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金山科技工業有限公司

Gold Peak Technology Group Limited

(Incorporated in Hong Kong under the Companies Ordinance)

(Stock Code: 40)



2023/2024 Final Results Announcement

FINANCIAL HIGHLIGHTS

- Revenue for FY2024 was HK\$6,476 million, a 1.6% decrease
- Gross profit margin increased from 26.6% to 28.5%
- Profit before finance costs and share of results of associates for FY2024 was HK\$327.1 million (FY2023: HK\$167.6 million)
- Loss attributable to owners of the Company for FY2024 was HK\$367.3 million (FY2023: Profit of HK\$36.9 million)
- Excluding the share of results (including impairment loss) of XIC Innovation, profit attributable to owners of the Company for FY2024 was HK\$41.4 million
- Loss per share for FY2024 was 40.1 Hong Kong cents (FY2023: Earnings per share: 4.0 Hong Kong cents)
- The Board proposed payment of a final dividend of 1 HK cent per share

The Board of Directors (the “Board”) of Gold Peak Technology Group Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2024.

SUMMARY OF RESULTS

During the financial year which ended on 31 March 2024 (“FY2024”), revenue of the Group was HK\$6,476 million, a 1.6% decline when compared to the last financial year which ended on 31 March 2023 (“FY2023”). Profit before finance costs and share of results of associates for FY2024 was HK\$327.1 million (FY2023: HK\$167.6 million). Excluding the share of results (including impairment loss) of XIC Innovation Limited (“XIC Innovation”), profit attributable to owners of the Company for FY2024 was HK\$41.4 million.

Loss attributable to owners of the Company for FY2024 was HK\$367.3 million (FY2023: Profit of HK\$36.9 million). Loss per share for FY2024 was 40.1 Hong Kong cents (FY2023: Earnings per share: 4.0 Hong Kong cents).

BUSINESS REVIEW

During FY2024, revenue of the Group declined by 1.6%, or HK\$105 million, to HK\$6,476 million when compared to FY2023. The decline was mainly due to a 1.7%, or HK\$83 million, decline in revenue reported by Batteries Business when compared to FY2023. In terms of geographical markets, the sales decline is mainly contributed by Europe and Asia.

Gross profit margin increased from 26.6% in FY2023 to 28.5% in FY2024, as the Group continued to enhance its product mix, implemented strict cost control measures and further optimized the level and timing of commodities purchases.

Distribution costs increased by 2.0% or HK\$16.2 million to HK\$845.7 million when compared to FY2023. The effect of reduced global shipping cost in FY2024 and the drop in sales volume was offset by increased advertising and promotion expenses to further improve brand awareness. Administrative expenses decreased by HK\$54.3 million or 6.3% to HK\$812.1 million due mainly to a reduction in staff cost from the Group’s cost reduction efforts, which included headcount reduction, salary reduction for senior management, a reduction in rental expense and back-office expenses.

Other operating income decreased by HK\$112.7 million to HK\$150.7 million in FY2024 when compared to FY2023, due mainly to the one-off disposal gain reported in FY2023 from GP Industries Group’s disposal of shareholding in STL Technology Co., Ltd (“STL”) from 29.28% to 15.14%, a fair value gain on the remaining 15.14% interest in STL after disposal, and a gain from disposal of Huizhou Modern Battery Limited (“Modern Battery”), a wholly-owned subsidiary of GP Industries. Other operating income for FY2024 mainly included reversal of impairment loss on interest in an associate amounting to HK\$45.4 million and a HK\$32.8 million government grant to support technology development.

Other operating expenses decreased by HK\$141.4 million to HK\$9.4 million in FY2024 when compared to FY2023. The decrease in FY2024 was contributed by the one-off impairment loss charged for the property, plant and equipment of Lithium rechargeable business and the closure relocation costs for Shenzhen and Huizhou factories in China incurred in FY2023.

The Group's operating earnings has improved significantly during FY2024. The Group's profit before finance costs and share of results of associates for FY2024 is HK\$327.1 million as compared to the HK\$167.6 million reported for FY2023. The operating profit enhancement is mainly attributable to improved gross profit margin and effective cost control measures.

