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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)**



## **Announcement of 2023/2024 Final Results of GP Industries Limited**

Pursuant to Paragraph 13.09(2) of the Listing Rules, the Board of Directors of Gold Peak Technology Group Limited is pleased to announce the unaudited consolidated results of GP Industries Limited for the year ended 31 March 2024.

During the year ended 31 March 2024, revenue of GP Industries Group declined by S\$41.9 million or 3.6% to S\$1,108.1 million when compared to the last year. Profit (Loss) attributable to equity holders of GP Industries decreased from profit of S\$22.0 million to loss of S\$58.7 million.

Excluding the share of attributable loss (including impairment loss) of XIC Innovation for FY2024 and FY 2023, GP Industries Group profit attributable to equity holders of GP Industries for the year ended 31 March 2024 decreased slightly by S\$0.8 million to S\$17.6 million.

Pursuant to Paragraph 13.09(2) of the Listing Rules, the Board of Directors of Gold Peak Technology Group Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of GP Industries Limited (“**GP Industries**” and together with its subsidiaries, “**GP Industries Group**”) for the year ended 31 March 2024. At the date of this announcement, GP Industries is an 85.59%-owned subsidiary of the Company and is listed on the Singapore Exchange Securities Trading Limited.

**GP INDUSTRIES LIMITED**  
**UNAUDITED CONSOLIDATED RESULTS**

	For the year ended 31 March 2024		For the year ended 31 March 2023	
	S\$'000	HK\$'000 (Note)	S\$'000	HK\$'000 (Note)
Revenue	1,108,131	6,452,314	1,150,046	6,581,023
Cost of sales	<u>(791,951)</u>	<u>(4,611,293)</u>	<u>(844,054)</u>	<u>(4,830,015)</u>
Gross profit	316,180	1,841,021	305,992	1,751,008
Other operating income	26,737	155,682	45,939	262,881
Distribution costs	(145,140)	(845,107)	(145,287)	(831,390)
Administrative expenses	(131,486)	(765,604)	(144,166)	(824,976)
Write-back of (Allowance for) expected credit losses, net	444	2,585	(6,978)	(39,931)
Other operating expenses	<u>(11,872)</u>	<u>(69,127)</u>	<u>(20,450)</u>	<u>(117,023)</u>
Profit before finance costs and share of results of associates	54,863	319,450	35,050	200,569
Finance costs	(34,282)	(199,614)	(29,264)	(167,460)
Share of results of XIC Innovation Limited ("XIC")	(76,350)	(444,563)	3,629	20,767
Share of results of associates, excluding XIC	<u>16,981</u>	<u>98,875</u>	<u>20,499</u>	<u>117,303</u>
(Loss) Profit before taxation	(38,788)	(225,852)	29,914	171,179
Income tax expenses	<u>(8,246)</u>	<u>(48,014)</u>	<u>(2,477)</u>	<u>(14,174)</u>
(Loss) Profit after taxation	<u><u>(47,034)</u></u>	<u><u>(273,866)</u></u>	<u><u>27,437</u></u>	<u><u>157,005</u></u>
<b>Attributable to:</b>				
Equity holders of GP Industries	(58,746)	(342,060)	22,044	126,145
Non-controlling interests	<u>11,712</u>	<u>68,194</u>	<u>5,393</u>	<u>30,860</u>
	<u><u>(47,034)</u></u>	<u><u>(273,866)</u></u>	<u><u>27,437</u></u>	<u><u>157,005</u></u>

Note: The Hong Kong dollar equivalents as shown above for illustrative purposes are converted at the average exchange rates for the respective periods.

