

OVERVIEW

The market environment for the Group's businesses was challenging during the year 2005/06. Although demand for the majority of our products remained steady, our businesses were held back by record high materials prices and energy costs, appreciating Chinese Renminbi and rising interest rates.

To overcome these market challenges, our Electronics Division continued to focus on enhancing the quality of its businesses while CIH Limited ("CIHL") imposed effective cost reduction measures and divested its entire 50% interest in Clipsal Asia Holdings Limited ("CAHL"). GP Batteries, meanwhile, has made significant progress in streamlining its operations.

GP INDUSTRIES

During the year, turnover for GP Industries decreased by 5% while profit attributable to shareholders declined by 47%. The earnings decline was in part due to the disposal in 2004/05 of Jiangsu Toppower Automotive Electronics Co., Ltd. which has resulted in both a reduction in profit contribution and lower exceptional income for the financial year 2005/06. Profit contribution from GP Batteries improved, and the loss from CIHL excluding exceptional items decreased.

On February 3, 2006, GP Industries and CIHL jointly proposed to privatize CIHL by way of a scheme of arrangement. The proposed privatization of CIHL will enable the enlarged GP Industries Group to eliminate overlapping costs, improve operational efficiency and better deploy its financial resources. Completion of the scheme is subject to approval by the relevant regulatory authorities and by shareholders.

ELECTRONICS DIVISION

Electronics and Components Sales of professional electronics products increased while those of car audio and other electronics products decreased. After divestment of Jiangsu Toppower, the car audio business now accounts for less than 5% of GP Industries' business. Affected by record high component prices and the appreciating Chinese Renminbi, profit contribution from the electronics subsidiaries decreased. The high raw materials prices also affected the performance of our components associates, resulting in a decrease in profit contribution.

Overall, both sales and profit from the electronics and components business decreased during the year.

概述

2005/06財政年度的營商環境充滿挑戰。儘管集團大部份產品的市場需求保持平穩，惟原材料及能源價格創歷史新高，人民幣不斷升值，加上利率攀升，令集團業務表現受制。

面對這些挑戰，集團旗下電子部繼續致力提升其業務質素，而CIH Limited (「CIHL」)則推行有效減省成本的措施，並出售其於奇勝亞洲集團有限公司之全部50%股權，金山電池則在精簡營運架構方面取得顯著成績。

GP工業

年內，GP工業營業額下跌5%，而股東應佔溢利則下跌47%，盈利下跌與2004/05年度出售了江蘇天寶汽車電子有限公司令2005/06年度之盈利貢獻及特殊收入減少有關。金山電池之盈利貢獻有所改善，而CIHL未計特殊項目之虧損則減少。

GP工業與CIHL於2006年2月3日聯合宣佈，建議由GP工業以協議計劃方式將CIHL私有化。CIHL私有化計劃將有助GP工業集團減省重疊成本，提高營運效率，並能更有效運用財政資源。該計劃有待有關監管機構及股東批准。

電子部

電子及零部件 專業用電子產品銷售增加，而汽車音響產品及其他電子產品之銷售則下跌。自出售江蘇天寶後，汽車音響產品目前只佔GP工業不足5%的業務。在零部件價格高企及人民幣不斷升值的影響下，電子產品附屬公司之盈利貢獻下跌。原材料價格高企亦對零部件聯營公司的業務構成影響，令盈利貢獻減少。

整體而言，電子及零部件業務於年內的銷售及盈利均告下跌。

Highest Capacity



Still going up

GP Batteries

gears up its efforts in bringing new products to market and strengthening the "GP" brand across the region.



金山電池

致力產品研發，並鞏固「GP超霸」品牌在區內的領導地位。



Wire Harness and Cables Sales growth in the US market of the wire harness business was offset by a decline in sales to Japan, resulting in a total sales decrease during the year. For our wire harness associates, market demand in China was soft and competition was keen during the first half of the year, but the situation gradually improved in the second half. Overall profit contribution from the wire harness business improved over the previous year.