The Group's share of attributable loss (including impairment loss) of XIC Innovation for FY2024 is HK\$408.7 million in total as compared to the Group's share of attributable profit of XIC Innovation of HK\$17.8 million for FY2023.

Loss attributable to owners of the Company for FY2024 is HK\$367.3 million as compared to profit attributable to owners of the Company of HK\$36.9 million for FY2023.

Excluding the share of attributable loss (including impairment loss) of XIC Innovation, the Group's profit attributable to owners of the Company for FY2024 was HK\$41.4 million.

Batteries Business

- Revenue of the Batteries Business for FY2024 was S\$840.9 million, dropped by 3.4%.
- Sales of primary batteries and rechargeable batteries decreased by 1.1% and 15.1%, respectively. In geographical terms, sales to the Americas, Europe and Asia decreased by 4.4%, 5.2% and 3.0% respectively.
- Gross profit margin of the Batteries Business increased from 21.2% in FY2023 to 24.2%. The improvement was due mainly to lower cost of some commodities, improvement in product mix and the strengthening of the United States dollars ("US dollars") against the Chinese Renminbi.
- During FY2024, GP Industries Group reversed an impairment loss of S\$7.8 million related to the 40%-owned AZ Limited and share of the land disposal gain amounting to S\$4.0 million from Changzhou Lithium Batteries Limited ("CZLB"), which is an indirect associate of GP Industries.
- During FY2023, GP Industries Group recognized a one-off gain from disposal of interest in STL amounting to S\$4.3 million, a fair value gain related to interest in STL amounting to S\$8.2 million and gain from disposal of Modern Battery amounting to S\$10.6 million.
- Despite the increase in gross profit margin of Batteries Business, the land disposal gain from CZLB and reversal of AZ Limited's impairment during FY2024, the gain from disposal of STL and Modern Battery in FY2023 contributed to the decrease in profit contribution from the Batteries Business in FY2024.

Audio Business

KEF GP Group Limited (“KGG”) is the intermediate holding company for the Group’s principal subsidiaries in the Audio Business. KGG and its subsidiaries (“KGG Group”) better reflect the synergies and mutually reinforcing relationships of the principal subsidiaries of the Audio Business in research, product design and development, manufacturing, branding, marketing and sales activities.

- Revenue of the KGG Group dropped by 3.1% to S\$271.4 million.
- KEF’s sales decreased by 6.3% in FY2024, with decrease in sales to Europe and Asia by 11.5% and 14.4%, respectively outweighing the 4.3% increase in sales to the Americas.
- The Celestion brand professional speaker driver business reported a 6.0% revenue decline due to a 22.4% and a 17.6% decrease in sales to the Americas and Europe respectively, and a 7.2% increase in sales to Asia.
- The professional audio manufacturing business reported a 3.7% increase in revenue with increased sales to major geographical markets, including a 5.0% and 27.6% increase to the Americas and Asia respectively, while sales to Europe decreased by 11.4%.
- Gross profit margin of the KGG Group decreased slightly by 1.4% to 42.0%, mainly due to the decrease in sales of branded acoustics products with higher margin.
- Despite the decrease in revenue, the actively implemented operational efficiency enhancement and expense control measures contributed to the increase in profitability of the Audio Business in FY2024.

Other Industrial Investments

Impairment Loss of XIC Innovation

As reported in the Profit Warning Announcement of the Company of 27 May 2024, XIC Innovation and its subsidiaries (“XIC Group”) is currently under financial distress, XIC and certain of its subsidiaries have received winding up petitions filed by a bank to the High Court of Hong Kong, SAR. However, XIC Group is maintaining and continuing its business operations with the support from major customers and suppliers. XIC Innovation is preparing and evaluating its restructuring program and exploring the possibility in obtaining new funding from third parties to provide XIC Group with a way to continue its business operations.

The Group’s share of attributable loss (including impairment loss of HK\$386.3 million) of XIC Innovation for FY2024 is HK\$408.7 million in total as compared to the Group’s share of attributable profit of XIC Innovation of HK\$17.8 million for FY2023. The carrying amount of the Group’s interest in XIC Innovation as at 31 March 2024 was HK\$267.8 million.