**GP INDUSTRIES LIMITED**  
**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 31 March 2024		As at 31 March 2023	
	SS\$'000	HK\$'000 (Note)	SS\$'000	HK\$'000 (Note)
<b>Non-current assets</b>				
Property, plant and equipment	361,620	2,094,612	392,085	2,317,850
Right-of-use assets	36,185	209,594	43,802	258,940
Interests in associates	155,254	899,278	268,581	1,587,743
Financial assets at fair value through other comprehensive income	49,037	284,037	4,191	24,776
Financial assets at fair value through profit or loss	3,957	22,920	-	-
Deferred tax assets	4,932	28,568	5,829	34,459
Deposits and prepayments	3,198	18,524	3,333	19,703
Intangible assets	10,058	58,259	10,387	61,404
	<u>624,241</u>	<u>3,615,792</u>	<u>728,208</u>	<u>4,304,875</u>
<b>Current assets</b>				
Inventories	180,454	1,045,244	208,484	1,232,474
Receivables and prepayments	239,239	1,385,744	215,450	1,273,654
Dividend receivable	2,600	15,060	4,382	25,905
Taxation recoverable	3,087	17,881	5,807	34,329
Short-term investments	219	1,269	162	958
Bank balances, deposits and cash	187,102	1,083,751	209,513	1,238,557
	<u>612,701</u>	<u>3,548,949</u>	<u>643,798</u>	<u>3,805,877</u>
<b>Current liabilities</b>				
Trade and other payables	262,903	1,522,813	264,440	1,563,264
Contract liabilities	14,961	86,659	14,911	88,148
Lease liabilities	10,410	60,298	9,767	57,739
Income tax payable	1,731	10,026	8,654	51,159
Bank and other loans	294,519	1,705,942	363,200	2,147,093
	<u>584,524</u>	<u>3,385,738</u>	<u>660,972</u>	<u>3,907,403</u>
<b>Net current assets (liabilities)</b>	<u>28,177</u>	<u>163,211</u>	<u>(17,174)</u>	<u>(101,526)</u>
<b>Non-current liabilities</b>				
Bank and other loans	196,252	1,136,750	138,659	819,697
Lease liabilities	26,472	153,334	38,379	226,881
Deferred tax liabilities	6,836	39,596	6,190	36,593
	<u>229,560</u>	<u>1,329,680</u>	<u>183,228</u>	<u>1,083,171</u>
<b>Net assets</b>	<u>422,858</u>	<u>2,449,323</u>	<u>527,806</u>	<u>3,120,178</u>
<b>Represented by:</b>				
Issued capital	286,307	1,385,631	286,307	1,385,631
Treasury shares	(20,978)	(124,987)	(20,978)	(124,987)
Reserves	40,017	509,325	150,807	1,202,938
<b>Equity attributable to equity holders of GP Industries</b>	<u>305,346</u>	<u>1,769,969</u>	<u>416,136</u>	<u>2,463,582</u>
<b>Simple agreements for future equity</b>	18,793	107,544	18,793	107,544
<b>Share of net assets of subsidiaries</b>	<u>98,719</u>	<u>571,810</u>	<u>92,877</u>	<u>549,052</u>
<b>Non-controlling interests</b>	<u>117,512</u>	<u>679,354</u>	<u>111,670</u>	<u>656,596</u>
<b>Total equity</b>	<u>422,858</u>	<u>2,449,323</u>	<u>527,806</u>	<u>3,120,178</u>

Note: The Hong Kong dollar equivalents as shown above for illustrative purposes are converted at the closing exchange rates for the respective periods.

## BUSINESS REVIEW AND OUTLOOK

### Review of Results

During the financial year which ended on 31 March 2024 (“**FY2024**”), revenue of GP Industries Group declined by S\$41.9 million or 3.6% to S\$1,108.1 million when compared to the last financial year which ended on 31 March 2023 (“**FY2023**”). The decline was mainly due to a S\$33.4 million or 3.8% decrease in revenue reported by Batteries Business when compared to FY2023. In terms of geographical markets, the sales decline is mainly contributed by Europe and Asia.

Gross profit margin increased from 26.6% in FY2023 to 28.5% in FY2024, as GP Industries Group enhanced its product mix, implemented stricter cost control measures and monitored the optimal level and timing of commodities purchases.

Distribution costs remained at approximately the same level as in FY2023. The effect of reduced global shipping cost in FY2024 and the drop in sales volume offset by the increased advertising and promotion expenses to further improve the brand awareness. Administrative expenses decreased by S\$12.7 million or 8.8% to S\$131.5 million due mainly to a drop in staff cost due to GP Industries Group’s cost reduction efforts, which included headcount reduction, salary reduction for senior management, a reduction in rental expense and back-office expenses.

