Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

金山工業(集團)有限公司
Gold Peak Industries (Holdings) Limited
(Incorporated in Hong Kong under the Companies Ordinance)
(Stock Code: 40)

2019/2020 Final Results Announcement

FINANCIAL HIGHLIGHTS

- Revenue decreased by 10.6% to HK$6,051.5 million
- Profit attributable to owners of the Company decreased by 66% to HK$20.9 million (2018/19: HK$61.4 million)
- Earnings per share: 2.7 HK cents (2018/19: 7.8 HK cents)
- The Board does not propose a final dividend (2018/19: 2.5 HK cents per share)

The Board of Directors of Gold Peak Industries (Holdings) Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2020.

SUMMARY OF RESULTS

The Group's revenue for the year ended 31 March 2020 decreased by 10.6% over the previous year to HK$6,051.5 million. The consolidated profit attributable to owners of the Company decreased by 66% over the previous year to HK$20.9 million. The basic earnings per share for the year amounted to 2.7 HK cents (2018/19: 7.8 HK cents).

BUSINESS REVIEW

GP Industries Limited ("GP Industries") *(85.5% owned by Gold Peak as at 31 March 2020)*

The financial year ended 31 March 2020 ("FY2020") has been a most challenging year for GP Industries. The trade dispute between China and the United States ("US"), and increased tariff, contributed to reduced demand from the US markets for some of GP Industries' products. The outbreak of COVID-19 in January 2020 led to the closure of its factories in China from two to four weeks in February and March 2020. After the factories resumed operation, some of the workers were further delayed in their return journey to the factories by local travel restrictions. The resulting manpower shortages slowed the resumption of production, lowered output and reduced operating efficiency in the financial quarter which ended on 31 March 2020 ("4QFY2020"). As a result, GP Industries' revenue in 4QFY2020 decreased by 15.1% when compared to the corresponding financial quarter in the last financial year ended 31 March 2019 ("4QFY2019"). Revenue for FY2020 decreased by 9.0% when compared to the last financial year ended 31 March 2019 ("FY2019").

Despite a decline in revenue, gross profit margin improved from 25.0% in FY2019 to 26.3% in FY2020. This increase was due mainly to the result of a more favorable Chinese Renminbi versus US dollar exchange rate, lower price for some raw materials and the Management's focus on cost reduction and efficiency improvements as well as their focus on better quality businesses. Nevertheless, total gross profit decreased by S$12.2 million as annual revenue decreased by 9.0%.

During 4QFY2020, despite the Management's effort to quickly adjust GP Industries' operations to counter the impact of the unexpected disruptions caused by the COVID-19 outbreak, administrative expenses for FY2020 increased by 0.2% while distribution costs decreased by 6.6%.

For FY2020, GP Industries reported other operating income of S$66.0 million and other operating expenses of S$36.9 million, resulted in a net other operating income of S$29.1 million. For FY2019, a net income of S$29.4 million was reported as a result of other operating income of S$38.0 million and other operating expenses of S$8.6 million. In FY2020, while GP Industries reported an increase in asset disposal gain net of restructuring cost due mainly to the disposal of land and buildings by GP Electronics (Huizhou) Co., Ltd. ("GPEHZ"), a wholly owned subsidiary, the Batteries Business reported an increase in other operating expenses.

Profit before taxation decreased by S$9.0 million, from S$64.3 million in FY2019 to S$55.3 million in FY2020. Taxation expenses for FY2020 increased by S$8.0 million to S$26.3 million due mainly to taxation expense on GPEHZ's property disposal gain and a net under-provision of S$2.1 million in FY2020, compared to a net over-provision of S$3.3 million in FY2019. As a result, profit after taxation attributable to equity holders of GP Industries for FY2020 was S$19.5 million, a decrease of S$9.7 million or 33.2% when compared to the S$29.2 million reported in FY2019.

The Directors of GP Industries do not propose a final dividend for FY2020 in order to conserve its financial resources in view of the uncertainties ahead.

Batteries Business

- Revenue of the Batteries Business declined by 8.7% to S$796.3 million.
- Revenue of 4QFY2020 declined by 15.7% to S$172.6 million.
- Sales of primary batteries decreased by 10.6% while sales of rechargeable batteries increased by 2.6%.
- Sales in Asia and Americas decreased by 14.4% and 12.0% respectively while sales in Europe increased by 4.1%.
- In FY2020 the Batteries Business reported a S$4.8 million realised loss on derivative financial instruments due to Renminbi depreciation, a S$5.7 million closure cost for a factory in Dongguan, China and a S$5.6 million translation deficit recognized as a loss upon liquidation of a subsidiary. In FY2019, a net other operating income was reported due mainly to a total compensation for relocation of S$25.2 million.
- Aggregate profit contribution from associates increased by S$1.9 million.

