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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)**



## **2021/2022 Final Results Announcement**

### **FINANCIAL HIGHLIGHTS**

- Revenue from continuing operations increased by 8.4% to HK\$7,062 million
- Profit from continuing operations for the year attributable to owners of the Company increased by 28.2% to HK\$148.5 million
- Including discontinued operations, profit for the year attributable to owners of the Company increased by 9.5% to HK\$133.4 million
- Earnings per share from continuing operations: 18.8 Hong Kong cents (2020/21: 14.7 Hong Kong cents)
- Including discontinued operations, earnings per share: 16.9 Hong Kong cents (2020/21: 15.5 Hong Kong cents)
- The Board does not propose the payment of final dividend (2020/21: Nil)

The Board of Directors 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 2022.

## SUMMARY OF RESULTS

It has been announced that with effect from 23 March 2022, the Company has changed its Company name from “Gold Peak Industries (Holdings) Limited 金山工業(集團)有限公司” to “Gold Peak Technology Group Limited 金山科技工業有限公司”. The change of name is part of the journey to reshape the Group’s future direction as a progressive group in advanced technologies and manufacturing of batteries and acoustic electronics, as well as the Group’s investment strategies in R&D, innovation, design and brands.

For the year ended 31 March 2022 (“FY2022”), the Group’s revenue from continuing operations increased by 8.4% over the year ended 31 March 2021 (“FY2021”) to HK\$7,062 million. The consolidated profit from continuing operations attributable to owners of the Company increased by 28.2% over the previous year to HK\$148.5 million. Including discontinued operations, profit for the year attributable to owners of the Company increased by 9.5% to HK\$133.4 million. The earnings per share from continuing operations for the year amounted to 18.8 HK cents as compared with 14.7 HK cents for last year. Including discontinued operations, the earnings per share for the year amounted to 16.9 HK cents as compared with 15.5 HK cents for last year.

## BUSINESS REVIEW

**GP Industries Limited** (“GP Industries”) (85.59% owned by the Company as at 31 March 2022)

During FY2022, revenue of GP Industries Group’s continuing operations increased by S\$74.2 million or 6.5% to S\$1,222.7 million, due mainly to a S\$79.0 million or 38.9% increase in revenue of the Electronics and Acoustics Business.

On 31 August 2021, GP Industries Group completed the disposal of the subsidiaries in the Automotive Wire Harness Business. Accordingly, results of the disposed Automotive Wire Harness Business for FY2022 and prior period comparative figures for FY2021 were presented separately under discontinued operations.

Gross profit margin decreased from 27.0% in FY2021 to 25.9% in FY2022. The decrease was due mainly to significant increases in material costs across a wide range of raw materials and components. However, increase of selling price to customers, improvements in sales mix and increase in sales of KEF’s acoustic systems partially offset the adverse effects of the cost increases on the gross profit margin of GP Industries Group.

Administrative expenses increased by S\$18.6 million or 14.3% to S\$148.7 million due partly to staff costs increases on a year-on-year comparison basis and partly to depreciation of new facilities which have become operational during FY2022. In addition, GP Industries Group implemented aggressive short-term cost control measures and received some government subsidies from various countries during the COVID-19 lockdown period, which reduced staff costs in FY2021.

Other operating income increased by S\$29.6 million to S\$48.7 million due mainly to write-back of excess provision for restructuring of the Electronics and Acoustics Business relating to its factory relocation, and disposal gain together with compensation income of the Batteries Business.

Other operating expenses increased by S\$14.1 million to S\$37.1 million in FY2022, due mainly to the impairment charges for the business in Russia and the cost of relocating the factories of the Batteries Business from Huizhou to Dongguan, PRC, despite a decrease in exchange losses and other impairment charges.

Profit from continuing operations attributable to equity holders of GP Industries increased by S\$7.8 million to S\$38.3 million, or 25.7% over the profit last year.

Net loss from discontinued operations attributable to the disposed Automotive Wire Harness Business in FY2022 amounted to S\$3.05 million.

Including contributions from discontinued operations, total profit attributable to equity holders of GP Industries increased from S\$31.7 million for FY2021 to S\$35.3 million for FY2022.

