

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)



2018/2019 Final Results Announcement

FINANCIAL HIGHLIGHTS

- Revenue increased by 7.1% to HK\$6,768 million
- Profit attributable to owners of the Company increased by 201.8% to HK\$61.4 million (2017/18: HK\$20.4 million)
- Earnings per share: 7.8 HK cents (2017/18: 2.6 HK cents)
- Proposed final dividend per share: 2.5 HK cents (2017/18: 1.2 HK cents)

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 2019.

SUMMARY OF RESULTS

The Group’s revenue for the year ended 31 March 2019 increased by 7.1% over the previous year to HK\$6,768 million. The consolidated profit attributable to owners of the Company increased by 201.8% over the previous year to HK\$61.4 million. The basic earnings per share for the year amounted to 7.8 HK cents (2017/18: 2.6 HK cents).

BUSINESS REVIEW

GP Industries Limited (“GP Industries”) (85.5% owned by Gold Peak as at 31 March 2019)

GP Industries’ revenue for the financial year ended 31 March 2019 (“FY2019”) was S\$1,167.1 million, representing an increase of 6.1% over the revenue reported for the financial year ended 31 March 2018 (“FY2018”). The increase was mainly attributable to revenue growth reported by both the Batteries Business and the Electronics and Acoustics Business, and was partially offset by the decrease in revenue of the Automotive Wire Harness Business.

GP Industries’ gross profit increased by 13.6% from S\$256.8 million for FY2018 to S\$291.7 million for FY2019. The overall gross profit margin improved from 23.3% to 25.0%, mainly from the combined effects of higher contribution from strong sales of new acoustics products introduced during FY2019, softened prices for certain raw materials and a weaker Renminbi against the US dollar.

Other operating income decreased by 14.6% from S\$44.5 million to S\$38.0 million. Other operating income for FY2019 included compensation for relocation of S\$17.2 million and a compensation income of S\$7.9 million for damages to certain plant and buildings, both of which were attributable to GP Industries’ 70%-owned subsidiary, Zhongyin (Ningbo) Battery Co Ltd. In FY2018, other operating income included gain from disposal of property, plant and equipment of S\$28.5 million.

Distribution costs increased substantially by 20.1% from S\$113.0 million to S\$135.7 million. The increase was mainly attributable to a higher level of brand building activities and higher cost due to increased battery sales with DDP (Incoterm for Delivered Duty Paid) and a higher level of vendor managed inventory.

The strengthening of the US dollar against Renminbi since the financial quarter ended 30 June 2018 contributed to a net exchange gain of S\$6.6 million for FY2019 while a net exchange loss of S\$11.4 million was recorded in FY2018.

Profit after taxation attributable to equity holders of GP Industries for FY2019 increased by 25.5% to S\$29.2 million when compared to S\$23.2 million for FY2018.

Batteries Business

- Revenue of the Batteries Business increased by 5.7% to S\$871.8 million.
- Sales of primary batteries increased by 8.5% while sales of rechargeable batteries decreased by 6.8%.
- Sales in Europe, Asia and the Americas increased by 12.5%, 3.6% and 2.8% respectively.
- Softened raw material prices and more favorable exchange rates contributed to improve the gross profit margin.
- Factory expansion projects in Malaysia and Vietnam are on schedule. The expanded Alkaline 9V batteries manufacturing facilities in Malaysia, which has been fully operational since the second half of FY2018, started to contribute business and profitability.

Electronics and Acoustics Business

- Revenue of the Electronics and Acoustics Business increased by 10.8%.
- Sales of electronics and acoustics products increased by 12.1% and 9.4% respectively.
- Sales of acoustics products increased by 20.9% in the American market and 8.5% in the European market, while sales remained steady in Asia.
- The associate companies which manufacture parts and components contributed more profit in aggregate.

Automotive Wire Harness Business

- Sales of the Automotive Wire Harness Business decreased by 9.5%.
- Sales to the American market increased by 3.5% due mainly to the demand for new products despite the USA import tariff imposed on automotive parts made in China. Sales to China decreased by 25.7% due mainly to the softening of the passenger car market in China.