The Group’s share of attributable loss (including impairment loss) of XIC Innovation for FY2024 are non-cash and extraordinary in nature and will not have a substantial adverse impact on the Group’s current and future cash flow and daily operations.

As of 31 March 2024, the Company no longer has significant influence over XIC Innovation and hence the Company discontinued the use of the equity method to account for the results of XIC Group. As a result, the Company’s 39.13% indirect equity interest in XIC Innovation will be classified as financial assets at fair value through other comprehensive income as at 31 March 2024.

OUTLOOK

The global economy may remain soft with high inflation and high interest rate continuing through most of FY2024. It may adversely affect consumer spending on electronic and acoustics products. Also, demand for the Group's batteries products may be affected when major overseas customers continue to optimize their inventory level.

High interest rates significantly increase the Group's finance costs. The Group will 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 the Chinese Renminbi, 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 shortage of certain electronics components is 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, KEF Music Gallery in Tokyo opened in December 2023 and a new experience center in London was opened on 8 June 2024. 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.

Upon completion of the proposed distribution in-specie for the Nickel Metal Hydride ("NiMH") rechargeable batteries manufacturing business to the shareholders of GP Industries, in January 2024, the Company now directly owns the NiMH rechargeable batteries manufacturing business, with specialty in R&D of the rechargeable energy storage solutions. The Company can now focus more on its growth strategy and enhance access to the equity market. The Batteries Business under GP Industries will focus on manufacturing consumer batteries and marketing GP branded products for the global consumer market.

The outcome of the future developments of XIC Innovation, including result of its restructuring program, the outcome of the winding up petition and in obtaining new funding from third parties, is uncertain. Management will closely monitor the future developments of XIC Innovation and make further announcements to keep the Company's shareholders and potential investors informed of any progress, if and when appropriate.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 MARCH 2024**

	<u>Notes</u>	For the year ended 31 March	
		2024	2023
		HK\$'000	HK\$'000
Revenue	3	6,476,406	6,581,026
Cost of sales		(4,632,742)	(4,830,020)
Gross profit		1,843,664	1,751,006
Other income and other gains	4	150,708	263,400
Selling and distribution expenses		(845,797)	(829,564)
Administrative expenses		(812,070)	(866,350)
Other expenses and other losses	5	(9,449)	(150,861)
Profit before finance costs and share of results of associates		327,056	167,631
Finance costs	6	(248,541)	(205,293)
Share of results of XIC Innovation Limited (“XIC”)		(472,805)	20,767
Share of results of associates, excluding XIC		98,723	117,305
(Loss) profit before taxation	7	(295,567)	100,410
Taxation	8	(46,293)	(14,173)
(Loss) profit for the year		(341,860)	86,237
(Loss) profit for the year attributable to:			
Owners of the Company		(367,329)	36,930
Non-controlling interests		25,469	49,307
		(341,860)	86,237
(Loss) earnings per share - Basic	9	(40.1 HK cents)	4.0 HK cents

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024**

	For the year ended 31 March	
	2024	2023
	HK\$'000	HK\$'000
(Loss) profit for the year	(341,860)	86,237
Other comprehensive (expense) income:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising from translation of foreign operations	(126,941)	(210,697)
Net translation deficit reclassified to profit or loss upon deregistration/disposal of subsidiaries	-	24,642
Net translation deficit reclassified to profit or loss upon reclassification of interest in an associate	14,454	-
Share of other comprehensive expense of associates	(38,218)	(28,480)
	(150,705)	(214,535)
<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 expense	(4,278)	(18,633)
Share of other comprehensive (expense) income of associates	(20)	232
	(4,298)	(18,401)
Other comprehensive expense for the year	(155,003)	(232,936)
Total comprehensive expense for the year	(496,863)	(146,699)
Total comprehensive expense attributable to:		
Owners of the Company	(479,618)	(131,010)
Non-controlling interests	(17,245)	(15,689)
	(496,863)	(146,699)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2024**