Electronics and Acoustics Business

- Revenue of the Electronics and Acoustics Business decreased by 9.6% to S$230.3 million.
- Revenue of 4QFY2020 dropped by 13.2% to S$55.1 million.
- Sales of electronics products decreased by 17.9% while sales of acoustics products had a marginal drop of 0.7%.
- Sales of acoustics products to Europe and Americas decreased by 2.2% and 0.8% respectively, while sales to Asia increased by 2.8%.
- During FY2020, GPEHZ reported a property disposal gain of S$48.6 million and a provision for restructuring costs of S$17.6 million in connection with the disposal of the land and building of the current GPEHZ factory, relocation of part of its operations to Thailand and to set up another factory in a new location in China.
- Aggregate profit contributed from associated companies which manufacture parts and components decreased by S$1.8 million.

Automotive Wire Harness Business

- Revenue of the Automotive Wire Harness Business declined by 11.8% to S$35.8 million.
- Revenue of 4QFY2020 dropped by 13.8% to S$7.4 million.
- Sales to the Americas and China decreased by 10.2% and 17.5% respectively mainly due to the softening of passenger car market in the US and China.

Other Industrial Investments

- Profit contribution from Linkz Industries Limited decreased due mainly to the drop in revenue and provision of an exceptional impairment charge relating to its intangible assets.
- Profit contribution from Meiloon Industrial Co., Ltd. increased.

PROSPECTS

The COVID-19 outbreak severely disrupted the global economy. The social distancing and travel control measures imposed by countries around the world adversely affect business activities, global supply and logistics, and substantially reduced consumer demand in some of the Group's businesses. While some major global economies are starting to gradually relax these control measures, it is still uncertain when market conditions will return to normal, or how the "new norm" in business will be like.

Meanwhile, the US China trade dispute continues to affect some of the Group's businesses. The added import tariff will either suppress market demand as the result of higher US consumer prices or increase the cost of supplying to the US market, if the added import tariff is somehow absorbed by the Group or its US customers. If the US China trade dispute continues for a prolonged period, it is expected that some of the Group's products manufactured in China for the US market may see reduced demand and intense competition from comparable products manufactured in other countries.

Demand for the Group's battery products is expected to be less susceptible to the negative impacts of a slowed down economy although demand may fluctuate from time to time. In addition, price competition may intensify which may affect revenue and profitability. Demand for the Group's electronics and acoustics products may continue to be adversely affected if the negative economic sentiments caused by the US China trade dispute and the COVID-19 pandemic persists.

Volatilities in raw material prices and currency exchange rates may continue to affect the Group's results.

The Group has implemented a series of stringent cost control measures to mitigate the negative financial impact attributable to the COVID-19 outbreak and the US China trade dispute. The measures include the salary reduction of Chairman and Chief Executive by 30%, senior executives and management team by 15% to 20% and non-executive directors of the Company by 20% for the financial quarter ended 30 June 2020, as a symbol of solidarity with all stakeholders.

Management will monitor closely the effectiveness of such measures and make necessary adjustments.

A major state-of-the-art manufacturing campus under the Group's battery manufacturing subsidiaries in Ningbo is close to completion. The Group is also rebalancing its manufacturing capacity among factories in China, Malaysia, Vietnam and Thailand. The completion of the Ningbo project will further strengthen the Group's competitive advantages as a major global supplier. Completion of the factory relocation projects in Southeast Asia will also free up some of the Group's land and buildings in China for disposal which will enhance the Group's balance sheet and cash flow.