Other Industrial Investments

- Linkz Industries Limited reported revenue growth but profit contribution decreased due partly to the profit shared by the non-controlling interests of a subsidiary which was listed on the Stock Exchange of Hong Kong in February 2018, and partly to exchange losses and increase in finance cost.
- Revenue of Meiloon Industrial Co., Ltd. decreased and contributed less profit.

PROSPECTS

Faced with global challenges including the trade dispute between the USA and China, as well as issues regarding Brexit, significant uncertainties were cast on the Group's business outlook. Demand for some of the Group's products may also be affected by global economic slowdown.

Approximate 14.3% of the Group's businesses are subjected to the current USA import tariff scheme effective from 10 May 2019. Affected products include some battery products, automotive wire harnesses and speaker products. The Group is working with its customers in the USA on the best response to the increased import costs. In case the proposed enlarged USA import tariff scheme is enacted to cover all products made in China, other products from the Group may also be affected.

The Group is rapidly expanding the capacity of its manufacturing facilities in Malaysia and Vietnam as well as exploring other cooperation opportunities outside China to take up more of its USA export businesses, in order to minimize the impact of the USA import tariffs.

Volatile currency exchange rates may also affect the Group's results. In light of countries where the Group has significant manufacturing and distribution operations, a weakened Renminbi and currencies of other related countries against US dollar is generally favorable to its export-oriented businesses. Price volatility of certain raw material may continue to affect the Group's profit margin. Meanwhile, global shortage of certain electronic components continued to ease gradually.

Investment in technology and new product development, further automation of its factories, as well as building its brands and distribution networks in key markets will continue to be the core strategies of the Group to enhance the competitiveness of its businesses.

EVENT AFTER THE REPORTING PERIOD

At the general meeting of GP Industries held on 7 September 2018, members of GP Industries approved the disposal of certain land and buildings in Huizhou, PRC by GP Electronics (Huizhou) Co., Ltd., a wholly-owned subsidiary of GP Industries. Part of the Disposal Consideration and Compensation (as defined in the circular of GP Industries dated 23 August 2018) was received by GP Industries during FY2019, and certain balances were still outstanding as at 31 March 2019. On 27 May 2019, GP Industries has received the remaining balance of the Disposal Consideration and Compensation and is in the process of transferring the titles of the concerned land and buildings to the purchaser. Accordingly, it is expected that GP Industries will recognize the disposal gain during the financial year ending 31 March 2020.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the year ended 31 March	
		2019	2018
	Notes	HK\$'000	HK\$'000
Revenue	2	6,767,673	6,316,260
Cost of sales		(5,076,448)	(4,841,510)
Gross profit		1,691,225	1,474,750
Other income	3	253,343	256,256
Selling and distribution expenses		(797,928)	(672,510)
Administrative expenses		(800,580)	(772,267)
Other expenses	4	(36,449)	(100,245)
Finance costs		(180,086)	(125,727)
Share of results of associates		135,523	137,024
Profit before taxation	5	265,048	197,281
Taxation	6	(81,006)	(87,292)
Profit for the year		184,042	109,989
Profit for the year attributable to:			
Owners of the Company		61,437	20,355
Non- controlling interests		122,605	89,634
		184,042	109,989
Earnings per share - Basic	7	7.8 HK cents	2.6 HK cents