Other operating income decreased by S\$19.2 million to S\$26.7 million in FY2024 when compared to FY2023 due mainly to the one-off disposal gain from GP Industries Group’s disposal of shareholding in STL Technology Co., Ltd (“**STL**”) from 29.28% to 15.14%, a fair value gain on the 15.14% interest in STL after disposal, and a gain from disposal of Huizhou Modern Battery Limited (“**Modern Battery**”), a wholly-owned subsidiary of GP Industries in FY2023. Other operating income for FY2024 mainly included reversal of impairment loss on interest in an associate amounting to S\$7.8 million and government grant amounting to S\$5.6 million.

Other operating expenses decreased by S\$8.6 million to S\$11.9 million in FY2024 when compared to FY2023. Other operating expenses in FY2024 mainly included the cumulative translation deficit charged to profit or loss upon the completion of distribution in specie for the Nickel Metal Hydride rechargeable batteries manufacturing business to the shareholders of GP Industries (“**DIS**”) in January 2024. The decrease in FY2024 was contributed by the one-off impairment loss charged for the property, plant and equipment of Lithium rechargeable business and closure and relocation costs for Shenzhen and Huizhou factories in China during FY2023.

GP Industries Group’s operating earnings has improved significantly during FY2024. GP Industries Group’s profit before finance costs and share of results of associates for FY2024 is S\$54.9 million as compared with its profit before finance costs and share of results of associates of S\$35.1 million for FY2023. The operating profit enhancement is mainly attributable to the improved gross profit margin and effective cost control measures.

GP Industries Group’s share of attributable loss (including impairment loss) of XIC Innovation Limited (“**XIC Innovation**”) for FY2024 is S\$76.4 million in total as compared to GP Industries Group’s share of attributable profit of XIC Innovation of S\$3.6 million for FY2023.

Profit (Loss) attributable to equity holders of GP Industries decreased from profit of S\$22.0 million to loss of S\$58.7 million. Based on the weighted average of 483,843,482 (FY2023: 483,843,482) GP Industries shares in issue, basic loss per share of GP Industries for FY2024 was 12.14 Singapore cents, compared to earnings per share 4.56 Singapore cents for FY2023.

Excluding the share of attributable loss (including impairment loss) of XIC Innovation for FY2024 and FY2023, GP Industries Group's profit attributable to equity holders of GP Industries ("**Adjusted Earnings**") for FY2024 decreased slightly by S\$0.8 million to S\$17.6 million. Based on the weighted average of 483,843,482 GP Industries shares in issue, basic Adjusted Earnings per share of GP Industries for FY2024 was 3.67 Singapore cents.

The directors of GP Industries have proposed a final dividend of 1.0 Singapore cent per share which, together with the interim dividend of 1.0 Singapore cent per share, will bring the full-year dividend to 2.0 Singapore cents per share (FY2023: 2.5 Singapore cents per share), representing a payout ratio of 54.8% for FY2024.

## **Business Review**

*Batteries Business* – The revenue of the Batteries Business for FY2024 was S\$836.7 million, a decline of 3.8% when compared to FY2023. Sales of primary batteries and rechargeable batteries decreased by 1.1% and 18.7%, respectively. The decrease in the sales of rechargeable batteries was mainly due to the completion of DIS in January 2024. In geographical terms, sales to the Americas, Europe and Asia decreased by 4.4%, 5.2% and 3.0%, respectively.

Gross profit margin of the Batteries Business increased from 21.2% in FY2023 to 24.2% in FY2024. The improvement of gross profit margin was due mainly to lower cost of some commodities, improvement in product mix and the strengthening of the United States dollars ("**US dollars**") against the Chinese Renminbi.

During FY2024, GP Industries Group reversed an impairment loss of S\$7.8 million related to the 40%-owned AZ Limited and share of the land disposal gain amounting to S\$4.0 million from Changzhou Lithium Batteries Limited ("**CZLB**"), which is an indirect associate of GP Industries.

During FY2023, GP Industries Group recognized a one-off gain from disposal of interest in STL amounting to S\$4.3 million, a fair value gain related to interest in STL amounting to S\$8.2 million and gain from disposal of Modern Battery amounting to S\$10.6 million.