Despite the very challenging business environment globally, the Group will continue to build its brands and its distribution networks. The Group plans to further strengthen its eCommerce infrastructure and capabilities, in order to meet the needs of rapidly growing eCommerce channels. It will also continue to invest into technology, new products and factory automation to further enhance the competitiveness of its businesses.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	For the year ended 31 March 2020 HK$'000	2019 HK$'000
Revenue	3	**6,051,511**	6,767,673
Cost of sales		**(4,459,427)**	(5,076,448)
Gross profit		**1,592,084**	1,691,225
Other income and other gains	4	**384,779**	253,343
Selling and distribution expenses		**(770,799)**	(797,928)
Administrative expenses		**(749,516)**	(800,580)
Other expenses and other losses	5	**(191,411)**	(36,449)
Finance costs	6	**(180,821)**	(180,086)
Share of results of associates		**133,435**	135,523
Profit before taxation	7	**217,751**	265,048
Taxation	8	**(126,454)**	(81,006)
Profit for the year		**91,297**	184,042
Profit for the year attributable to:			
Owners of the Company		**20,902**	61,437
Non- controlling interests		**70,395**	122,605
		91,297	184,042
Earnings per share - Basic	9	**2.7 HK cents**	7.8 HK cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the year ended 31 March	
	2020	2019
	HK$'000	HK$'000
Profit for the year	**91,297**	184,042
Other comprehensive (expense) income:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising from translation of foreign operations	**(90,222)**	(128,356)
Net translation deficit reclassified to profit or loss upon deregistration of subsidiaries	**31,817**	-
Net change in fair value of cash flow hedges	**(3,474)**	(2,662)
Net change in fair value of cash flow hedges reclassified to profit or loss	**1,396**	597
Share of other comprehensive expense of associates	**(59,580)**	(58,034)
	(120,063)	(188,455)
Item that will not be reclassified subsequently to profit or loss:		
Fair value loss on equity instruments at fair value through other comprehensive income	**(18,962)**	(39,018)
Other comprehensive expense for the year	**(139,025)**	(227,473)
Total comprehensive expense for the year	**(47,728)**	(43,431)
Total comprehensive (expense) income attributable to:		
Owners of the Company	**(77,115)**	(109,764)
Non-controlling interests	**29,387**	66,333
	(47,728)	(43,431)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**As at 31 March 2020 HK$'000**	As at 31 March 2019 HK$'000
Non-current assets			
Property, plant and equipment		**1,833,304**	1,594,734
Right-of-use assets		**177,177**	-
Interests in associates		**1,501,587**	1,484,262
Equity instruments at fair value through other comprehensive income		**58,413**	77,376
Intangible assets		**1,247**	1,324
Goodwill		**79,066**	79,066
Non-current receivables		**83,392**	-
Non-current deposits		**26,086**	12,980
Deferred tax assets		**20,867**	22,488
		3,781,139	3,272,230
Current assets			
Inventories		**914,157**	1,056,122
Trade and other receivables and prepayments	11	**1,205,873**	1,288,376
Dividend receivable		**26,723**	27,364
Taxation recoverable		**25,001**	21,861
Derivative financial instruments		**-**	87
Bank balances, deposits and cash		**1,250,672**	1,448,715
		3,422,426	3,842,525
Assets classified as held for sale		**43,385**	196,493
		3,465,811	4,039,018
Current liabilities			
Creditors and accrued charges	12	**1,303,249**	1,567,864
Contract liabilities		**43,573**	15,835
Taxation payable		**34,857**	41,785
Derivative financial instruments		**6,554**	80
Lease liabilities		**61,803**	-
Obligations under finance leases – amount due within one year		**-**	1,266
Bank loans and import loans	13	**3,094,526**	2,257,104
		4,544,562	3,883,934
Net current (liabilities) assets		**(1,078,751)**	155,084
Total assets less current liabilities		**2,702,388**	3,427,314
Non-current liabilities			
Derivative financial instruments		**-**	2,065
Lease liabilities		**94,568**	-
Obligations under finance leases – amount due after one year		**-**	3,269
Bank and other loans	14	**351,203**	1,167,627
Deferred tax liabilities		**41,062**	24,098
Provision for restructuring		**99,810**	-
		586,643	1,197,059
Net assets		**2,115,745**	2,230,255
Capital and reserves			
Share capital		**921,014**	921,014
Reserves		**379,884**	491,476
Equity attributable to owners of the Company		**1,300,898**	1,412,490
Non-controlling interests		**814,847**	817,765
Total equity		**2,115,745**	2,230,255

NOTES:

1. BASIS OF PREPARATION AND 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 and by the Hong Kong Companies Ordinance.

The financial information relating to the years ended 31 March 2020 and 2019 included in this preliminary 2019/20 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 2019 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 2020 in due course.

- The Company’s auditor has reported on the financial statements of the Group for both the years ended 31 March 2020 and 2019. 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).

