received an Amended and Restated Demand for Arbitration filed on behalf of the Company's former Chief Executive Officer, Richard Brook. Mr. Brook sought payment of \$32,400 per month or a lump sum payment of \$1,036,800 pursuant to his employment agreement with the Company, which was terminated on or about December 1, 1998. Mr. Brook also asserted various tort claims for damages against the Company. The Company opposed Mr. Brook's claim and asserted counterclaims against Mr. Brook for breach of contract, libel and breach of fiduciary duty. Mr. Brook's claims against the Company were tried before an arbitrator in June 2000. On August 4, 2000, a decision was rendered in the arbitration. The arbitrator denied the bulk of Mr. Brook's breach of contract claim, finding that the Company was justified in terminating him for cause. However, the arbitrator found that Mr. Brook's termination for cause was not effective until May 1999 and that Mr. Brook was entitled to certain additional compensation of approximately \$70,000. The arbitrator denied all of Mr. Brook's tort claims. On the Company's breach of contract counterclaim, the arbitrator found Mr. Brook liable for over \$400,000 in actual damages and \$100,000 in exemplary damages. The award of exemplary damages was based on a finding that Mr. Brook acted with malice toward the Company. The arbitrator denied the Company's defamation claim and did not specifically address the Company's breach of fiduciary duty claim, which had previously been bifurcated. The arbitrator then awarded certain attorney's fees to each party. The net result of the arbitration was a judgment in the amount of approximately \$520,000 in favor of the Company and against Mr. Brook. Mr. Brook challenged the arbitration award in United States District Court in Austin, Texas, which vacated the arbitrator's award on the grounds that the arbitrator was not selected in accordance with the terms of the contract between the parties. The Company has appealed the District Court's action to the United States Court of Appeals for the Fifth Circuit. At present, we cannot predict the outcome of this matter with reasonable particularity.

On June 29, 1999, plaintiff Dorchester Investors commenced a purported securities class action suit in the United States District Court for the Southern District of New York on behalf of all TrENDS purchasers against the Company, the Peak TrENDS Trust ("the Trust"), Mr. T.L. Li, Mr. Jerry Mo,

## Edgar Filing: PEAK INTERNATIONAL LTD - Form 10-Q

Luckygold 18A Limited ("Luckygold") and Donaldson, Lufkin & Jenrette Securities Corporation ("DLJ"). On January 27, 2000, the plaintiff filed an amended complaint. On March 20, 2000, all defendants moved to dismiss the amended complaint. While those motions were pending, plaintiff and defendants stipulated to the dismissal with prejudice from the action of the Company and Mr. Mo. Pursuant to the stipulation, the court dismissed the Company and Mr. Mo from the action with prejudice on June 5, 2000. On March 28, 2001, the court ruled on the motion to dismiss. The court dismissed a significant number of the claims. The principal remaining claims relate to the alleged failure of the TrENDS prospectus to disclose that significant short selling of the Company's common stock was certain to occur at the time of the TrENDS offering.

Plaintiff filed an amended complaint on April 13, 2001. This case is still in its preliminary stages. Accordingly, we cannot predict the outcome of this matter with reasonable particularity.

Additionally, the Company, Mr. Li and Luckygold entered into certain indemnification agreements with the Trust and DLJ in connection with the TrENDS offering. Certain of these indemnification agreements may require that under certain circumstances the Company, Luckygold and/or Mr. Li indemnify the Trust and/or DLJ from certain liabilities that the Trust and/or DLJ may incur to plaintiff or to the purported plaintiff class. Mr. T.L. Li and Luckygold have, in turn, provided a deed of indemnity to the Company pursuant to which Mr. Li and Luckygold have agreed to indemnify the Company from liabilities related to the TrENDS offering.

11

R.H. Murphy Co., Inc. ("Murphy") is the owner of U.S. Reexamined Patent 5,400,904 C1 and certain related foreign patents, which patents are directed to specific features in trays used to carry integrated circuits. Murphy has notified Peak and certain of Peak's customers that it believes these patents are infringed by certain integrated circuit trays that Peak provides to its customers, and indicated that licenses to these patents are available. Peak does not believe that any valid claim of these patents is infringed, and is proceeding consistent with that belief.

### Item 2. Changes in Securities and Use of Proceeds

Not applicable.

### Item 3. Defaults Upon Senior Securities

Not applicable.

### Item 4. Submission of Matters to a Vote of Security Holders

Not applicable.