During the year, profit contribution from our cable associate, LTK Industries Limited, grew amid record high copper prices. LTK continued to develop its leadership position in eco-green cable products and more halogen-free cable products were introduced. Some of its audio video cable products were honored by the Business Environment Council of Hong Kong with an Eco-Products Award.

Acoustics Sales of the acoustics business decreased during the year. Largely as a result of the lower sales and a weaker Pound Sterling and Euro, the business reported a loss. At present, we are working to strengthen the global distribution network for "KEF" branded products. We are also investing in our global logistics system using the latest web-based technology to improve our on-time fulfillment capability in major markets.

CIH LIMITED (currently 67.9% owned by GP Industries)

In January 2006, CIHL exercised its put option to dispose of its entire 50% interest in CAHL to Schneider Electric SA. The disposal was completed in March 2006.

Following the disposal of CAHL, CIHL is left with the light fittings business and interests in light emitting diode ("LED") screens businesses. During the year, CIHL continued to build awareness in China for the new brand, GP Lighting, as a supplier of professional lighting solutions and environmentally-friendly light fittings. The opening of the assembly and testing facilities in Shanghai in July 2005 has enhanced GP Lighting's capability and competitiveness in bidding for lighting projects, given the shorter lead time required for such customized products. New T5 ranges of energy-saving light fittings were developed and introduced to the market during the year.

汽車配線及電纜 由於汽車配線在日本的銷售下跌抵銷了其於美國市場之銷售增長，令汽車配線年內的整體銷售亦下跌。產製汽車配線的聯營公司方面，於上半年度中國市場需求偏軟，競爭激烈，至下半年度市況逐漸改善，令汽車配線業務之盈利貢獻較去年上升。

年內，儘管銅價再創新高，集團之電纜聯營公司—樂庭實業有限公司之盈利貢獻仍錄得增長。樂庭實業繼續鞏固其於環保電纜產品的領導地位，並推出更多無鹵線纜產品，其部份用於音響視像電纜產品更獲得香港商界環保協會頒發香港環保產品獎。

揚聲器 是年度，揚聲器業務倒退，主要由於銷售減少，加上受英鎊與歐元轉弱影響而錄得虧損。集團正致力加強「KEF」產品之全球分銷網絡，並運用最新網絡技術積極改善全球物流系統，以加強其在主要市場的準時付運能力。

CIHL (GP工業現時持有67.9%權益)

CIHL於2006年1月行使認沽期權，向法國施耐德電氣公司出售其持有之奇勝亞洲全部50% 權益，有關交易已於2006年3月完成。

CIHL出售奇勝亞洲後，旗下業務為照明系統，並持有發光二極管（「LED」）大型屏幕業務之權益作為投資。年內，CIHL繼續在中國推廣旗下GP照明品牌業務，以提供專業照明方案及環保照明系統為市場定位。為了因應照明工程項目客戶對產品的個別要求，以及付運時間較短的訂單，GP照明於2005年7月在上海開設組裝及測試設施，提高了其競投照明工程項目的能力及競爭力。年內，CIHL研發了新T5系列節能照明產品，並已推出市場。

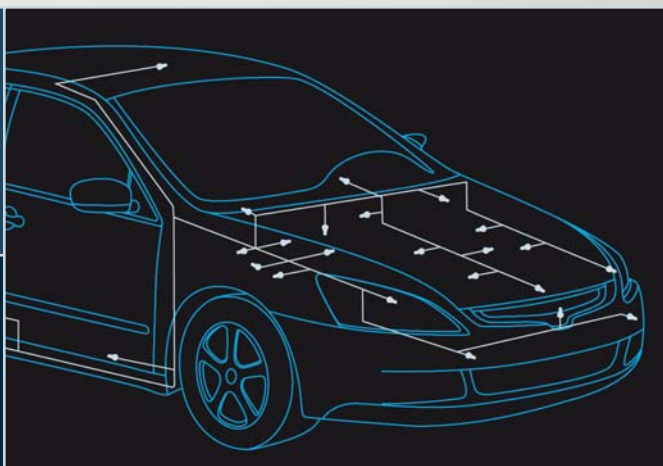
Electronics Division

supplies a wide range of high-quality products, such as professional electronics, wire harness and cables, and acoustics to meet market needs.