Due to the adverse impact of the COVID-19 outbreak on the Group’s revenue for the last quarter of the financial year 2019/20 and consequentially its results of operations, the Group could not comply with certain financial covenants (computed based on the Group’s borrowings and earnings) committed under certain loan and banking facility agreements (the “Affected Loans”) for the test period ended 31 March 2020. The Group has requested for the consents from lenders of the Affected Loans to waive such non-compliance (the "Consents").

As the Consents were not in place as at 31 March 2020, an amount of HK$708,587,000, being the long-term portion of the principal amount of the Affected Loans for which Consents had been requested and were scheduled to be repaid after 31 March 2021, were presented under bank and other loans repayable within one year of the Group as at 31 March 2020.

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, as a result of the reallocation of the long-term portion of the Affected Loans from long-term to current liabilities, the Group's current liabilities exceeded its current assets by approximately HK$1,078,751,000 as at 31 March 2020. The Group's liabilities as at 31 March 2020 included bank loans and import loans of approximately HK$3,094,526,000 that are repayable within twelve months from the end of the reporting period. Taking into account of the internally generated funds, waiver of banks for financial covenant breached borrowings and the 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.

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

New and amendments to HKFRSs that are mandatorily effective for the current year

The Company and its subsidiaries (collectively referred to as the "Group") has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year.

HKFRS 16	Leases
HK(IFRIC) - Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 - 2017 Cycle

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.

HKFRS 16 "Leases"

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 "Leases" ("HKAS 17"), and the related interpretations.

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) - Int 4 "Determining whether an Arrangement contains a Lease" and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 April 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

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

New and amendments to HKFRSs that are mandatorily effective for the current year - continued

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 April 2019.

As at 1 April 2019, the Group recognised additional lease liabilities and measured right-of-use assets at the carrying amounts as if HKFRS 16 had been applied since commencement dates, but discounted using the incremental borrowing rates of the relevant group entities at the date of initial application by applying HKFRS 16.C8(b)(i) transition. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the practical expedient to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

(i) relied on the assessment of whether leases are onerous by applying HKAS 37 Provisions, Contingent Liabilities and Contingent Assets as an alternate of impairment review;

(ii) excluded initial direct costs from measuring the right-of-use assets at the date of initial applications.

On transition, the Group has made the following adjustments upon application of HKFRS 16:

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rates applied by the relevant group entities ranged from 4.00% to 7.00%.

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

New and amendments to HKFRSs that are mandatorily effective for the current year - continued

HKFRS 16 "Leases" - continued

As a lessee - continued

	At 1 April 2019 HK$'000
Operating lease commitments disclosed as at 31 March 2019	133,031
Lease liabilities discounted at relevant incremental borrowing rates	125,292
Less: Recognition exemption - short-term leases	(6,913)
Recognition exemption - low value assets (excluding short-term leases of low value leases)	(353)
Lease liabilities relating to operating leases recognised upon application of HKFRS 16	118,026
Add: Obligation under finance leases recognised at 31 March 2019	4,535
Lease liabilities as at 1 April 2019	122,561
Analysed as	
Current	53,313
Non-current	69,248
	122,561

The carrying amount of right-of-use assets for own use as at 1 April 2019 comprises the following:

	Note	Right-of-use assets HK$'000
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16		107,227
Amounts included in property, plant and equipment under HKAS 17		
- Assets previously under finance leases	(a)	5,650
Adjustments on rental deposits at 1 April 2019	(b)	678
		113,555
By class:		
Land and buildings		104,045
Machinery and equipment		3,930
Motor vehicles		5,272
Office equipment		308
		113,555

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

New and amendments to HKFRSs that are mandatorily effective for the current year - continued

HKFRS 16 "Leases" - continued

As a lessee - continued

(a) In relation to assets previously under finance leases, the Group recategorised the carrying amounts of the relevant assets which were still under lease as at 1 April 2019 amounting to HK$5,650,000 as right-of-use assets. In addition, the Group reclassified the obligations under finance leases of HK$1,266,000 and HK$3,269,000 to lease liabilities as current and non-current liabilities respectively at 1 April 2019.

(b) Before the application of HKFRS 16, the Group considered refundable rental deposits paid as rights and obligations under leases to which HKAS 17 applied under other receivables. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use of the underlying assets and were adjusted to reflect the discounting effect at transition. Accordingly, the discounting effect of HK$678,000 was adjusted to refundable rental deposits paid and right-of-use assets.