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

	For the year ended 31 March	
	2019 HK\$'000	2018 HK\$'000
Profit for the year	<u>184,042</u>	<u>109,989</u>
Other comprehensive (expense) income:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising from translation of foreign operations	(128,356)	177,995
Net translation deficit reclassified to profit or loss upon deregistration of subsidiaries	-	3,998
Net change in fair value of cash flow hedges	(2,065)	-
Share of other comprehensive (expense) income of associates	(58,034)	70,538
	<u>(188,455)</u>	<u>252,531</u>
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Fair value (loss) gain on equity instruments at fair value through other comprehensive income	(39,018)	23,548
Other comprehensive (expense) income for the year	<u>(227,473)</u>	<u>276,079</u>
Total comprehensive (expense) income for the year	<u>(43,431)</u>	<u>386,068</u>
Total comprehensive (expense) income attributable to:		
Owners of the Company	(109,764)	197,810
Non-controlling interests	66,333	188,258
	<u>(43,431)</u>	<u>386,068</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 March 2019 HK\$'000	As at 31 March 2018 HK\$'000
Non-current assets			
Property, plant and equipment		1,594,734	1,755,126
Interests in associates		1,484,262	1,489,840
Equity instruments at fair value through other comprehensive income		77,376	-
Available-for-sale investments		-	87,514
Intangible assets		1,324	1,401
Goodwill		79,066	102,066
Deferred tax assets		22,488	21,889
Non-current deposits		12,980	14,302
		<u>3,272,230</u>	<u>3,472,138</u>
Current assets			
Inventories		1,056,122	1,091,107
Trade and other receivables and prepayments	9	1,288,376	1,214,094
Dividend receivable		27,364	28,538
Taxation recoverable		21,861	34,564
Derivative financial instruments		87	1,456
Available-for-sale investments		-	24,942
Time deposits		-	122,553
Bank balances, deposits and cash		1,448,715	1,059,224
		<u>3,842,525</u>	<u>3,576,478</u>
Assets classified as held for sale		196,493	55,783
		<u>4,039,018</u>	<u>3,632,261</u>
Current liabilities			
Creditors and accrued charges	10	1,567,864	1,530,508
Contract liabilities		15,835	-
Taxation payable		41,785	27,334
Derivative financial instruments		80	-
Obligations under finance leases – amount due within one year		1,266	498
Bank loans and import loans		2,257,104	2,013,789
Notes		-	118,985
		<u>3,883,934</u>	<u>3,691,114</u>
Net current assets (liabilities)		<u>155,084</u>	<u>(58,853)</u>
Total assets less current liabilities		<u>3,427,314</u>	<u>3,413,285</u>
Non-current liabilities			
Obligations under finance leases – amount due after one year		3,269	619
Bank and other loans		1,167,627	1,037,540
Deferred tax liabilities		24,098	22,369
Derivative financial instruments		2,065	-
		<u>1,197,059</u>	<u>1,060,528</u>
Net assets		<u>2,230,255</u>	<u>2,352,757</u>
Capital and reserves			
Share capital		921,014	921,014
Reserves		491,476	598,810
Equity attributable to owners of the Company		<u>1,412,490</u>	<u>1,519,824</u>
Non-controlling interests		817,765	832,933
Total equity		<u>2,230,255</u>	<u>2,352,757</u>

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 2019 and 2018 included in this preliminary 2018/19 final 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 2018 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 2019 in due course.

The Company's auditor has reported on the financial statements of the Group for both the years ended 31 March 2019 and 2018. 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).

Application of New and Amendments to Hong Kong Financial Reporting Standards

The Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time in the current year:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 “Financial Instruments” with HKFRS 4 “Insurance Contracts”
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

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 performance and financial positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

1.1 HKFRS 15 "Revenue from Contracts with Customers"

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 April 2018. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 April 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 "Revenue" and HKAS 11 "Construction Contracts" and the related interpretations.

The Group recognises revenue from the following major sources which arise from contracts with customers:

- sales of electronics products
- sales of batteries products

Summary of effects arising from initial application of HKFRS 15

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 April 2018. Line items that were not affected by the changes have not been included.

Impacts on current liabilities as at 1 April 2018

	Note	Carrying amounts previously reported at 31 March 2018 HK\$'000	Reclassification HK\$'000	Carrying amounts under HKFRS 15 at 1 April 2018 HK\$'000
Creditors and accrued charges	(a)	1,530,508	(35,371)	1,495,137
Contract liabilities	(a)	-	35,371	35,371

Note:

- (a) Advances from customers of approximately HK\$35,371,000 were reclassified to contract liabilities at the date of initial application of HKFRS 15.

The application of HKFRS 15 has had no material impact on the Group's retained profits as at 1 April 2018.

The following table summarises the impacts of applying HKFRS 15 on the Group's consolidated statement of financial position as at 31 March 2019 for each of the line items affected. Line items that were not affected by the changes have not been included.

Impacts on the consolidated statement of financial position as at 31 March 2019

	<u>Note</u>	<u>As reported</u> HK\$'000	<u>Adjustments</u> HK\$'000	Amounts without application of HKFRS 15 HK\$'000
Creditors and accrued charges	(a)	1,567,864	15,835	1,583,699
Contract liabilities	(a)	<u>15,835</u>	<u>(15,835)</u>	<u>-</u>

Note:

- (a) This relates to the reclassification of advance from customers from other payables to contract liabilities.