	<u>Notes</u>	As at 31 March	
		2024	2023
		HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment	10	2,230,231	2,320,789
Right-of-use assets	11	301,559	262,754
Interests in associates		914,614	1,614,594
Equity instruments at fair value through other comprehensive income		347,043	83,496
Intangible assets		1,082	2,410
Goodwill		70,399	70,399
Non-current deposits		30,328	19,706
Deferred tax assets		28,567	34,457
		3,923,823	4,408,605
Current assets			
Inventories		1,105,380	1,232,477
Trade and other receivables and prepayments	12	1,291,816	1,287,901
Dividend receivable		15,059	25,905
Taxation recoverable		17,880	34,331
Equity instruments at fair value through profit or loss		1,267	958
Bank balances, deposits and cash		1,247,460	1,277,888
		3,678,862	3,859,460
Current liabilities			
Creditors and accrued charges	13	1,497,036	1,561,900
Contract liabilities		86,662	88,150
Taxation payable		10,365	51,161
Lease liabilities		75,982	60,427
Bank loans, import and other loans	14	2,026,331	2,474,487
		3,696,376	4,236,125
Net current liabilities		(17,514)	(376,665)
Total assets less current liabilities		3,906,309	4,031,940

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2024**

		As at 31 March	
		2024	2023
		HK\$'000	HK\$'000
	<u>Notes</u>		
Non-current liabilities			
Lease liabilities		241,516	226,883
Bank and other loans	15	1,470,147	1,043,848
Deferred tax liabilities		40,116	38,447
		1,751,779	1,309,178
Net assets		2,154,530	2,722,762
Capital and reserves			
Share capital		998,666	998,666
Reserves		206,064	702,603
Equity attributable to owners of the Company		1,204,730	1,701,269
Non-controlling interests			
Simple agreements for future equity		107,544	107,544
Share of net assets of subsidiaries		842,256	913,949
		949,800	1,021,493
Total equity		2,154,530	2,722,762

NOTES:OF FINANCIAL POSITION

1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

The financial Information relating to the years ended 31 March 2024 and 2023 included in this preliminary 2023/24 results announcement does not constitute the Company’s statutory annual consolidated financial statements for these two years but is derived from these financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance (Cap. 622) 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 (Cap. 622) and will deliver the financial statements for the year ended 31 March 2024 in due course.
- The Company’s auditor has reported on the financial statements of the Group for both the years ended 31 March 2024 and 2023. The auditor’s reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance (Cap. 622).

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group’s current liabilities exceeded its current assets by approximately HK\$18 million as at 31 March 2024. The Group’s current liabilities as at 31 March 2024 included bank loans, import and other loans of approximately HK\$2,026 million that are repayable within twelve months from the end of the reporting period. Taking into account of the internally generated funds and the available banking facilities of approximately HK\$2,488 million as at 31 March 2024, 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.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual period beginning on 1 April 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
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
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

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

Impacts on application of Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has applied the amendments for the first time in the current year. The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of HKAS 12 Income Taxes so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

In accordance with the transition provision:

- (i) the Group has applied the new accounting policy retrospectively to leasing transactions and provisions for decommissioning and restoration 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, lease liabilities, and decommissioning and restoration and the corresponding amounts recognised as part of the cost of the related asset.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") - continued

Amendments to HKFRSs that are mandatorily effective for the current year - continued

Impacts on application of Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction - continued

The application of the amendments has had no material impact on the Group's financial position and performance, except that the Group disclose the related deferred tax assets and deferred tax liabilities on a gross basis as at 1 April 2022 but is has no impact on the retained earnings at the earliest period presented.

Impacts on application of Amendments to HKAS 12 Income Taxes International Tax Reform - Pillar Two model Rules ("HKAS 12")

The Group has applied the amendments for the first time in the current year. HKAS 12 is amended to add the exception to recognising and disclosing information about deferred tax assets and liabilities that are related to tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (the "Pillar Two legislation"). The amendments require that entities apply the amendments immediately upon issuance and retrospectively. The amendments also require that entities to disclose separately its current tax expense/income related to Pillar Two income taxes in periods which the Pillar Two legislation is in effect, and the qualitative and quantitative information about its exposure to Pillar Two income taxes in periods in which the Pillar Two legislation is enacted or substantially enacted but not yet in effect in annual reporting periods beginning on or after 1 January 2023.