As a lessor

In accordance with the transitional provisions in HKFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with HKFRS 16 from the date of initial application and comparative information has not been restated.

(c) Upon application of HKFRS 16, new lease contracts entered into but commence after the date of initial application relating to the same underlying assets under existing lease contracts are accounted as if the existing leases are modified as at 1 April 2019. The application has had no impact on the Group's consolidated statement of financial position at 1 April 2019. However, effective from 1 April 2019, lease payments relating to the revised lease term after modification are recognised as income on straight-line basis over the extended lease term.

(d) Before application of HKFRS 16, refundable rental deposits received were considered as obligations under leases to which HKAS 17 applied under trade and other payables. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right-of-use assets and were adjusted to reflect the discounting effect at transition. The discounting effect has no material impact on the consolidated financial statements of the Group for the current year.

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

New and amendments to HKFRSs that are mandatorily effective for the current year - continued

HKFRS 16 "Leases" - continued

Sales and leaseback transactions

(e) The Group acts as a seller-lessee

In accordance with the transition provisions of HKFRS 16, sale and leaseback transactions entered into before the date of initial application were not reassessed. Upon application of HKFRS 16, the Group applies the requirements of HKFRS 15 to assess whether sales and leaseback transaction constitutes a sale.

Interests in associates

(f) The net effects arising from the initial application of HKFRS 16 resulted in a decrease in the carrying amounts of interests in associates of HK$4,873,000 with corresponding adjustments to retained profits.

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

New and amendments to HKFRSs that are mandatorily effective for the current year - continued

HKFRS 16 "Leases" - continued

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 April 2019. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at 31 March 2019	Adjustments	Carrying amounts under HKFRS 16 at 1 April 2019
	HK$'000	HK$'000	HK$'000
Non-current Assets			
Property, plant and equipment	1,594,734	(5,650)	1,589,084
Right-of-use assets	-	113,555	113,555
Interests in associates	1,484,262	(4,873)	1,479,389
Current Assets			
Trade and other receivables and prepayments	1,288,376	(678)	1,287,698
Current Liabilities			
Lease liabilities	-	53,313	53,313
Obligations under finance leases - amount due with one year	1,266	(1,266)	-
Non-current Liabilities			
Lease liabilities	-	69,248	69,248
Obligations under finance leases - amount due after one year	3,269	(3,269)	-
Capital and reserves			
Retained profits	431,152	(13,811)	417,341
Non-controlling interests	817,765	(1,861)	815,904

Note: For the purpose of reporting cash flows from operating activities under indirect method for the year ended 31 March 2020, movements in working capital have been computed based on opening consolidated statement of financial position as at 1 April 2019 as disclosed above.

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

New or revised standards that have been issued but not yet effective

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

HKFRS 17	Insurance Contracts[1]
Amendments to HKFRS 16	Covid-19-Related Rent Concessions[5]
Amendments to HKFRS 3	Definition of a Business[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 1 and HKAS 8	Definition of Material[4]
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform[4]

[1] Effective for annual periods beginning on or after 1 January 2021.
[2] Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.
[3] Effective for annual periods beginning on or after a date to be determined.
[4] Effective for annual periods beginning on or after 1 January 2020.
[5] Effective for annual periods beginning on or after 1 June 2020.

In addition to the above new and amendments to HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, "the Amendments to References to the Conceptual Framework in HKFRS Standards", will be effective for annual periods beginning on or after 1 April 2020.

Amendments to HKAS 1 and HKAS 8 "Definition of Material"

The amendments provide refinements to the definition of material by including additional guidance and explanations in making materiality judgments. In particular, the amendments:

- include the concept of "obscuring" material information in which the effect is similar to omitting or misstating the information;
- replace threshold for materiality influencing users from "could influence" to "could reasonably be expected to influence"; and
- include the use of the phrase "primary users" rather than simply referring to "users" which was considered too broad when deciding what information to disclose in the financial statements.

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

New or revised standards that have been issued but not yet effective - continued

The amendments also align the definition across all HKFRSs and will be mandatorily effective for the Group's annual period beginning on 1 April 2020. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group but may affect the presentation and disclosures in the consolidated financial statements.