1.2 HKFRS 9 “Financial Instruments” and the related amendments

In the current year, the Group has applied HKFRS 9 “Financial Instruments” and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses (“ECL”) for financial assets and other items and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The difference between carrying amounts as at 31 March 2018 and the carrying amounts as at 1 April 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 “Financial Instruments: Recognition and Measurement”.

In addition, the Group applied the hedge accounting prospectively.

Summary of effects arising from initial application of HKFRS 9

The table below illustrates the effect arising from application of HKFRS 9 at the date of initial application, 1 April 2018. Line items or reserves that were not affected by the changes have not been included.

	Notes	Trade receivables and bills receivables HK\$'000	AFS investments* HK\$'000	Equity instruments at FVTOCI* HK\$'000	Financial assets at FVTPL* HK\$'000	Investment revaluation reserve HK\$'000	Retained profits HK\$'000	Non-controlling interests HK\$'000
Closing balance at 31 March 2018								
- HKAS 39		909,586	112,456	-	-	(22,929)	(408,781)	(832,933)
Effect arising from initial application of HKFRS 9	(a) (b)	-	(112,456)	116,486	24,942	(27,085)	(2,110)	223
Effect arising from initial application of HKFRS 9	(c)	(3,991)	-	-	-	-	3,412	579
Closing balance at 1 April 2018 (Restated)		<u>905,595</u>	<u>-</u>	<u>116,486</u>	<u>24,942</u>	<u>(50,014)</u>	<u>(407,479)</u>	<u>(832,131)</u>

* As defined below.

a. Available-for-sale ("AFS") investments

Reclassification from AFS investments to equity instruments at fair value through other comprehensive income ("FVTOCI").

The Group elected to present in other comprehensive income ("OCI") for the fair value changes of all its equity investments previously classified as available-for-sale. These investments are not held for trading and not expected to be sold in the foreseeable future. At the date of initial application of HKFRS 9, HK\$87,514,000 were reclassified from available-for-sale investments to equity instruments at FVTOCI, of which HK\$48,570,000 related to unquoted equity investments previously measured at cost less impairment under HKAS 39. The fair value gain of HK\$28,972,000 relating to those unquoted equity investments previously carried at cost less impairment were adjusted to equity instruments at FVTOCI and investment revaluation reserve as at 1 April 2018. The fair value gains of HK\$22,929,000 relating to those investments previously carried at fair value continued to accumulate in investment revaluation reserve. In addition, impairment losses previously recognised of HK\$2,110,000 were transferred from retained profits to investment revaluation reserve as at 1 April 2018.

b. Reclassification from AFS investments to financial assets at fair value through profit or loss ("FVTPL")

Structured deposits classified as AFS investments carried at fair value. Since the cash flows of these investments do not meet the HKFRS 9 criteria as solely payments of principal and interest on the principal amount of outstanding, these investment would be measured at FVTPL.

c. *Impairment under ECL model*

In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables that are within the scope of HKFRS 15. To measure ECL, trade receivables have been assessed individually and/or grouped based on shared credit risk characteristics.

ECL for other financial assets at amortised cost, including bank deposits, time deposits, bank balances, dividend receivable and other receivables, are assessed on 12-month ECL ("12m ECL") basis and there had been no significant increase in credit risk since initial recognition.

For outstanding financial guarantee contract provided to an associate of HK\$16,534,000, the Group considers there has been no significant increase in credit risk since initial recognition and hence the loss allowance is assessed on 12m ECL basis.

As at 1 April 2018, additional credit loss allowance of HK\$3,412,000, net of the amount shared by non-controlling interests of HK\$579,000 has been recognised against retained profits. The additional loss allowance is charged against the trade and other receivables.

1.3 Impacts on opening consolidated statement of financial position arising from the application of all new standards

As a result of the changes in the Group's accounting policies above, the opening consolidated statement of financial position had to be restated. The following table shows the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included.