### ***Batteries Business***

- Revenue of the Batteries Business for FY2022 was S\$940.9 million, decreased by 0.5%.
- Sales of primary batteries decreased by 1.1% while sales of rechargeable batteries increased by 0.7%.
- In geographical terms, sales to Europe and Asia increased by 3.4% and 2.5% respectively while sales to the Americas decreased by 10.1%.
- Gross profit margin, particularly the rechargeable battery products, has been affected by the rapidly increasing material costs and drastic increases in shipping costs. Although the Management worked closely with customers to increase product prices, the time delay for customers accepting the price increases lagged behind the time when material prices actually increased and this resulted in reduced gross profit margin for FY2022.
- GP Industries Group made a S\$14.1 million impairment on the investment in a Russia-based business and allowance for credit loss against the receivables therefrom, represented full provision against the investment and approximately 52% of the unsettled receivables.
- GP Industries Group completed the disposal of GP Batteries China Limited (“GPBC”), a wholly-owned subsidiary. The gain from disposal was S\$8.2 million. The relocation of the Nickel Metal Hydride rechargeable batteries manufacturing facilities from Huizhou to Xiegang also started during FY2022 and is expected to be completed in the first half of the financial year ending 31 March 2023 (“FY2023”). The total relocation costs of the above-mentioned manufacturing facilities amounted to approximately S\$12.7 million in FY2022.
- The 70%-owned subsidiary in Ningbo, Zhongyin (Ningbo) Battery Co Ltd (“ZYNB”) has started relocating its manufacturing facilities to a new campus during FY2022. It reported a compensation income of S\$6.7 million for certain factory buildings of the existing campus returned to the government and costs incurred in relocating the affected operations, and a write-back of relocation costs of S\$4.2 million.

- Despite the gain from disposal of GPBC, ZYNB's compensation income and write-back of provisions, the exceptional impairment charges, relocation costs and a decrease in share of profit from associates contributed to a decline in profit contribution from the Battery Business.
- Rapid material price increases and continued disruption to the supply chain resulted in an increase in raw materials and finished products being held in inventory at 31 March 2022.

### ***Electronics and Acoustics Business***

- Revenue of the Electronics and Acoustics Business was S\$281.8 million, increased by 38.9%, due to strong growth in both the professional audio manufacturing business and the branded acoustics business.
- The professional audio manufacturing business reported a 37.9% increase in revenue with increased sales to all major geographical markets, including a 52.8% increase to the Americas. The recovery of the professional audio business after key global markets started to reopen as the pandemic gradually subsided was the main driver of the sales.
- Sales of KEF products increased by 37.1% with increases across all major markets. Revenue increased by 49.4%, 23.8% and 37.6% in the Americas, Europe and Asia respectively.
- The Celestion brand professional speaker driver business also reported a 51.6% revenue growth, including sales growth of 66.3% and 58.1% to the Americas and Asia respectively. The increase was also mainly driven by the recovery of the professional audio market after COVID-19 started to subside.
- The relocation of the manufacturing facilities of the Electronics and Acoustics Business to the new location at Dongjiang Industrial Park in Huizhou was completed in May 2022. Due to the proximity of the old and new factory sites, the costs incurred for the factory removal was less than the provision for restructuring made. Accordingly, GP Industries Group wrote back a S\$13.1 million restructuring provision previously provided.
- Production at the 51%-owned subsidiary in Thailand increased during FY2022 as the COVID-19 situation in Thailand improved gradually and demand for made-in-Thailand professional audio products also increased.
- Strong revenue growth of the subsidiaries, write back of excess restructuring provision and an increase in aggregate share of profit from associated companies resulted in a significant increase in profit contribution from the Electronics and Acoustics Business.
- GP Industries Group maintained a higher level of inventory for this business segment to support the strong sales and prepare for new product launch in FY2023, and to safeguard against the global supply shortages of critical electronics components and reduced global shipping capacity. With this strategy, significantly higher working capital was required for the business.

### ***Other Industrial Investments***

- Meiloon Industrial Co., Ltd. reported an increase in revenue but contributed less profit due a S\$13.7 million property disposal gain in FY2021.
- In March 2022, XIC Innovation Limited (“XIC Innovation” formerly known as Linkz Industries Limited) completed the disposal of its 63.58%-owned subsidiary, Time Interconnect Technology Limited, and reported a disposal gain. Therefore, profit contribution from XIC Innovation increased.

### ***Automotive Wire Harness Business***

- Profit after taxation of the Automotive Wire Harness Business decreased from S\$1.25 million to S\$0.16 million.
- The business was disposed of on 31 August 2021 and the disposal resulted in a loss of S\$3.21 million, including a S\$2.07 million exchange translation deficit charged to profit and loss and goodwill written-off amounted to S\$0.27 million.