Conceptual Framework for Financial Reporting 2018 (the "New Framework") and the Amendments to References to the Conceptual Framework in HKFRS Standards

The New Framework:

- reintroduces the terms stewardship and prudence;
- introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument;
- discusses historical cost and current value measures, and provides additional guidance on how to select a measurement basis for a particular asset or liability;
- states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances other comprehensive income will be used and only for income or expenses that arise from a change in the current value of an asset or liability; and
- discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements.

Consequential amendments have been made so that references in certain HKFRSs have been updated to the New Framework, whilst some HKFRSs are still referred to the previous versions of the framework. These amendments are effective for the Group's annual period beginning on or after 1 April 2020. Other than specific standards which still refer to the previous versions of the framework, the Group will rely on the New Framework on its effective date in determining the accounting policies especially for transactions, events or conditions that are not otherwise dealt with under the accounting standards.

Except for the new and amendments to HKFRSs mentioned above, the management of the Company anticipates that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. Segment information

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

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

Electronics - development, manufacture and distribution of electronics and acoustic products, automotive wire harness and other businesses.

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

Other investments - holding of other investments which are mainly engaged in selling and distribution business.

No operating segments have been aggregated to derive the reportable segments of the Group.

The Group’s revenue represents sales of electronics and acoustics, automotive wire harness, batteries and other products.

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

Year ended 31 March 2020

	Electronics HK$'000	Batteries HK$'000	Other Investments HK$'000	Total reportable segments HK$'000	Eliminations HK$'000	Total HK$'000
REVENUE						
External sales	**1,515,562**	**4,535,949**	**-**	**6,051,511**	**-**	**6,051,511**
Inter-segment sales	**16**	**36**	**-**	**52**	**(52)**	**-**
Segment revenue	**1,515,578**	**4,535,985**	**-**	**6,051,563**	**(52)**	**6,051,511**
RESULTS						
Segment results	**345,100**	**277,469**	**(68)**	**-**	**-**	**622,501**
Interest income						**18,826**
Other expenses						**(191,411)**
Finance costs						**(180,821)**
Unallocated expenses						**(51,344)**
Profit before taxation						**217,751**

Year ended 31 March 2019

	Electronics HK$'000	Batteries HK$'000	Other Investments HK$'000	Total reportable segments HK$'000	Eliminations HK$'000	Total HK$'000
REVENUE						
External sales	1,712,543	5,055,130	-	6,767,673	-	6,767,673
Inter-segment sales	31	573	-	604	(604)	-
Segment revenue	1,712,574	5,055,703	-	6,768,277	(604)	6,767,673
RESULTS						
Segment results	141,813	390,652	(78)	-	-	532,387
Interest income						11,706
Other expenses						(36,449)
Finance costs						(180,086)
Unallocated expenses						(62,510)
Profit before taxation						265,048

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

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

	Revenue For the year ended 31 March 2020 HK$'000	2019 HK$'000
The People's Republic of China		
- Hong Kong	**353,102**	455,536
- Mainland China	**1,891,931**	2,215,433
Other Asian countries	**411,842**	529,838
Europe	**1,838,344**	1,796,659
Americas	**1,468,546**	1,675,981
Others	**87,746**	94,226
	6,051,511	6,767,673

4. Other income and other gains

	For the year ended 31 March	
	2020	2019
	HK$'000	HK$'000
Other income include:		
Gain on disposal of property, plant and equipment and assets classified as held for sale	**277,799**	3,319
Compensation income for damages and relocation of property of a subsidiary	-	145,931
Exchange gain	**18,955**	37,008

5. Other expenses and other losses

	For the year ended 31 March	
	2020	2019
	HK$'000	HK$'000
Realised loss on derivative financial instruments	**(27,160)**	-
Net translation deficit recognised to profit or loss upon deregistration of subsidiaries	**(31,817)**	-
Closure and relocation costs	**(32,624)**	(6,760)
Provision for restructuring	**(99,810)**	-
Impairment loss recognised on goodwill	-	(23,000)
Impairment loss recognised on property, plant and equipment	-	(6,689)
	(191,411)	(36,449)

6. Finance costs

	For the year ended 31 March	
	2020	2019
	HK$'000	HK$'000
Interest on bank and other loans	**(174,383)**	(179,949)
Interest on lease liabilities	**(6,438)**	-
Interest on obligation under finance leases	**-**	(137)
	(180,821)	(180,086)