	As at 31 March 2018 HK\$'000	HKFRS 15 HK\$'000	HKFRS 9 HK\$'000	As at 1 April 2018 HK\$'000 (Restated)
Non-current assets				
AFS investments	87,514	-	(87,514)	-
Equity instruments at FVTOCI	-	-	116,486	116,486
Current assets				
AFS investments	24,942	-	(24,942)	-
Financial assets at FVTPL			24,942	24,942
Trade receivables and other receivables and prepayments	1,214,094	-	(3,991)	1,210,103
Current liabilities				
Creditors and accrued charges	1,530,508	(35,371)	-	1,495,137
Contract liabilities	-	35,371	-	35,371
Equity				
Retained profits	408,781	-	(1,302)	407,479
Investment revaluation reserve	22,929	-	27,085	50,014
Non-controlling interests	832,933	-	(802)	832,131

2. 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 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	<u>1,712,574</u>	<u>5,055,703</u>	<u>-</u>	<u>6,768,277</u>	<u>(604)</u>	<u>6,767,673</u>
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						<u>265,048</u>

Year ended 31 March 2018

	Electronics HK\$'000	Batteries HK\$'000	Other Investments HK\$'000	Total reportable segments HK\$'000	Eliminations HK\$'000	Total HK\$'000
Revenue						
External sales	1,578,140	4,738,120	-	6,316,260	-	6,316,260
Inter-segment sales	109	-	-	109	(109)	-
Segment revenue	<u>1,578,249</u>	<u>4,738,120</u>	<u>-</u>	<u>6,316,369</u>	<u>(109)</u>	<u>6,316,260</u>
Results						
Segment results	143,125	349,860	(397)	-	-	492,588
Interest income						7,217
Other expenses						(100,245)
Finance costs						(125,727)
Unallocated expenses						(76,552)
Profit before taxation						<u>197,281</u>

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	
	2019 HK\$'000	2018 HK\$'000
The People's Republic of China		
- Hong Kong	455,536	425,911
- Mainland China	2,215,433	2,001,237
Other Asian countries	529,838	579,150
Europe	1,796,659	1,605,761
Americas	1,675,981	1,609,248
Others	94,226	94,953
	<u>6,767,673</u>	<u>6,316,260</u>

3. Other income

	For the year ended 31 March	
	2019	2018
	HK\$'000	HK\$'000
Other income include:		
Gain on disposal of property, plant and equipment	3,319	166,944
Gain arising from compensation for damages and relocation of property of a subsidiary	145,931	-
Exchange gain	37,008	-

4. Other expenses

	For the year ended 31 March	
	2019	2018
	HK\$'000	HK\$'000
Other expenses include:		
Impairment loss recognised on property, plant and equipment	(6,689)	(30,711)
Impairment loss recognised on goodwill	(23,000)	-
Closure & relocation costs	(6,760)	-
Exchange loss	-	(65,536)
Translation deficit recognised upon de-registration of subsidiaries	-	(3,998)

5. Profit before taxation

	For the year ended 31 March	
	2019	2018
	HK\$'000	HK\$'000
Profit before taxation has been arrived at after charging:		
Amortisation of intangible assets	(77)	(2,169)
Depreciation of property, plant and equipment	(161,421)	(153,900)

6. Taxation

	For the year ended 31 March	
	2019	2018
	HK\$'000	HK\$'000
The charge comprises:		
Hong Kong Profits Tax		
- charge for the year	7,571	11,186
- overprovision in previous years	(3)	(19)
	<u>7,568</u>	<u>11,167</u>
Taxation in jurisdictions other than Hong Kong		
- charge for the year	81,877	80,898
- overprovision in previous years	(8,604)	(2,442)
	<u>73,273</u>	<u>78,456</u>
	<u>80,841</u>	<u>89,623</u>
Deferred taxation charge (credit)		
- current year	165	(2,331)
	<u>165</u>	<u>(2,331)</u>
	<u><u>81,006</u></u>	<u><u>87,292</u></u>

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

7. 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	
	2019	2018
	HK\$'000	HK\$'000
<u>Earnings</u>		
Profit for the year attributable to owners of the Company	<u>61,437</u>	<u>20,355</u>
<u>Number of shares</u>	<u>'000</u>	<u>'000</u>
Number of shares in issue during the year for the purposes of basic earnings per share	<u><u>784,693</u></u>	<u><u>784,693</u></u>

No computation of diluted earnings per share for the years ended 31 March 2019 and 31 March 2018 is disclosed as there are no potential ordinary shares in issue during the years ended 31 March 2019 and 31 March 2018.