## **PROSPECTS**

The gradual re-opening of travelling and other economic activities at major global economies after COVID-19 lockdown improves business sentiment. Rapid and continued cost increases across a wide spectrum of materials and record-high shipping and logistics costs put significant pressure on the Group’s businesses. However, recent strengthening of the US dollar against the Chinese Renminbi, if it continues, may help to reduce some of the Group’s cost pressure.

The Electronics and Acoustics Business is expected to continue its revenue growth trajectory with the launch of new products but inflation in key markets may affect consumers’ discretionary spending and slowing down revenue growth. Component supply shortages and global shipping capacity shortages may also affect the businesses’ ability in supplying products to meet market needs.

The Batteries Business will continue to be affected by material supply disruptions and steep cost increases. On the other hand, stabilizing sea freight rates might help to slow down shipping costs increases. When the project to rebalance the Group’s manufacturing facilities is completed in the early part of FY2023, the business is expected to improve from better economy of scale and reduced redundant operations.

Disruptions to global shipping services and shortages of electronics components are expected to continue to pose challenges to the Group in optimizing inventory level and working capital requirements in order to meet delivery commitments. Higher interest rates may also increase the Group’s finance costs.

The Group’s strategy to invest into building its brands, its sales and distribution capabilities, into technology and product development and into rebalancing its production capacity in China and South East Asia helped it maintain relatively stable business performance during the COVID-19 pandemic. It will continue with this strategy to further strengthen the competitiveness of its brands and products in key priority markets.

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

In April 2022, the Group entered into a subscription agreement with ZincFive Inc., a leading global Nickel-Zinc (NiZn) battery and parts company in the growing sustainable energy storage technology and Nickel-Zinc (NiZn) battery and parts market. The Group will be committed to the development of sustainable energy storage solutions and will continue to invest in strengthening the Group’s research and development capabilities in Nickel-based battery systems.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the year ended 31 March	
		2022	2021
		HK\$'000	HK\$'000
			(Restated)
<b><u>Continuing operations</u></b>			
Revenue	3	7,061,620	6,515,602
Cost of sales		<u>(5,229,351)</u>	<u>(4,754,932)</u>
Gross profit		1,832,269	1,760,670
Other income and other gains	4	280,888	108,706
Selling and distribution expenses		(916,658)	(821,298)
Administrative expenses		(885,317)	(755,587)
Other expenses and other losses	5	(204,551)	(118,096)
Finance costs	6	(137,918)	(136,841)
Share of results of associates		286,141	240,960
Profit before taxation	7	254,854	278,514
Taxation	8	<u>(38,919)</u>	<u>(77,537)</u>
Profit for the year from continuing operations		<u>215,935</u>	<u>200,977</u>
<b><u>Discontinued operations</u></b>			
(Loss) Profit for the year from discontinued operations	16	<u>(17,614)</u>	7,079
Profit for the year		<u><u>198,321</u></u>	<u><u>208,056</u></u>
<b>Profit (loss) for the year attributable to owners of the Company</b>			
- From continuing operations		148,474	115,806
- From discontinued operations		<u>(15,074)</u>	<u>6,056</u>
		<u>133,400</u>	<u>121,862</u>
<b>Profit (loss) for the year attributable to non-controlling interests</b>			
- From continuing operations		67,461	85,171
- From discontinued operations		<u>(2,540)</u>	<u>1,023</u>
		<u>64,921</u>	<u>86,194</u>
		<u><u>198,321</u></u>	<u><u>208,056</u></u>
<b>Earnings per share - Basic</b>			
- From continuing and discontinued operations	9	<u>16.9 HK cents</u>	<u>15.5 HK cents</u>
- From continuing operations		<u>18.8 HK cents</u>	<u>14.7 HK cents</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

