Gold Peak Technology Group Limited
金山科技工業有限公司

Press Release

For Immediate Release

19 November 2026, Hong Kong

Gold Peak announces 2026/2027 interim results

Gold Peak Technology Group Limited *(stock code: 40)* today announced its unaudited consolidated results of the Company and its subsidiaries for the six months ended 30 September 2026 ("1HFY2027").

Result Highlights

- Revenue increased by 9.3% to HK$3,884.8 million compared with the six months ended 30 September 2025 ("1HFY2026"), supported by growth in both the Battery Business and the Electronics and Acoustics Business.
- Gross profit increased by 6.4% to HK$1,054.7 million, while gross profit margin declined by 70 basis points to 27.2% compared with 1HFY2026, primarily reflecting changes in trade dynamics affecting the Battery Business, including the reduction in China's VAT export rebates.
- Administrative expenses increased by 5.2% to HK$471.0 million, mainly reflecting transitional costs for rightsizing initiatives the Management is taking.
- Finance costs increased by 16.3% to HK$100.0 million compared with 1HFY2026.
- Profit attributable to owners of the Company decreased by 24.2% to HK$27.5 million compared with 1HFY2026.
- The proposed interim dividend is 1.5 HK cents per share, representing a payout ratio of 56.9%.
- The Group's net current assets increased by HK$299.0 million to HK$322.7 million as at 30 September 2026, compared with 31 March 2026.
- The gearing ratio decreased from 99.0% as at 31 March 2026 to 92.1% as at 30 September 2026.

Review of Results

For 1HFY2027, the Group recorded revenue of HK$3,884.8 million, an increase of HK$330.8 million, or 9.3%, compared with 1HFY2026. Growth was primarily driven by sales to Asia and Europe, which increased by 17.3% and 11.4%, respectively, more than offsetting a 13.3% decline in sales to the U.S. amid continued uncertainties surrounding U.S. tariff policies. Sales to the U.S. accounted for 15.9% of Group revenue in 1HFY2027 (1HFY2026: 20.1%).

Revenue from the Battery Business increased by 12.1% in 1HFY2027, supported by strong demand for cylindrical Alkaline and coin cell batteries. Revenue from the Rechargeable Battery Business decreased by 14.7% in 1HFY2027, mainly due to weaker sales in Europe and change in sales mix. Revenue from the Electronics and Acoustics Business increased by 6.9%, led by growth in sales of KEF-branded products, particularly in Asia.

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Gross profit increased by 6.4% to HK$1,054.7 million, while gross profit margin declined from 27.9% in 1HFY2026 to 27.2% in 1HFY2027. The decline primarily reflected changes in trade dynamics affecting the Battery Business and the Rechargeable Battery Business, including the reduction in China's VAT export rebates. This was partly offset by an improved business mix in the Electronics and Acoustics Business, with a greater contribution from the higher-margin KEF-branded business. The Group continues to maintain strict cost controls and closely manage the volume and timing of commodity purchases to mitigate further margin pressure.

Selling and distribution expenses slightly increased by 0.7% to HK$418.4 million compared with 1HFY2026, despite revenue growth of 9.3% and higher global logistics costs.

Administrative expenses increased by HK$23.3 million, or 5.2%, to HK$471.0 million, primarily due to higher staff costs. The increase is expected to be transitional as the Group adjusts its cost structure with rightsizing initiatives, which included some initial adjustment costs before saving are realized later.

Other income and other gains for 1HFY2027 was HK$59.6 million (1HFY2026: HK$56.2 million), mainly comprising:

- Refund of U.S. tariffs of HK$21.3 million (1HFY2026: Nil),
- Government grants of HK$7.6 million (1HFY2026: HK$12.2 million),
- Product development, engineering and service income of HK$7.1 million (1HFY2026: HK$2.0 million),
- Interest income of HK$5.9 million (1HFY2026: HK$4.3 million), and
- Fair value gain on investment properties of HK$3.7 million (1HFY2026: HK$9.7 million).

Other expenses and other losses for 1HFY2027 were HK$21.4 million (1HFY2026: HK$6.3 million), mainly comprising:

- Exchange loss of HK$19.0 million (1HFY2026: exchange gain of HK$12.5 million recorded in other income and other gains), and
- Property, plant and equipment write-off of HK$2.4 million (1HFY2026: HK$5.2 million).

The Group's profit before finance costs and share of results of associates increased by 14.4% to HK$198.9 million in 1HFY2027 compared with 1HFY2026. The increase was primarily attributable to higher gross profit and the refund of U.S. tariffs, partly offset by higher administrative expenses and an exchange loss.

The Group's share of results of associates decreased by 23.0%, from HK$57.9 million in 1HFY2026 to HK$44.6 million in 1HFY2027. This primarily reflected Changzhou Lithium Batteries Limited becoming a subsidiary on 1 January 2026 and therefore ceasing to be an associate, together with lower contributions from Wisefull Technology Limited ("Wisefull") and Meiloon Industrial Co., Ltd. ("Meiloon").

The Group's finance costs increased by 16.3% from HK$85.9 million in 1HFY2026 to HK$100.0 million in 1HFY2027, mainly driven by increase in average total borrowing level and borrowing interest rates during 1HFY2027, compared with 1HFY2026.

Profit attributable to owners of the Company decreased by 24.2% to HK$27.5 million. The Directors have proposed an interim dividend of 1.5 HK cents per share (1HFY2026: 1.8 HK cents per share), representing a payout ratio of 56.9% (1HFY2026: 50.4%).