電子部

供應一系列專業用電子產品、汽車配線及電纜、以及揚聲器等優質產品，配合市場需求。



GP BATTERIES (currently 49.0% owned by GP Industries)

GP Batteries reported a marginal decrease of 1% in turnover and an improvement in consolidated profit after tax attributable to shareholders. It recorded an exceptional loss of S\$11.1 million mainly due to the relocation of production facilities.

Turnover for most products remained steady. In China, according to a survey conducted by the National Bureau of Statistics, GP was ranked the No. 1 brand in 2005 in both rechargeable batteries and chargers, and a Top 3 primary battery brand by sales volume. In Hong Kong, according to AC Nielsen's MarketTrack in 2004 and 2005, GP Ultra Alkaline led by sales volume among Alkaline batteries, while the GP rechargeable battery and charger was ranked No. 1 brand by both sales volume and value.

Sales in Japan and ASEAN grew but those in Korea and Taiwan declined as a result of lower sales of Lithium Ion products to these markets. The total sales in North and South America decreased for the same reason. Sales in Europe have consolidated after the strong growth in the previous year while sales in Eastern Europe and Russia continued to grow.

During the year, five factories in China were accredited with OHSAS18001, an international standard for occupational health and safety in the workplace. Also, a group-wide committee on environment, health and safety ("EHS") comprising representatives from various factories within the GP Batteries Group was formed to share the best EHS practices and experiences.

TECHNOLOGY AND STRATEGIC DIVISION

Lighthouse Technologies Limited, 30.5%-owned by Gold Peak and 19.3%-owned by CIHL, saw improved results and returned to profit. During the year, it continued to expand its sales network, especially in Europe and Asia Pacific. It has also acquired a 49% interest in a factory engaged in the manufacturing of LED display screens, and the resulting vertical integration has reduced costs and increased competitiveness.

金山電池 (GP工業現時持有49.0%權益)

金山電池全年營業額微跌1%，除稅後股東應佔綜合溢利則有增長。金山電池在年內錄得特殊虧損11,100,000坡元，主要由於遷移生產設施。

金山電池大部份產品之銷售均保持平穩。在中國，根據國家統計局調查結果顯示，「GP超霸」品牌名列國內充電電池及充電器銷售首位，並為國內一次性電池銷售排名第三。在香港，根據AC尼爾森2004及2005年調查報告，「GP超霸」特強鹼性電池連續兩年榮獲香港鹼性電池市場銷量冠軍，而「GP超霸」充電電池及充電器亦在銷量及銷售額方面名列榜首。

金山電池在日本及東盟市場之銷售錄得增長，南韓及台灣之銷售則下跌，主要由於鋰離子電池出口至該兩個市場減少，而北美洲市場之總銷售亦同樣因此減少。歐洲市場繼去年強勁增長，今年之銷售亦相當穩定。至於東歐及俄羅斯之銷售則繼續上升。

年內，金山電池在中國有五家電池廠取得了國際認可之OHSAS18001 職業健康及安全認證。此外，金山電池集團成立了一個環境、健康和安全（「職安健」）委員會，成員代表來自各工廠，旨在互相交流職安健最佳措施及經驗。

科技及策略部

本公司及CIHL分別佔30.5%及19.3%股權的兆光科技有限公司年內業績有改善，並且轉虧為盈。兆光科技繼續拓展其銷售網絡，尤其在歐洲及亞太區。此外，兆光科技購入一家LED大型屏幕製造商之49% 權益，此項縱向整合令其減低成本，並提高競爭力。

CIH Limited

focuses on GP Lighting's light fittings business.