Despite the increase in gross profit margin of Batteries Business, the land disposal gain from CZLB and reversal of AZ Limited's impairment during FY2024, the disposal of STL and Modern Battery in FY2023 contributed to the decrease in profit contribution from the Batteries Business in FY2024.

*Audio Business* – KEF GP Group Limited ("**KGG**"), a wholly-owned subsidiary of GP Industries, acts as the intermediate holding company for GP Industries Group's principal subsidiaries in the Audio Business. KGG and its subsidiaries ("**KGG Group**") better reflect the synergies and mutually reinforcing relationships of the principal subsidiaries of the Audio Business in research, product design and development, manufacturing, branding, marketing and sales activities.

The revenue of the KGG Group for FY2024 was S\$271.4 million, a 3.1% decrease when compared to the revenue reported in FY2023.

KEF's sales decreased by 6.3% in FY2024, with decrease in sales to Europe and Asia by 11.5% and 14.4%, respectively outweighing the 4.3% increase in sales to the Americas. The Celestion brand professional speaker driver business reported a 6.0% revenue decline, as a result of a 22.4% and a 17.6% decrease in sales to the Americas and Europe, respectively and a 7.2% increase in sales to Asia.

The professional audio manufacturing business reported a 3.7% increase in revenue in FY2024 with increased sales to major geographical markets, including a 5.0% and 27.6% increase to the Americas and Asia, respectively while sales to Europe decreased by 11.4%.

Gross profit margin of the KGG Group for FY2024 decreased slightly to 42.0%, a decline of 1.4% when compared with FY2023. The decline of gross profit margin is mainly contributed by the decrease in branded acoustics products with higher margin.

Despite the decrease in revenue, the actively implemented operational efficiency enhancement and expense control measures contributed to the increase in profitability of the Audio Business in FY2024.

*Other Industrial Investments* – This business segment mainly includes GP Industries Group’s investments in Meiloon Industrial Co., Ltd. and XIC Innovation.

#### *Impairment Loss of XIC Innovation*

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

GP Industries Group’s share of attributable loss (including impairment loss of S\$71.9 million) of XIC Innovation for FY2024 is S\$76.4 million in total as compared to GP Industries Group’s share of attributable profit of XIC Innovation of S\$3.6 million for FY2023. The carrying amount of GP Industries Group’s interest in XIC Innovation as at 31 March 2024 was S\$46.2 million.

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

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

#### **Outlook**

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

High interest rates significantly increase GP Industries Group’s finance costs. GP Industries Group may explore funding some of its future expansions by other sources of financing, when appropriate, in order to reduce GP Industries Group’s bank borrowing and finance costs.

Recent strengthening of the US dollars against the Chinese Renminbi, if it continues, may reduce some of GP Industries Group's cost pressure and provide more flexibility for GP Industries Group to price its products and optimize its production capacity.

Disruption to global shipping services is improving but shortages of certain electronics components are expected to continue, posing challenges to GP Industries Group in optimizing its inventory level and in reducing its working capital requirements for fulfilling its delivery commitments.

With a strong product program, KEF Music Gallery in Tokyo opened in December 2023 and new experience center in London to be opened in the first half of the financial year ending 31 March 2025, demand for KEF consumer speakers is expected to gradually strengthen. Demand for Celestion professional speaker drivers and professional audio manufacturing businesses is expected to benefit from strong consumer reception for public performance events and the ending of inventory adjustments at the trade level.

Upon completion of the DIS in January 2024, the Batteries Business of GP Industries Group will focus on manufacturing consumer batteries and marketing its own GP brand products for the global consumer market.

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

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

Hong Kong, 30 May 2024  
[www.goldpeak.com](http://www.goldpeak.com)

*As at the date of this announcement, the Board consists of Messrs. Victor LO Chung Wing (Chairman & Chief Executive), Brian LI Yiu Cheung (Vice Chairman & Executive Vice President), Michael LAM Hin Lap, Victor CHONG Toong Ying, Waltery LAW Wang Chak and Christopher LAU Kwan as Executive Directors, Ms. Karen NG Ka Fai as Non-Executive Director and Messrs. LUI Ming Wah, Frank CHAN Chi Chung, CHAN Kei Bui and Timothy TONG Wai Cheung as Independent Non-Executive Directors.*