The Group is within the scope of the OECD Pillar Two model rules. Of the jurisdictions in which the Group operates, Germany, Japan, South Korea, Malaysia, the Netherlands, the United Kingdom (including Poland and the United States, the UK subsidiaries) and Vietnam enacted or substantively enacted Pillar Two legislation during the year 2023. The earliest the legislation could be effective and apply to the Group is the fiscal year starting from 1 January 2024. Since the Pillar Two legislation was not effective at the year ended 31 March 2024, the Group has no related current tax exposure. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to HKAS 12 issued in July 2023.

Under the legislation, the Group is liable to pay a top-up tax for the difference between its Global Anti-Base Erosion ("GloBE") effective tax rate ("ETR") per jurisdiction and the 15% minimum rate. Given the complexities involved in calculating GloBE Income, the Group has assessed the Pillar Two tax implication of the jurisdictions in which the Group operates based on the financial data for the year ended 31 March 2024 for jurisdictions which have enacted or substantively enacted Pillar Two legislation or will be subject to Pillar Two in the year ending 31 March 2025. Based on the assessment performed for the year ended 31 March 2024, all jurisdictions in which the Group operates and where Pillar Two legislation has been enacted or substantively enacted satisfied the Transitional CbCR Safe Harbour criteria, except for Poland and Vietnam.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") - continued

Impacts on application of Amendments to HKAS 12 Income Taxes International Tax Reform - Pillar Two model Rules ("HKAS 12") - continued

The average ETR in Poland and Vietnam is less than 15%. Based on the assessment performed for the year ended 31 March 2024, if the Pillar Two rules were to have been effective in the year ended 31 March 2024, it is estimated that the Group's loss after taxation could have increased by 0.9%. The Group will continue to monitor the Pillar Two developments and reassess the potential impacts when the legislation comes into effect.

Amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS 16 Amendments to HKAS 1	Lease Liability in a Sale and Leaseback ² Classification of Liabilities as Current or Non-Current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1 Amendments to HKAS 7 and HKFRS 7	Non-current Liabilities with Covenants ² Supplier Finance Arrangements ²
Amendments to HKAS 21	Lack of Exchangeability ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2024.

³ Effective for annual periods beginning on or after 1 January 2025.

The directors of the Company anticipate that the application of all amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. Segment information / Revenue

For the purposes of resources allocation and performance assessment, the executive directors, who are the chief operating decision makers ("CODM"), assess profit or loss of these operating divisions using a measure of operating profit which exclude: interest income, other expenses and other losses, finance costs and unallocated expenses.

During the year ended 31 March 2024, the Group reassessed and reorganised its Audio segment (previously known as Electronics segment). As a result, the Audio business segment includes the principal subsidiaries of the Company operating in the Audio business of the Group. Other investments and associates that are mainly engaged in the manufacturing of high precision parts and components used in electronics products are reclassified to under Other industrial investments segment.

The comparative information has been reclassified and re-presented to reflect the new reporting segments.

The three main operating divisions of the Group, each of which constitutes an operating and reportable segment for financial reporting purpose, are:

Audio - design, manufacture and selling of professional audio products, KEF branded audio systems, Celestion branded loudspeakers and related electronic and acoustic products..

Batteries - development, manufacture and marketing of batteries and battery related products.

Other industrial investments – includes investment holding companies and the Group's associates, namely Meiloon Industrial Co., Ltd and associates that are mainly engaged in the manufacturing of high precision parts and components used in electronics products.

No operating segments have been aggregated in arriving at the reportable segments of the Group.

The Group's revenue represents sales of audio products and related electronics and acoustics products, and batteries and battery-related products.

The following is an analysis of the Group's revenue and results by these operating and reportable segments:

	<u>Audio</u> HK\$'000	<u>Batteries</u> HK\$'000	<u>Other Industrial Investments</u> HK\$'000 (note)	<u>Total reportable segments</u> HK\$'000	<u>Eliminations</u> HK\$'000	<u>Total</u> HK\$'000
Year ended 31 March 2024						
REVENUE						
External sales	1,580,293	4,896,113	-	6,476,406	-	6,476,406
Inter-segment sales	363	53	-	416	(416)	-
Segment revenue	<u>1,580,656</u>	<u>4,896,166</u>	-	<u>6,476,822</u>	<u>(416)</u>	<u>6,476,406</u>
RESULTS						
Segment results	37,979	386,989	(438,756)	(13,788)	-	(13,788)
Interest income						15,758
Other expenses and other losses						(9,449)
Finance costs						(248,541)
Unallocated expenses						(39,547)
Loss before taxation						<u>(295,567)</u>
Year ended 31 March 2023 (Re-presented)						
REVENUE						
External sales	1,601,954	4,979,072	-	6,581,026	-	6,581,026
Inter-segment sales	1	18	-	19	(19)	-
Segment revenue	<u>1,601,955</u>	<u>4,979,090</u>	-	<u>6,581,045</u>	<u>(19)</u>	<u>6,581,026</u>
RESULTS						
Segment results	50,048	365,933	72,942	488,923	-	488,923
Interest income						12,950
Other expenses and other losses						(150,861)
Finance costs						(205,293)
Unallocated expenses						(45,309)
Profit before taxation						<u>100,410</u>

Note: Segment results of other industrial investments included share of loss of XIC of HK\$472.8 million for FY 2024 (FY2023: share of profit of XIC of HK\$20.8 million)

Inter-segment sales are made by reference to market prices.

Revenue from major products

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

	For the year ended 31 March	
	2024	2023
	HK\$'000	HK\$'000
Audio segment:		
Audio products and related electronics and acoustics products	1,580,293	1,601,954
Batteries segment:		
Batteries and battery related products	4,896,113	4,979,072
Revenue from contracts with customers	6,476,406	6,581,026

Geographical information

The following table provides an analysis of the Group's revenue from external

	For the year ended 31 March	
	2024	2023
	HK\$'000	HK\$'000
The PRC		
- Hong Kong	328,750	276,518
- Mainland China	2,462,958	2,504,700
Other Asian countries	458,993	488,641
Europe	1,755,003	1,850,699
Americas	1,430,759	1,407,762
Others	39,943	52,706
	6,476,406	6,581,026

4. Other income and other gains

	For the year ended 31 March	
	2024	2023
	HK\$'000	HK\$'000
Gain on disposal of property, plant and equipment	-	9,782
Interest income from bank deposits and balances and loan receivables	15,758	12,950
Government grant	32,828	13,987
Fair value gain on equity instruments at FVTPL	425	43,596
Rental concession related to COVID-19	-	2,074
Product development and tooling income	19,599	3,028
Gain on disposal/dilution of associates	111	24,360
Gain on sales of parts, samples, scrap and surplus materials	4,569	7,387
Management fee income received from associates	4,361	4,196
Operating lease income	4,275	3,281
Recovery of ECL in other receivables, bad debt and over provision of claims	5,787	6,044
Gain on disposal of a subsidiary	-	60,870
Gain of bargain purchase of additional interest in associates	13	12,581
Reversal of impairment loss on interest in an associate	45,250	14,697
Exchange gain	9,226	23,380
Reversal of provision for restructuring	-	6,720
Reversal of relocation cost	-	4,309
Royalty income	3,727	3,727
Others	4,779	6,431
Other income and other gains	150,708	263,400

5. Other expenses and other losses

	For the year ended 31 March	
	2024	2023
	HK\$'000	HK\$'000
Loss on disposal of property, plant and equipment	408	-
Realised fair value loss on derivative financial instruments	360	11,881
Unrealised fair value loss on derivative financial instruments	-	624
Loss from deemed disposal of interest in an associate	1,689	-
Net translation deficit recognised to profit or loss upon deregistration of a subsidiary	-	18,513
Closure and relocation costs	-	19,418
Restructuring charges	1,823	10,674
Impairment loss recognised on property, plant and equipment	578	20,648
Impairment loss recognised on right-of-use assets	-	2,932
Property, plant and equipment written off	4,011	3,332
Impairment loss on loan and other receivables	-	45,691
Reduction in compensation receivable	-	16,660
Others	580	488
Other expenses and other losses	9,449	150,861

6. Finance costs

	For the year ended 31 March	
	2024	2023
	HK\$'000	HK\$'000
Interest on bank and other loans	232,768	191,701
Interest on lease liabilities	15,773	13,592
	248,541	205,293