	2022 HK\$'000	2021 HK\$'000
Profit for the year	<u>198,321</u>	<u>208,056</u>
<b>Other comprehensive income (expense):</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising from translation of foreign operations	91,343	120,957
Net translation deficit (surplus) reclassified to profit or loss upon deregistration/disposal of subsidiaries	27,719	(21)
Net change in fair value of cash flow hedges	-	4,136
Share of other comprehensive (expense) income of associates	<u>(11,076)</u>	<u>73,902</u>
	<u>107,986</u>	<u>198,974</u>
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Fair value gain on equity instruments at fair value through other comprehensive income	<u>30,319</u>	<u>8,090</u>
Other comprehensive income for the year	<u>138,305</u>	<u>207,064</u>
Total comprehensive income for the year	<u>336,626</u>	<u>415,120</u>
Total comprehensive income attributable to:		
Owners of the Company	237,541	264,944
Non-controlling interests	<u>99,085</u>	<u>150,176</u>
	<u>336,626</u>	<u>415,120</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 March 2022	As at 31 March 2021
	Notes	HK\$'000	HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment	10	2,386,178	2,234,627
Right-of-use assets		291,653	282,447
Interests in associates		1,756,840	1,784,099
Equity instruments at fair value through other comprehensive income		90,384	60,065
Intangible assets		1,093	1,170
Goodwill		70,399	79,066
Non-current receivables		18,674	86,179
Non-current deposits		29,852	38,749
Deferred tax assets		34,365	27,787
		4,679,438	4,594,189
<b>Current assets</b>			
Inventories		1,473,046	1,192,082
Trade and other receivables and prepayments	11	1,610,902	1,557,618
Dividend receivable		28,117	24,826
Taxation recoverable		22,206	27,308
Equity instruments at fair value through profit or loss		4,220	7,455
Derivative financial instruments		955	-
Bank balances, deposits and cash		1,186,326	1,318,468
		4,325,772	4,127,757
Assets classified as held for sale		42,905	42,214
		4,368,677	4,169,971
<b>Current liabilities</b>			
Creditors and accrued charges	12	1,764,823	1,953,572
Contract liabilities		109,293	51,451
Taxation payable		46,708	61,579
Derivative financial instruments		111	7,122
Lease liabilities		78,471	72,339
Bank loans, import and other loans	13	3,082,962	2,710,704
Provision for restructuring		24,600	-
		5,106,968	4,856,767
<b>Net current liabilities</b>		<b>(738,291)</b>	<b>(686,796)</b>
<b>Total assets less current liabilities</b>		<b>3,941,147</b>	<b>3,907,393</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 March 2022	As at 31 March 2021
	Notes	HK\$'000	HK\$'000
<b>Non-current liabilities</b>			
Lease liabilities		243,938	215,585
Bank and other loans	14	740,846	1,047,933
Deferred tax liabilities		64,400	59,898
Provision for restructuring		-	99,810
		<b>1,049,184</b>	1,423,226
<b>Net assets</b>		<b>2,891,963</b>	2,484,167
<b>Capital and reserves</b>			
Share capital	15	998,666	921,014
Reserves		917,646	677,760
Equity attributable to owners of the Company		<b>1,916,312</b>	1,598,774
Non-controlling interests		975,651	885,393
<b>Total equity</b>		<b>2,891,963</b>	2,484,167

## 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 of Hong Kong Limited (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

The financial information relating to the years ended 31 March 2022 and 2021 included in this preliminary 2021/22 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 2021 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 2022 in due course.
- The Company's auditor has reported on the financial statements of the Group for both the years ended 31 March 2022 and 2021. 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\$738 million as at 31 March 2022. The Group's current liabilities as at 31 March 2022 included bank loans, import and other loans of approximately HK\$3,083 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\$2,213 million as at 31 March 2022, 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 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 HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2021 for the preparation of the consolidated financial statements:

Amendments to HKFRS 9, HKAS 39, Interest Rate Benchmark Reform - Phase 2  
HKFRS 7, HKFRS 4 and HKFRS 16

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee (the “Committee”) of the International Accounting Standards Board issued in June 2021 which clarified the costs an entity should include as “estimated costs necessary to make the sale” when determining the net realisable value of inventories.

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial position 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 HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 “Interest Rate Benchmark Reform - Phase 2”**

The Group has applied the amendments for the first time in the current year. The amendments relate to changes in the basis for determining the contractual cash flows of financial assets, financial liabilities and lease liabilities as a result of interest rate benchmark reform, specific hedge accounting requirements and the related disclosure requirements applying HKFRS 7 “Financial Instruments: Disclosures”.

As at 1 April 2021, the Group has bank loans and interest rate swap, the interests of which are indexed to benchmark rates that will or may be subject to interest rate benchmark reform.

During the year, certain of the Group’s LIBOR bank loans have been transferred to the relevant alternative benchmark rates. Such transition have had no material impact on the consolidated financial statements as the Group has applied the practical expedient in relation to the changes in contractual cash flows resulting from the interest rate benchmark reform for bank loans measured at amortised cost.

## **Impacts on application of the agenda decision of the Committee - Cost necessary to sell inventories (HKAS 2 “Inventories”)**

In June 2021, the Committee, through its agenda decision, clarified the costs an entity should include as “estimated costs necessary to make the sale” when determining the net realisable value of inventories. In particular, whether such costs should be limited to those that are incremental to the sale. The Committee concluded that the estimated costs necessary to make the sale should not be limited to those that are incremental but should also include costs that an entity must incur to sell its inventories including those that are not incremental to a particular sale.