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Business Review

Battery Business

Revenue for the Battery Business in 1HFY2027 was HK$2,837.6 million, an increase of 12.1% compared with 1HFY2026. The growth was primarily driven by cylindrical Alkaline and coin cell batteries, whose sales increased by 17.8% and 24.7%, respectively.

Gross profit margin for the Battery Business declined from 24.5% in 1HFY2026 to 23.4% in 1HFY2027, as volume growth did not fully offset changes in sales mix and cost pressures, including the reduction in China's VAT export rebates.

Segment profit of the Battery Business decreased from HK$158.3 million in 1HFY2026 to HK$137.0 million in 1HFY2027. Higher gross profit was offset by increased operating expenses, primarily reflecting a transitional rise in staff costs as management is restructuring the business to better meet the evolving operating environment, together with higher global logistics costs.

Rechargeable Battery Business

Revenue for the Rechargeable Battery Business in 1HFY2027 was HK$179.2 million, decreased by 14.7% compared with 1HFY2026. The decrease was primarily driven by weaker sales in Europe and change in sales mix.

Gross profit margin for the Rechargeable Battery Business declined from 14.3% in 1HFY2026 to 7.1% in 1HFY2027, mainly reflect the production volume and cost pressures, including the reduction in China's VAT export rebates and the intensive market competition.

Segment loss of the Rechargeable Battery Business increased from HK$21.4 million in 1HFY2026 to HK$36.9 million in 1HFY2027, mainly reflecting pressure on gross profit margin and continued investment in the development of Nickel-Zinc ("NiZn") battery technology.

Electronics & Acoustics Business

Revenue of the Electronics and Acoustics Business for 1HFY2027 increased by 6.9% to HK$868.1 million, underpinned by a 12.5% increase in KEF sales, driven by the continued success of new product launches and stronger performance across Asian markets.

Gross profit margin increased by 210 basis points to 43.0%, primarily reflecting improved margins at KEF and a greater contribution from the KEF-branded business.

Segment profit of the Electronics and Acoustics Business increased from HK$17.5 million in 1HFY2026 to HK$68.6 million in 1HFY2027, supported by higher gross profit and effective control of administrative and distribution expenses, despite rising global logistics costs.

Other Industrial Investments

This segment mainly includes investments in Meiloon, Shinwa Industries (H.K.) Limited and Wisefull. Segment profit decreased from HK$35.5 million in 1HFY2026 to HK$22.4 million in 1HFY2027, primarily due to lower share of results from Wisefull and Meiloon.

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Capital Resource and Liquidity

During 1HFY2027, the Group continued to strengthen its debt maturity profile and liquidity position, including through the drawdown of a new three-year syndicated term loan of HK$350 million in September 2026 to refinance short-term borrowings. Net current assets increased from HK$23.7 million as at 31 March 2026 to HK$322.7 million as at 30 September 2026, while the current ratio improved from 1.01 to 1.08. The Group continued to reduce leverage with cash inflow from operations and the gearing ratio declined from 99.0% to 92.1%.

Outlook

Market Environment

The Group delivered revenue growth in 1HFY2027 despite continued volatility arising from U.S. tariff developments and challenging global macroeconomic and geopolitical conditions. Its resilience was supported by strategic investments in the Battery and branded audio businesses, the continued rebalancing of manufacturing capacity across Asia and expanding distribution channels in key markets. The sales to the U.S. in 1HFY2027 declined by 13.3% compared with 1HFY2026, while sales to Asia increased to 57.5% of Group revenue.

The Group expects operating conditions in the second half of the financial year ending 31 March 2027 to remain challenging. In the Battery Business, management will focus on supporting gross profit margins, improving cost efficiency through rightsizing initiatives and strengthening cash generation through disciplined working capital management. Key uncertainties include tariff developments and potential EU anti-dumping measures on cylindrical Alkaline batteries. Management will continue to closely monitor these developments and explore opportunities to expand production capacity outside China to enhance supply chain flexibility and mitigate trade and cost risks.

The Group continues to progress the development of NiZn battery technology under GP Energy Tech Limited. NiZn mass production commenced at the Dongguan facility in China in the first quarter of the financial year ending 31 March 2027, while preparations for the Malaysian facility are progressing, with operations expected to commence in the financial year ending 31 March 2028. The Group will continue to develop the business in line with market demand and prevailing market conditions, while working with its business partners to explore and develop battery solutions for end customers, with a primary focus on the data center segment.

For the Electronics and Acoustics Business, the Group will continue to focus on technology and product development, strengthening its premium brands, diversifying its income stream to licensing income and expanding global sales channels, including KEF's partnerships with leading retailers and its network of Experience Centers in key global cities. Despite uncertainties arising from increasing electronic component costs and the broader economic uncertainties, which may affect demand for premium audio products, the Group remains focused on strengthening KEF's brand positioning, development of new products and expanding its global market presence.

Assets Optimization

The Group continues to pursue opportunities to divest non-core assets, including vacant land and unused factories in Malaysia and China. Where an immediate disposal is not commercially attractive, the Group will seek to generate rental income where appropriate.

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These initiatives support the Group's objectives to optimize its asset base, reduce leverage, enhance financial flexibility and prioritize capital allocation to its core businesses.

Conclusion

Commenting on the prospects of the Gold Peak, Chairman and Chief Executive, Victor Lo said, "The Group's diversified manufacturing footprint, adaptable supply chain and established brand portfolio provide a firm foundation for navigating continued global uncertainty. Its priorities remain disciplined cost management, rightsizing initiatives, investment in core businesses and strategic asset optimization. Through these priorities, the Group aims to strengthen profitability and cash generation, reduce leverage and enhance financial flexibility, while pursuing sustainable long-term growth and value creation to shareholders of the Company."

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