Major projects in Hong Kong and China using GP Lighting's products
在中國和香港的大型工程項目採用了GP照明的產品。

CIH Limited

致力經營GP照明之照明系統業務。



EWDIS products under the CAHL Group which business CIHL has disposed of
CIHL 已出售奇勝亞洲集團的電器配件和裝置系統業務。

FINANCIAL REVIEW

During the year, the Group's consolidated net bank borrowings decreased by HK\$450 million to HK\$1,808 million. As at March 31, 2006, the aggregate of the Group's shareholders' funds and minority interests was HK\$1,959 million and the Group's gearing ratio (the ratio of consolidated net bank borrowings to shareholders' fund and minority interests) was 0.93 (March 31, 2005: 1.07). The gearing ratios of the Company, GP Industries and GP Batteries were 0.97 (March 31, 2005: 0.94), 0.35 (March 31, 2005: 0.48) and 0.75 (March 31, 2005: 0.94) respectively. CIHL maintained a net cash position as at March 31, 2006 while the gearing ratio of CIHL as at March 31, 2005 was 0.02.

As at March 31, 2006, 39% (March 31, 2005: 54%) of the Group's bank borrowings was revolving or repayable within one year whereas 61% (March 31, 2005: 46%) was mostly repayable between one to five years. Most of these bank borrowings are on floating interest rates. About 14%, 37% and 47% of the Group's bank borrowings are in US dollars, Singapore dollars and Hong Kong dollars respectively. In June 2006, the Company has arranged a syndicated loan of HK\$380 million for general working capital.

HUMAN RESOURCES

The Group and its major business divisions continue to be supported by a motivated workforce of approximately 18,000 people worldwide.

The Group offers fair compensation packages and retirement schemes to its employees. Remuneration policies are reviewed regularly to ensure that compensation and benefit packages are in line with the market in the countries where the Group has operations. Discretionary bonuses and share options are granted to eligible employees based on the performance of the Group and the staff members.

財務回顧

集團於是年度之綜合銀行貸款淨額較去年減少450,000,000港元至1,808,000,000港元。於2006年3月31日，集團之股東資金及少數股東權益合共1,959,000,000港元，借貸比率(按綜合銀行貸款淨額除以股東資金及少數股東權益計算)為0.93(2005年3月31日: 1.07)。若以個別公司計算，金山工業、GP工業及金山電池之借貸比率分別為0.97(2005年: 0.94)、0.35(2005年: 0.48)及0.75(2005年: 0.94)。CIHL於2006年3月31日則持有淨現金，而其於2005年3月31日之借貸比率則為0.02。

於2006年3月31日，集團有39%之銀行貸款屬循環性或一年內償還借貸(2005年3月31日: 54%)，其餘61%則大部份為一年至五年內償還貸款(2005年3月31日: 46%)。集團之銀行貸款大部份以浮息計算，而美元、新加坡元及港元所佔比例分別約為14%、37%及47%。於2006年6月，本公司安排一項380,000,000港元的銀團貸款作為一般營運資金。

人力資源

集團擁有一支充滿幹勁的優秀員工隊伍，連同其主要業務部門，集團在全球共聘用約18,000名員工。

集團設有合理的薪酬制度及退休計劃，並定期檢討其薪酬及福利制度，以確保於集團經營業務之地區能與當地勞動市場保持一致水平。除基本薪金外，集團會視乎業績及個別員工表現決定發放獎金及授予購股權予合資格員工。



Lighthouse's LED superscreens are widely used for major international events. 多項重要國際盛事廣泛採用兆光科技LED大型屏幕。

- 1 18th Commonwealth Games 2006, Melbourne, Australia 澳洲墨爾本舉行之第18屆英聯邦運動會
- 2 Rugby Sevens Tournament 2006, Hong Kong 2006年在香港舉行之國際七人欖球賽。

The Group continues to invest in its people through a broad range of development programs designed to help them enhance their skills and contribute to operational excellence. During the year, various training sessions and workshops on management development, legal compliance and language proficiency were held. In addition, the Group organized seminars and workshops on EHS management for its employees to raise their awareness of occupational well-being.