The Group’s accounting policy prior to the Committee’s agenda decision was to determine the net realisable value of inventories taking into consideration incremental costs only. Upon application of the Committee’s agenda decision, the Group changed its accounting policy to determine the net realisable value of inventories taking into consideration both incremental costs and other cost necessary to sell inventories. The new accounting policy has been applied retrospectively.

The application of the Committee’s agenda decision has had no material impact on the Group’s financial positions and performance.

### New and amendments to HKFRSs in issue 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 and the related Amendments <sup>2</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>2</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>2</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>2</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>2</sup>
Amendments to HKAS 16	Property, Plant and Equipment - Proceeds before Intended Use <sup>1</sup>
Amendments to HKAS 37	Onerous Contracts - Cost of Fulfilling a Contract <sup>1</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after January 1, 2022.

<sup>2</sup> Effective for annual periods beginning on or after January 1, 2023.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate 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 / Revenue**

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 and other losses, 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 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 in arriving at the reportable segments of the Group.

The Group's revenue represents sales of electronics and acoustics, batteries and other products.

In the current year, the Group disposed of the automotive wire harness business. Prior year segment disclosures have been restated to re-present the automotive wire harness operation which was included in Electronics segments in prior year as a discontinued operation to conform with the current year's presentation.

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

	Electronics HK\$'000	Batteries HK\$'000	Other investments HK\$'000	Total reportable segments HK\$'000	Eliminations HK\$'000	Total HK\$'000
<b>Year ended 31 March 2022</b>						
<i>Continuing operations</i>						
<b>REVENUE</b>						
External sales	1,627,681	5,433,939	-	7,061,620	-	7,061,620
Inter-segment sales	2,028	456	-	2,484	(2,484)	-
Segment revenue	<u>1,629,709</u>	<u>5,434,395</u>	<u>-</u>	<u>7,064,104</u>	<u>(2,484)</u>	<u>7,061,620</u>
<b>RESULTS</b>						
Segment results	379,428	231,419	(62)	610,785	-	610,785
Interest income						13,306
Other expenses and other losses						(204,551)
Finance costs						(137,918)
Unallocated expenses						(26,768)
Profit before taxation from continuing operations						<u>254,854</u>

	Electronics HK\$'000	Batteries HK\$'000	Other investments HK\$'000	Total reportable segments HK\$'000	Eliminations HK\$'000	Total HK\$'000
<b>Year ended 31 March 2021 (Restated)</b>						
<i>Continuing operations</i>						
<b>REVENUE</b>						
External sales	1,150,987	5,364,615	-	6,515,602	-	6,515,602
Inter-segment sales	18	41	-	59	(59)	-
Segment revenue	<u>1,151,005</u>	<u>5,364,656</u>	<u>-</u>	<u>6,515,661</u>	<u>(59)</u>	<u>6,515,602</u>
<b>RESULTS</b>						
Segment results	127,639	407,530	(52)	535,117	-	535,117
Interest income						14,235
Other expenses and other losses						(118,096)
Finance costs						(136,841)
Unallocated expenses						(15,901)
Profit before taxation from continuing operations						<u>278,514</u>

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	
	2022	2021
	HK\$'000	HK\$'000
		(Restated)
<i>Continuing operations</i>		
Electronics segment:		
Electronics and acoustics products	1,627,681	1,150,987
Batteries segment:		
Batteries and battery related products	5,433,939	5,364,615
Revenue from contracts with customers	<u>7,061,620</u>	<u>6,515,602</u>

## Geographical information

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

	For the year ended 31 March	
	2022	2021
	HK\$'000	HK\$'000
		(Restated)
<i>Continuing operations</i>		
The People's Republic of China		
- Hong Kong	317,330	295,529
- Mainland China	2,437,186	2,289,018
Other Asian countries	537,319	486,111
Europe	2,068,140	1,893,119
Americas	1,648,825	1,452,467
Others	52,820	99,358
	<u>7,061,620</u>	<u>6,515,602</u>