7. Profit before taxation

	For the year ended 31 March	
	2020	2019
	HK$'000	HK$'000
Profit before taxation has been arrived at after charging:		
Amortisation of intangible assets	**(77)**	(77)
Depreciation of property, plant and equipment	**(154,856)**	(161,421)
Depreciation of right-of-use assets	**(70,279)**	-

8. Taxation

	For the year ended 31 March	
	2020	2019
	HK$'000	HK$'000
The charge comprises:		
Hong Kong Profits Tax		
- charge for the year	**10,450**	7,571
- under(over)provision in previous years	**21,168**	(3)
	31,618	7,568
Taxation in jurisdictions other than Hong Kong		
- charge for the year	**82,873**	81,877
- overprovision in previous years	**(6,270)**	(8,604)
	76,603	73,273
	108,221	80,841
Deferred taxation charge		
- current year	**18,233**	165
	126,454	81,006

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

9. 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	
	2020	2019
Earnings	**HK$’000**	HK$’000
Profit for the year attributable to owners of the Company	**20,902**	61,437
Number of shares	**’000**	’000
Number of shares in issue during the year for the purpose of basic earnings per share	**784,693**	784,693

No computation of diluted earnings per share for the years ended 31 March 2020 and 31 March 2019 is disclosed as there are no potential ordinary shares in issue during the years ended 31 March 2020 and 31 March 2019.

10. Dividend

	For the year ended 31 March	
	2020	2019
	HK$'000	HK$'000
Dividends recognised as distribution during the year:		
2019 Final dividend - 2.5 HK cents (2019: 2018 Final dividend - 1.2 HK cents) per share	**19,617**	9,416
2020 Interim dividend - 2.0 HK cents (2019: 2019 Interim dividend - 1.7 HK cents) per share	**15,694**	13,340
	35,311	22,756

To reserve the Company's financial resources, the board of directors does not propose a final dividend for the year ended 31 March 2020 (2019: 2.5 HK cents per share). No dividend (2019: HK$19,617,000) has been recognised in the dividend reserve of the Company.

On the basis of 2.0 HK cents (2019: 4.2 HK cents) per share, being the interim dividend for the year ended 31 March 2020, total dividends for the year ended 31 March 2020 amount to HK$15,694,000 (2019: HK$32,957,000).

11. Trade and other receivables and prepayments

	As at 31 March	
	2020	2019
	HK$'000	HK$'000
Trade and bills receivables from contracts with customers	**836,778**	953,353
Less: Allowance for credit losses	**(25,712)**	(24,224)
	811,066	929,129
Other receivables, deposits and prepayments	**394,807**	359,247
	1,205,873	1,288,376

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	
	2020	2019
	HK$'000	HK$'000
Trade and bills receivables from contracts with customers		
0 - 60 days	**580,168**	681,073
61 - 90 days	**81,639**	83,477
Over 90 days	**149,259**	164,579
	811,066	929,129
Other receivables, deposits and prepayments	**420,893**	372,227
	1,231,959	1,301,356
Less: Non-current deposits	**(26,086)**	(12,980)
	1,205,873	1,288,376

12. 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	
	2020	2019
	HK$'000	HK$'000
Trade creditors		
0 - 60 days	**648,813**	696,145
61 - 90 days	**82,176**	109,085
Over 90 days	**66,342**	70,125
	797,331	875,355
Other payables and accrued charges	**505,918**	692,509
	1,303,249	1,567,864

13. Bank loans and import loans

	As at 31 March	
	2020	2019
	HK$'000	HK$'000
Current portion of unsecured bank and other loans (see note 14)	**720,826**	870,543
Unsecured short-term bank loans and import loans	**1,665,113**	1,386,561
Add: Amount of bank loans that are repayable on demand due to breach of loan covenants (see note 14)	**708,587**	-
	3,094,526	2,257,104

14. Bank and other loans

	As at 31 March	
	2020	2019
	HK$'000	HK$'000
The unsecured bank and other loans are loans repayable:		
Within one year	**1,429,413**	870,543
Within a period of more than one year but not exceeding two years	**173,070**	718,228
Within a period of more than two years but not exceeding five years	**178,133**	449,399
	1,780,616	2,038,170
Less: Amount due within one year shown under current liabilities (see note 13)	**(720,826)**	(870,543)
Amount of bank loans that are repayable on demand due to breach of loan covenants (see note 13)	**(708,587)**	-
	351,203	1,167,627

Due to the adverse impact of the COVID-19 outbreak on the Group's revenue for the last quarter of the financial year 2019/20 and consequentially its results of operations, the Group could not comply with certain financial covenants (computed based on the Group's borrowings and earnings) committed under certain loan and banking facility agreements (the "Affected Loans") for the test period ended 31 March 2020. The Group has requested for the consents from lenders of the Affected Loans to waive such non-compliance (the "Consents").