COMMUNITY RELATIONS

During the year, we sponsored a number of industry programs including the Hong Kong Awards for Industries, Hong Kong Young Design Talent Awards and Innovation Festival organized by the Innovation and Technology Commission, and Business of Design Week staged by the Hong Kong Design Centre. It also awarded scholarships in product design to students of the Hong Kong Institute of Vocational Education, and contributed to the Development Fund and Student Development Fund of the Hong Kong Polytechnic University.

During the year, we received a Bronze Award from the Community Chest of Hong Kong for our donation to its Corporate and Employee Contribution Program. We also supported the Blood Drive initiated by the Red Cross Hong Kong and the Hong Kong Volunteer Award organized by the Agency for Volunteer Services.

集團繼續積極在人力發展方面投放資源，鼓勵員工精益求精，與時並進。年內，集團就管理能力、行業相關法規知識及語文能力等方面，舉辦多項培訓課程及工作坊。此外，集團亦舉辦有關職安健之講座及研討會，提高員工對工作間的安全健康意識。

社會公益

金山工業集團對推動香港工業發展不遺餘力，於年內贊助項目包括香港工業獎、創新科技署主辦的香港青年設計才俊大獎及創新科技節、香港設計中心籌辦的設計營商週等。集團又為香港專業教育學院設立產品設計的獎學金，並捐款予香港理工大學的發展基金及學生發展基金。

此外，集團支持香港公益金的「商業及僱員募捐計劃」，獲頒發銅獎，並響應香港紅十字會之捐血運動，以及贊助義務工作發展局的「香港傑出義工獎」計劃。



Training programs were organized to enhance the awareness of workplace safety. 集團舉辦一系列訓練課程，提高員工對工作間的安全意識。

We care about the environment and act to bring about a better tomorrow for our community. During the year, we sponsored seminars on green manufacturing organized by Business Environment Council and the Federation of Hong Kong Industries. We continued to roll out educational programs in schools to arouse greater environmental awareness among the young. Presentations, talks, contests and games as part of those school programs were held to introduce the 3Rs, namely Reduce, Reuse and Recycle.

In recognition of our community involvement, we were presented the Caring Company logo by the Hong Kong Council of Social Service for the fourth consecutive year.

APPRECIATION

We take this opportunity to extend our appreciation and gratitude to all employees for their hard work and dedication during the past year. We also thank most sincerely our valued shareholders, customers and business partners for their continued support.

The Board of Directors

Gold Peak Industries (Holdings) Limited

June 14, 2006

集團非常關注環保，為建設美好環境出一分力，在是年度，集團支持多項推動環保的活動，包括商界環保協會及香港工業總會舉辦的綠色製造研討會，又於不同地區與當地學校推行環保教育活動，以簡介會、講座、比賽及遊戲等形式推廣減廢、再用和循環再造等環保概念，直接向青少年宣揚環保訊息。

金山工業第四度獲香港社會服務聯會頒授「商界展關懷」標誌，以表揚集團對關懷社會的貢獻和實踐企業社會責任。

致謝

董事局謹此向金山工業集團各員工在過去一年的努力和貢獻，表示衷心謝意，並感謝股東、客戶及業務夥伴一直以來對集團的支持。

金山工業(集團)有限公司董事局

二零零六年六月十四日



Sponsorship and various educational programs on green concept in Hong Kong and Singapore
在香港和新加坡推行環保教育活動和贊助項目。