### Item 5. Other Information

The Board of Directors of the Company has authorized the repurchase by the Company of up to \$10 million of its common stock at prices not to exceed 150% of the company's net asset value per share. In the quarter ended June 30, 2001, the Company repurchased 194,668 shares at an average price of \$6.76. To date, the Company has spent approximately \$2.5 million for common stock repurchases. In addition, pursuant to authority granted by the Board of Directors, the Company purchased 473,876 units of TrENDS at an average price of \$6.50 per TrENDS through a tender offer. In May, 2001, the shares obtained as a result of the automatic conversion of TrENDS into common shares were cancelled. The Company engaged Tucker Anthony & Sutro for the repurchase activities in the June 30,

## Edgar Filing: PEAK INTERNATIONAL LTD - Form 10-Q

2001 quarter.

12

### Item 6. Exhibits and Reports on Form 8-K

#### a. Exhibits

- 3.1(a) Memorandum of Association of the Registrant (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form F-1, Registration No. 333-6652, filed on March 19, 1997 and declared effective by the Commission on June 20, 1997 (the "Company's Initial Public Offering Registration Statement on Form F-1"))
- 3.1(b) Bye-laws of the Registrant (incorporated by reference to Exhibit 3.1(b) of the Company's Annual Report on Form 10-K for the year ended March 31, 2001)
- 4.1 Specimen of Share Certificate for the Shares of the Registrant (incorporated by reference to Exhibit 4.1 to the Company's Amendment No. 1 to the Company's Initial Public Offering Registration Statement on Form F-1 )
- 10.1 Processing Agreement dated May 28, 1987 and renewed and amended on May 24, 1994 and December 12, 1996 (incorporated by reference to Exhibit 10.1 to the Company's Initial Public Offering Registration Statement on Form F-1)
- 10.2 Processing Agreement dated October 8, 1995 (incorporated by reference to Exhibit 10.2 to the Company's Initial Public Offering Registration Statement on Form F-1)
- 10.3 Land Use Certificate relating to the Company's existing production facilities (incorporated by reference to Exhibit 10.3 to the Company's Initial Public Offering Registration Statement on Form F-1)
- 10.4 Land Use Certificate relating to the Company's planned additional production facilities (incorporated by reference to Exhibit 10.4 to the Company's Initial Public Offering Registration Statement on Form F-1)
- 10.5 Land Use Right Granting Contract relating to the Company's existing production facilities (incorporated by reference to Exhibit 10.5 to the Company's Initial Public Offering Registration Statement on Form F-1)
- 10.6 Land Use Right Granting Contract relating to the Company's planned additional production facilities (incorporated by reference to Exhibit 10.6 to the Company's Initial Public Offering Registration Statement on Form F-1)
- 10.7 Lease between Warden and Peak (HK) relating to the Company's existing production facilities (incorporated by reference to Exhibit 10.7 to the Company's Initial Public Offering Registration Statement on Form F-1)
- 10.8 Lease between Warden and Peak (HK) relating to the Company's existing production facilities (incorporated by reference to Exhibit 10.8 of the Company's Annual Report on Form 10-K for

Edgar Filing: PEAK INTERNATIONAL LTD - Form 10-Q

the years ended March 31, 2001)

- 10.9 1998 Share Option Plan (incorporated by reference to Exhibit 4.3 to the Company's Form S-8 filed on July 30, 1998)

13

- 10.10 Deed of Undertaking by T.L. Li dated May 29, 1997 relating to non-competition and referral (incorporated by reference to Exhibit 10.9 to the Company's Initial Public Offering Registration Statement on Form F-1)
- 10.11 Option Agreement dated February 17, 1997 relating to the non-voting deferred shares of Peak (HK) (incorporated by reference to Exhibit 10.10 to the Company's Initial Public Offering Registration Statement on Form F-1)
- 10.12 Restructuring Agreement dated February 28, 1997 for the acquisition of the entire issued share capital of Peakgold and Success Gold (incorporated by reference to Exhibit 10.11 to the Company's Initial Public Offering Registration Statement on Form F-1)
- 10.13 2000 Peak International Limited Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.12 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2000)

- b. Reports on Form 8-K: No reports on Form 8-K have been filed during the quarter ended June 30, 2001.

14

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PEAK INTERNATIONAL LIMITED

Date: July 30, 2001

By /s/ Calvin Reed

-----  
Calvin Reed  
President and Chief Executive Officer

Date: July 30, 2001

By /s/ Jerry Mo

-----  
Jerry Mo  
Chief Financial Officer

15