As the Consents were not in place as at 31 March 2020, an amount of HK$708,587,000, being the long-term portion of the principal amount of the Affected Loans for which Consents had been requested and were scheduled to be repaid after 31 March 2021, were presented under bank and other loans repayable within one year of the Group as at 31 March 2020.

Subsequent to 31 March 2020 and as at the date of this announcement, the Group has received Consents in respect of HK$1,071,997,000 of the Affected Loans. The Group expects to further receive Consents in respect of the remaining HK$27,221,000 of the Affected Loans.

FINANCIAL REVIEW

During the year, the Group's net bank borrowings increased by HK$214 million to HK$2,195 million. As at 31 March 2020, the aggregate of the Group's shareholders' funds and non-controlling interests was HK$2,116 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 2019: 0.89). The gearing ratios of the Company and GP Industries were 0.55 (31 March 2019: 0.55) and 0.66 (31 March 2019: 0.55) respectively.

Due to the adverse impact of the COVID-19 outbreak on the Group's revenue for the last quarter of the financial year 2019/20 and consequentially its results of operations, the Group could not comply with certain financial covenants (computed based on the Group's borrowings and earnings) committed under certain loan and banking facility agreements (the "Affected Loans") for the test period ended 31 March 2020. The Group has requested for the consents from lenders of the Affected Loans to waive such non-compliance (the "Consents").

As the Consents were not in place as at 31 March 2020, an amount of HK$708,587,000, being the long-term portion of the principal amount of the Affected Loans for which Consents had been requested and were scheduled to be repaid after 31 March 2021, were presented under bank and other loans repayable within one year of the Group as at 31 March 2020.

Subsequent to 31 March 2020 and as at the date of this announcement, the Group has received Consents in respect of HK$1,071,997,000 of the Affected Loans and expects to further receive Consents for the remaining HK$27,221,000 of the Affected Loans. The directors of the Company believe that adequate alternative sources of finance are available to ensure that there is no threat to the continuing operations of the Group.

As a result of the reallocation of the long-term portion of the Affected Loans from long-term to current liabilities, at 31 March 2020, 69% (31 March 2019: 66%) of the Group's bank borrowings was revolving or repayable within one year and 21% (31 March 2019: Nil) was repayable on demand due to breach of loan covenants whereas 10% (31 March 2019: 34%) was repayable from one to five years. Most of these bank borrowings are denominated in US dollars, Singapore dollars and Hong Kong dollars.

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.

DIVIDENDS

An interim dividend of 2.0 HK cents (2018/19: 1.7 HK cents) per share was paid in January 2020.

The Board does not propose a final dividend for the year ended 31 March 2020 (2019: 2.5 HK cents per share).

CLOSURE OF REGISTER

The AGM will be held on 17 September 2020. The Register of Shareholders of the Company will be closed from 14 to 17 September 2020, both days inclusive, during which period no transfer will be effected. In order to be eligible to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrars, Tricor Abacus Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 11 September 2020.

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 of the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules throughout the year, except for the deviation from Code Provision A.2.1 which stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Victor LO Chung Wing is currently the Chairman and Chief Executive of the Company. The Board considers that the present structure will not impair the balance of power and authority between the Board and the management of the Group as the Group's principal businesses are separately listed and run by a different board of directors.

DIRECTORS' DEALING IN SECURITIES OF THE COMPANY

The Company has adopted the "Model Code 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, 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 four independent non-executive directors and two non-executive directors of the Company. The results for the year ended 31 March 2020 have been reviewed by the Company's audit committee.

By Order of the Board
Louis WONG Man Kon
Company Secretary

Hong Kong, 30 June 2020
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), Richard KU Yuk Hing, Brian LI Yiu Cheung, Michael LAM Hin Lap and Brian WONG Tze Hang as Executive Directors, Mr. LEUNG Pak Chuen (Non-Executive Vice Chairman) and Ms. Karen NG Ka Fai as Non-Executive Directors, Messrs. LUI Ming Wah, Frank CHAN Chi Chung, CHAN Kei Biu and Timothy TONG Wai Cheung as Independent Non-Executive Directors.