7. (Loss) profit before taxation

	For the year ended 31 March	
	2024	2023
	HK\$'000	HK\$'000
(Loss) profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	193,541	185,983
Depreciation of right-of-use assets	79,515	82,556
Amortisation of intangible assets	1,328	1,183

8. Taxation

	For the year ended 31 March	
	2024	2023
	HK\$'000	HK\$'000
The charge comprises:		
Hong Kong Profits Tax		
- charge for the year	7,791	8,823
- (over) under provision in previous years	(13)	2,609
	7,778	11,432
Taxation in jurisdictions other than Hong Kong		
- charge for the year	36,912	46,179
- overprovision in previous years	(6,067)	(20,124)
	30,845	26,055
	38,623	37,487
Deferred taxation charge		
- current year	7,670	(23,314)
	46,293	14,173

Taxation in jurisdictions other than Hong Kong is calculated at the rates prevailing in the respective jurisdictions.

9. (Loss) 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 year ended 31 March	
	2024	2023
	HK\$'000	HK\$'000
<u>Earnings</u>		
(Loss) profit for the year attributable to owners of the Company	(367,329)	36,930
<u>Number of shares</u>	'000	'000
Weighted average number of ordinary shares in issue during the year for the purpose of calculating basic earnings per share	915,475	915,475

Basic loss per share is HK40.1 cents loss (2023: HK4.0 cents earning per share), based on the loss (2023: profit) for the year attributable to the owners of the Company of loss of HK\$367,329,000 (2023: profit of HK\$36,930,000) and the denominators detailed above for both basic (loss) earnings per share.

No computation of diluted earnings per share for the years ended 31 March 2024 and 31 March 2023 is disclosed as there are no potential ordinary shares in issue during the years ended 31 March 2024 and 31 March 2023.

10. Property, plant and equipment

During the year ended 31 March 2024, the Group spent approximately HK\$217,245,000 (2023: HK\$292,806,000) on property, plant and equipment to expand its business.

11. Right-of-use assets

During the year ended 31 March 2024, the Group entered into new lease arrangements for the use of leasehold buildings, machinery and equipment and motor vehicles. On the lease commencement or lease modification, the Group recognised HK\$116,777,000 (2023: HK\$66,994,000) of right-of-use assets and HK\$104,503,000 (2023: HK\$60,903,000) of lease liabilities.

12. Trade and other receivables and prepayments

	As at 31 March	
	2024	2023
	HK\$'000	HK\$'000
Trade and bills receivables from contracts with customers	1,058,786	986,573
Less: Allowance for credit losses	(35,426)	(40,300)
	1,023,360	946,273
Other receivables, deposits and prepayments	298,784	361,334
	1,322,144	1,307,607
Less: Non-current portion of deposits		
Deposits paid for acquisition of property, plant and equipment	(18,807)	(19,706)
Non-current rental deposits	(11,521)	-
	(30,328)	(19,706)
	1,291,816	1,287,901

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 31 March	
	2024	2023
	HK\$'000	HK\$'000
0 – 60 days	929,657	760,577
61 – 90 days	38,026	113,153
Over 90 days	55,677	72,543
	1,023,360	946,273

13. 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 31 March	
	2024	2023
	HK\$'000	HK\$'000
Trade creditors		
0 – 60 days	995,083	890,294
61 – 90 days	45,240	68,146
Over 90 days	22,317	124,361
	1,062,640	1,082,801
Other payables and accrued charges	434,396	479,099
	1,497,036	1,561,900

14. Bank loans, import and other loans

	As at 31 March	
	2024	2023
	HK\$'000	HK\$'000
Unsecured short-term bank loans and import loans	1,555,333	1,723,536
Current portion of unsecured bank and other loans	470,842	750,951
Current portion of secured motor vehicle loan	156	-
	2,026,331	2,474,487

15. Bank and other loans

	As at 31 March	
	2024	2023
	HK\$'000	HK\$'000
The unsecured bank and other loans are repayable:		
Within one year	470,842	750,951
Within a period of more than one year but not exceeding two years	678,651	757,037
Within a period of more than two years but not exceeding five years	790,679	286,811
The secured motor vehicle loan is repayable:		
Within one year	156	-
Within a period of more than one year but not exceeding two years	164	-
Within a period of more than two years but not exceeding six years	653	-
	1,941,145	1,794,799
Less: Amount due within one year shown under current liabilities	(470,842)	(750,951)
Current portion of secured motor vehicle loan	(156)	-
	1,470,147	1,043,848

Bank and other loans are net of transaction cost of HK\$16,295,000 (2023: HK\$7,534,000) arranged at floating rates.