#### 4. Other income and other gains

	For the year ended 31 March	
	2022	2021
	HK\$'000	HK\$'000
		(Restated)
<i>Continuing operations</i>		
Product development, engineering fee income and tooling income	1,248	8,810
Interest income from bank deposits and balances and loan receivables	13,175	13,093
Interest income from associates	131	1,142
Gain on disposal of property, plant and equipment	241	14,022
Management fee income from associates	4,196	3,067
Rental income from investment properties, less outgoings of HK\$104,000 (2021:HK\$136,000)	718	677
Government grant	32,615	21,132
Gain on sales of parts, samples, scrap and surplus materials	8,718	6,785
Fair value gain on investment property classified as held for sale	-	21,464
Realised fair value gain on derivative financial instruments	21,066	4,441
Unrealised fair value gain on derivative financial instruments	7,123	-
Gain on deemed partial disposal of an associate	307	165
Gain on disposal of a subsidiary	47,141	-
Reversal of provision for restructuring	75,210	-
Compensation for relocation	38,919	-
Reversal of relocation costs	24,285	-
Rental concession related to COVID-19	521	4,406
Recovery of bad debts, overprovision of claims and compensation income from customers	15	4,326
Others	5,259	5,176
	<b>280,888</b>	<b>108,706</b>

#### 5. Other expenses and other losses

	For the year ended 31 March	
	2022	2021
	HK\$'000	HK\$'000
		(Restated)
<i>Continuing operations</i>		
Unrealised fair value loss on derivative financial instruments	-	5,241
Fair value loss on equity instruments at fair value through profit or loss	3,271	3,428
Net translation deficit recognised to profit or loss upon deregistration of a subsidiary	982	-
Closure and relocation costs	86,232	28,101
Restructuring charges	5,950	-
Impairment loss recognised on property, plant and equipment	-	13,400
Impairment loss recognised on right-of-use assets	-	7,600
Impairment loss on interest in an associate	59,947	-
Property, plant and equipment written off	16,701	14,079
Exchange loss	28,584	46,247
Others	2,884	-
	<b>204,551</b>	<b>118,096</b>

## 6. Finance costs

	For the year ended 31 March	
	2022	2021
	HK\$'000	HK\$'000
		(Restated)
<i>Continuing operations</i>		
Interest on bank and other loans	122,245	125,363
Interest on lease liabilities	15,673	11,478
	<u>137,918</u>	<u>136,841</u>

## 7. Profit before taxation

	For the year ended 31 March	
	2022	2021
	HK\$'000	HK\$'000
		(Restated)
<i>Continuing operations</i>		
Profit before taxation has been arrived at after charging:		
Amortisation of intangible assets	77	77
Depreciation of property, plant and equipment	177,198	150,983
Depreciation of right-of-use assets	98,542	90,416
	<u>275,817</u>	<u>241,476</u>

## 8. Taxation

	For the year ended 31 March	
	2022	2021
	HK\$'000	HK\$'000
		(Restated)
<i>Continuing operations</i>		
The charge comprises:		
Hong Kong Profits Tax		
- charge for the year	10,747	10,453
- (over) underprovision in previous years	(119)	2,945
	<u>10,628</u>	<u>13,398</u>
Taxation in jurisdictions other than Hong Kong		
- charge for the year	43,885	56,239
- overprovision in previous years	(13,303)	(4,164)
	<u>30,582</u>	<u>52,075</u>
	<u>41,210</u>	<u>65,473</u>
Deferred taxation charge		
- current year	(2,291)	12,064
	<u>38,919</u>	<u>77,537</u>

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

## 9. Earnings per share

### *From continuing operations*

The calculation of the basic earnings per share from continuing operations attributable to the owners of the Company is based on the following data:

	<b>For the year ended 31 March</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
		(Restated)
<u>Earnings</u>		
Profit for the year attributable to owners of the Company	<b>133,400</b>	121,862
(Loss) profit for the year from discontinued operations	<b>(15,074)</b>	6,056
Profit for purpose of the basic earnings per share from continuing operations	<b>148,474</b>	115,806
<u>Number of shares</u>	<b>'000</b>	'000
Weighted average number of ordinary shares in issue during the year for the purpose of calculating basic earnings per share	<b>791,698</b>	788,212

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for rights issue on 14 February 2022.

### *From continuing and discontinued operations*

Basic earnings per share for the continuing and discontinued operations is HK16.9 cents (2021: HK15.5 cents), based on the profit for the year from the continuing and discontinued operations attributable to the owners of the Company of profit of HK\$133,400,000 (2021: HK\$121,862,000) and the denominators detailed above for both basic earnings per share.