8. Dividends

	For the year ended 31 March	
	2019	2018
	HK\$'000	HK\$'000
Dividends recognised as distribution during the year:		
2018 Final dividend - 1.2 HK cents		
(2018: 2017 Final dividend - 1.2 HK cents) per share	9,416	9,416
2019 Interim dividend - 1.7 HK cents		
(2018: 2018 Interim dividend - 1.2 HK cents) per share	13,340	9,416
	<u>22,756</u>	<u>18,832</u>

A final dividend of 2.5 HK cents (2018: 1.2 HK cents) per share has been proposed by the directors and it is subject to approval by the shareholders in the forthcoming annual general meeting. This dividend of HK\$19,617,000 (2018: HK\$9,416,000) has been recognised in the dividend reserve of the Company.

On the basis of 4.2 HK cents (2018: 2.4 HK cents) per share for 2019, total interim and final dividends for 2019 amount to HK\$32,957,000 (2018: HK\$18,832,000).

9. Trade and other receivables and prepayments

	As at 31 March	
	2019	2018
	HK\$'000	HK\$'000
Trade and bills receivables	953,353	939,158
Less: Allowance for credit losses	(24,224)	(29,572)
	<u>929,129</u>	<u>909,586</u>
Other receivables, deposits and prepayments	359,247	304,508
	<u>1,288,376</u>	<u>1,214,094</u>

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	
	2019	2018
	HK\$'000	HK\$'000
Trade and bills receivables		
0 - 60 days	681,073	701,942
61 - 90 days	83,477	87,871
Over 90 days	164,579	119,773
	<u>929,129</u>	<u>909,586</u>

10. 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	
	2019	2018
	HK\$'000	HK\$'000
Trade creditors		
0 - 60 days	696,145	831,827
61 - 90 days	109,085	129,738
Over 90 days	70,125	98,590
	<u>875,355</u>	<u>1,060,155</u>
Other payables and accrued charges	692,509	470,353
	<u>1,567,864</u>	<u>1,530,508</u>

FINANCIAL REVIEW

During the year, the Group's net bank borrowings decreased by HK\$9 million to HK\$1,981 million. As at 31 March 2019, the aggregate of the Group's shareholders' funds and non-controlling interests was HK\$2,230 million and the Group's gearing ratio (the ratio of consolidated net bank borrowings to shareholders' funds and non-controlling interests) was 0.89 (31 March 2018: 0.85). The gearing ratios of the Company and GP Industries were 0.55 (31 March 2018: 0.58) and 0.55 (31 March 2018: 0.53) respectively.

At 31 March 2019, 66% (31 March 2018: 67%) of the Group's bank borrowings was revolving or repayable within one year whereas 34% (31 March 2018: 33%) was repayable from one to five years. Most of these bank borrowings are 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 1.7 HK cents (2017/18: 1.2 HK cents) per share was paid in January 2019.

The Board will propose at the forthcoming annual general meeting of the Company (the "AGM") the payment of a final dividend of 2.5 HK cents (2017/18: 1.2 HK cents) per share to shareholders whose names appear on the Register of Shareholders of the Company on 19 September 2019, making a total dividend of 4.2 HK cents (2017/18: 2.4 HK cents) per share for the whole year. If approved at the AGM, the proposed final dividend will be paid on 27 September 2019.

CLOSURE OF REGISTER

The AGM will be held on 10 September 2019. The Register of Shareholders of the Company will be closed from 5 to 10 September 2019, 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 4 September 2019.

Shareholders whose names appear on the Register of Shareholders of the Company on 19 September 2019 will be entitled to receive the proposed final dividend. The Register of Shareholders of the Company will be closed from 17 to 19 September 2019, both days inclusive, during which period no transfer will be effected. In order to qualify for the proposed final dividend, 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 16 September 2019.

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 of 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 three independent non-executive directors and one non-executive director of the Company. The final results for the year ended 31 March 2019 have been reviewed by the Company's audit committee.

By Order of the Board
Louis WONG Man Kon
Company Secretary

Hong Kong, 13 June 2019
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, Messrs. LUI Ming Wah, Frank CHAN Chi Chung, CHAN Kei Biu and Timothy TONG Wai Cheung as Independent Non-Executive Directors, Mr. LEUNG Pak Chuen (Non-Executive Vice Chairman) and Ms. Karen NG Ka Fai as Non-Executive Directors.