FINANCIAL REVIEW

During the year, the Group's net bank borrowings increased by HK\$8.6 million to HK\$2,249 million. As at 31 March 2024, the aggregate of the Group's shareholders' funds and non-controlling interests was HK\$2,155 million and the Group's gearing ratio (the ratio of consolidated net bank borrowings to shareholders' funds and non-controlling interests) was 1.04 (31 March 2023: 0.82). The gearing ratios of the Company and GP Industries were 0.43 (31 March 2023: 0.54) and 0.72 (31 March 2023: 0.55) respectively.

At 31 March 2024, 58% (31 March 2023: 70%) of the Group's bank borrowings was revolving or repayable within one year whereas 42% (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.

The significant decrease of net current liabilities positions as at 31 March 2024 was due mainly to the repayment of short term loans and term loans due within one year with the proceeds from syndication loan and green loan raised during FY2024.

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 31 March 2024, 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	Unutilised net proceeds as at 1 April 2023	Actual use of proceeds during the year	Unutilised net proceeds as at 31 March 2024
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
For financing the expansion of the Rechargeable Batteries Business	62.0	62.0	62.0	-
For general working capital purposes, including staff costs and administration expenses	15.5	--	--	-
Total:	<u>77.5</u>	<u>62.0</u>	<u>62.0</u>	-

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. There is no change in the use of proceeds from the Rights Issue as disclosed in the Prospectus and the net proceeds were used within the expected timeline as previously disclosed by the Company.

FINAL DIVIDEND

The Board proposed the payment of a final dividend for FY2024 of 1 HK cent in cash per Share, payable to shareholders whose names appear on the register of members of the Company (the “Register of Members”) on Thursday, 12 September 2024 (FY2023: nil). The final dividend is subject to the approval of the shareholders at the forthcoming annual general meeting of the Company (the “AGM”) to be held on Monday, 2 September 2024. Subject to the aforesaid approval, the recommended final dividend for the year ended 31 March 2024 will be payable on or around Friday, 20 September 2024.

No interim dividend was paid by the Company for FY2024 and FY2023.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed for the following periods:

For the purpose of ascertaining shareholders’ entitlement to attend and vote at the AGM, the Register of Members will be closed from Tuesday, 27 August 2024 to Monday, 2 September 2024, both days inclusive, during which period no transfers of shares will be effected. In order to qualify for voting at the forthcoming AGM, all transfers, accompanied by the relevant share certificates, must be lodged with the Company’s Share Registrar and Transfer Office, Tricor Abacus Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 26 August 2024.

To ascertain members’ entitlement to the final dividend, the Register of Members will be closed from Wednesday, 11 September 2024 to Thursday, 12 September 2024, both days inclusive, during which period no transfers of shares will be effected. In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Share Registrar and Transfer Office, Tricor Abacus Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 10 September 2024.

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 year.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions set out in Part 2 of Appendix C1 to the Listing Rules throughout the year, 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 C3 to the Listing Rules (the "Model Code") as its code of conduct regarding the directors' securities transactions. Having made specific enquiry of all directors, the Company confirmed that all directors have complied with the required standard set out in the Model Code throughout the year.

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 all four independent non-executive directors and the non-executive director of the Company. The results for the year ended 31 March 2024 have been reviewed by the Company's audit committee.

By Order of the Board
Gold Peak Technology Group Limited
Louis WONG Man Kon
Company Secretary

Hong Kong, 21 June 2024
www.goldpeak.com

BOARD OF DIRECTORS

As at the date of this announcement, the Board consists of Messrs. Victor LO Chung Wing (Chairman & Chief Executive), Brian LI Yiu Cheung (Vice Chairman & Executive Vice President), Michael LAM Hin Lap, Victor CHONG Toong Ying, Waltery LAW Wang Chak and Christopher LAU Kwan 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.