### *From discontinued operations*

Basic loss per share for the discontinued operations is HK\$1.9 cents (2021: basic earnings per share of HK0.8 cents), based on the loss for the year from the discontinued operations attributable to the owners of the Company of HK\$15,074,000 (2021: profit of HK\$6,056,000) 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 2022 and 31 March 2021 is disclosed as there are no potential ordinary shares in issue during the years ended 31 March 2022 and 31 March 2021.

## 10. Property, plant and equipment

During the year ended 31 March 2022, the Group spent approximately HK\$302,667,000 (2021: HK\$458,245,000) on property, plant and equipment to expand its business.

## 11. Trade and other receivables and prepayments

	As at 31 March	
	2022	2021
	HK\$'000	HK\$'000
Trade and bills receivables from contracts with customers	<b>1,145,906</b>	1,235,839
Less: Allowance for credit losses	<b>(49,973)</b>	(26,478)
	<b>1,095,933</b>	1,209,361
Other receivables, deposits and prepayments	<b>514,969</b>	348,257
	<b>1,610,902</b>	<b>1,557,618</b>

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	
	2022	2021
	HK\$'000	HK\$'000
0 - 60 days	<b>912,399</b>	923,161
61 - 90 days	<b>130,025</b>	109,992
Over 90 days	<b>53,509</b>	176,208
	<b>1,095,933</b>	1,209,361
Other receivables, deposits and prepayments	<b>544,821</b>	387,006
	<b>1,640,754</b>	1,596,367
Less: Non-current deposits	<b>(29,852)</b>	(38,749)
	<b>1,610,902</b>	<b>1,557,618</b>

## 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	
	2022	2021
	HK\$'000	HK\$'000
Trade creditors		
0 - 60 days	<b>972,962</b>	1,030,043
61 - 90 days	<b>150,998</b>	117,880
Over 90 days	<b>64,987</b>	79,513
	<b>1,188,947</b>	1,227,436
Other payables and accrued charges	<b>575,876</b>	726,136
	<b>1,764,823</b>	<b>1,953,572</b>

**13. Bank loans, import and other loans**

	<b>As at 31 March</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Current portion of unsecured bank and other loans	<b>727,641</b>	546,180
Unsecured short-term bank loans and import loans	<b>2,355,304</b>	2,156,215
Short-term interest free loan	-	8,107
Current portion of secured motor vehicle loan	<b>17</b>	202
	<b><u>3,082,962</u></b>	<u>2,710,704</u>

**14. Bank and other loans**

	<b>As at 31 March</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
The unsecured bank and other loans are repayable:		
Within one year	<b>727,641</b>	546,180
Within a period of more than one year but not exceeding two years	<b>579,291</b>	567,482
Within a period of more than two years but not exceeding five years	<b>161,555</b>	480,434
The secured motor vehicle loan is repayable:		
Within one year	<b>17</b>	202
Within a period of more than one year but not exceeding two years	-	17
	<b><u>1,468,504</u></b>	<u>1,594,315</u>
Less: Amount due within one year shown under current liabilities	<b>(727,641)</b>	(546,180)
Current portion of secured motor vehicle loan	<b>(17)</b>	(202)
	<b><u>740,846</u></b>	<u>1,047,933</u>

Bank and other loans are net of transaction cost of HK\$8,420,000 (2021: HK\$14,187,000) arranged at floating rates.

**15. Share Capital**

	Number of shares	
	'000	HK\$'000
Issued and fully paid ordinary shares:		
At 1 April 2020, 31 March 2021	784,693	921,014
Issue shares upon rights issue (Note)	130,782	81,085
Transaction costs attributable to issue of new shares	-	(3,433)
At 31 March 2022	<b><u>915,475</u></b>	<u>998,666</u>

Note: 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 was HK\$81,085,000. Details of the Rights Issue were disclosed in the prospectus of the Company dated 7 March 2022.

## 16. Discontinued Operations

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

The loss for the year from the discontinued automotive wire harness operation is set out below. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated to re-present the automotive wire harness operation as a discontinued operation.

	Year ended 31 March 2022	Year ended 31 March 2021
	HK\$'000	HK\$'000
Profit of automotive wire harness operation for the year	930	7,079
Loss on disposal of automotive wire harness operation	(16,696)	-
Tax expense on the disposal	(1,848)	-
	<u>(17,614)</u>	<u>7,079</u>

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

	Period ended 31 August 2021	Year ended 31 March 2021
	HK\$'000	HK\$'000
Revenue	83,937	190,575
Cost of sales	(70,143)	(157,082)
Other income and other gains	795	3,092
Selling and distribution expenses	(6,371)	(15,249)
Administrative expenses	(6,685)	(12,839)
Other expenses and other losses	(72)	595
Finance costs	(346)	(141)
Profit before tax	<u>1,115</u>	<u>8,951</u>
Income tax expense	(185)	(1,872)
Profit for the period/year	<u>930</u>	<u>7,079</u>

## 16. Discontinued Operation

The net assets of the discontinued automotive wire harness operation at the date of disposal were as follows:

	As at 31 August 2021 HK\$'000
Consideration received:	
Cash received	<u>69,513</u>
Analysis of assets and liabilities over which control was lost:	
Property, plant and equipment	11,736
Right-of-use assets	14,688
Inventories	32,026
Trade and other receivables and prepayments	86,066
Bank balances and cash	13,177
Creditors and accrued charges	(70,370)
Lease liabilities	(14,785)
Taxation payable	<u>(352)</u>
Net assets	72,186
Attributable goodwill	<u>1,579</u>
Net assets disposal of	<u><u>73,765</u></u>
Gain on disposal of a subsidiary:	
Consideration received	69,513
Net assets disposed of	(73,765)
Reclassification of cumulative translation reserve upon disposal to profit or loss	(11,947)
Transaction costs	<u>(497)</u>
Loss on disposal	<u><u>(16,696)</u></u>
Net cash inflow arising on disposal:	
Cash consideration	69,513
Less: Bank balances and cash disposed of	(13,177)
Transaction costs paid	<u>(497)</u>
	<u><u>55,839</u></u>

## **FINANCIAL REVIEW**

During the year, the Group's net bank borrowings increased by HK\$197 million to HK\$2,637 million. As at 31 March 2022, the aggregate of the Group's shareholders' funds and non-controlling interests was HK\$2,892 million and the Group's gearing ratio (the ratio of consolidated net bank borrowings to shareholders' funds and non-controlling interests) was 0.91 (31 March 2021: 0.98). The gearing ratios of the Company and GP Industries were 0.50 (31 March 2021: 0.57) and 0.66 (31 March 2021: 0.66) respectively.

At 31 March 2022, 81% (31 March 2021: 72%) of the Group's bank borrowings was revolving or repayable within one year whereas 19% (31 March 2021: 28%) was repayable from one to five years. Most of these bank borrowings are in US dollars, Singapore dollars and Hong Kong dollars.

The net current liabilities position as at 31 March 2022 and 2021 was due mainly to the Group's strategy to consolidate some of the Group's older factories into new highly automated mega factories and to rebalance the Group's manufacturing capacity in Asia which led to a period of higher investments in property, plant and equipment ("CAPEX") in the past few years. From 1 April 2017 to 31 March 2022, the Group's CAPEX amounted to approximately HK\$2,069 million in aggregate. These investments were funded primarily by the Group's internal resources, including cash and short-term banking facilities.

Taking into consideration the Group's internally generated funds and available banking facilities, the Group has sufficient resources to settle its current liabilities as they fall due.

The Group's exposure to foreign currencies arises mainly from the net cash flow and the translation of net monetary assets or liabilities of its overseas subsidiaries. The Group continued to manage foreign exchange risks prudently. Forward contracts, borrowings in local currencies and local sourcing have been arranged to minimise the impact of currency fluctuation.

## **DIVIDENDS**

To preserve the Company's financial resources, no interim dividend was paid by the Company for the year ended 31 March 2022 (2021: nil). The Board does not propose a final dividend for the year ended 31 March 2022 (2021: nil).

## **CLOSURE OF REGISTER OF MEMBERS**

The annual general meeting (“AGM”) will be held on 15 September 2022. For the purpose of ascertaining shareholders’ entitlement to attend and vote at the AGM, the Register of Members of the Company (the “Register of Members”) will be closed from 8 September 2022 to 15 September 2022, 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 Hong Kong Branch Share Registrar and Transfer Office, Tricor Abacus Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong (if the transfer will be lodged before 15 August 2022) OR 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong (if the transfer will be lodged on or after 15 August 2022) for registration not later than 4:30 p.m. on 7 September 2022.

## **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 one non-executive director of the Company. The results for the year ended 31 March 2022 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, 29 June 2022  
*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, Brian WONG Tze Hang, Victor CHONG Toong Ying and Waltery LAW Wang Chak as Executive Directors, Ms. Karen NG Ka Fai as Non-Executive Director and Messrs. LUI Ming Wah, Frank CHAN Chi Chung, CHAN Kei Bui and Timothy TONG Wai Cheung as Independent Non-Executive Directors.