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)

GOLD PEAK

2015/2016 Final Results Announcement

FINANCIAL HIGHLIGHTS

- Turnover decreased by 1% to HK$5,795 million
- Profit attributable to owners of the Company decreased by 64% to HK$ 18.7 million (2014/15: HK$51.5 million)
- Earnings per share: 2.4 HK cents (2014/15: 6.6 HK cents)
- Proposed final dividend per share: 1.0 HK cent (2014/15: 2.5 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 2016.

SUMMARY OF RESULTS

The Group's turnover for the year ended 31 March 2016 decreased by 1% over the previous year to HK$5,795 million. The consolidated profit attributable to owners of the Company decreased by 64% over the previous year to HK$ 18.7 million. The basic earnings per share for the year amounted to 2.4 HK cents, as compared with 6.6 HK cents last year.

<u>BUSINESS REVIEW</u>

GP Industries Limited *("GP Industries") (85.5% owned by Gold Peak as at 31 March 2016)*

For the financial year ended 31 March 2016 ("FY2016"), GP Industries' revenue was S$1,038.3 million, an increase of 6.6% over the revenue reported for the financial year ended 31 March 2015 ("FY2015"). Expressed in US dollar, GP Industries' revenue for FY2016 declined by 1.0%, compared to FY2015.

GP Industries reported a net exceptional loss of S$2.0 million for FY2016, comprising a S$1.3 million write-back of unclaimed warranty provision, a S$4.1 million property disposal gain of GP Batteries and an exceptional loss of S$7.4 million mainly from impairment charges for under-utilised factory assets and goodwill of GP Batteries. In FY2015, GP Industries reported a net exceptional gain of S$5.6 million, which included property disposal gains, impairment charges and restructuring costs.

For FY2016, profit after taxation attributable to equity holders of GP Industries decreased by 10.3% to S$22.8 million, compared to S$25.5 million reported for FY2015.

However, excluding exceptional items, profit attributable to equity holders of GP Industries for FY2016 was S$23.7 million, compared to S$24.1 million for FY2015, a decrease of 1.7%.

Electronics and Acoustics Business

- Revenue increased by 6.4% over FY2015 when expressed in Singapore dollar terms and decreased by 1.2% when expressed in US dollar terms.

- In US dollar, sales of electronics products decreased by 2.7% while sales of acoustics products increased by 3.7%.

- Sales of acoustics products, in US dollar terms, increased by 10.5% and 12.2% to Asia and the US respectively while sales to Europe declined by 8.4%.

- Profit contribution after exceptional items and before taxation increased by 4.7%.

Automotive Wire Harness Business

- Revenue from the export-oriented automotive wire harness business grew by 12.9% in Singapore dollar terms or 4.8% in US dollar terms, driven mainly by a 28.9% sales increase to China despite a 1.0% drop in sales to the US.

- This business segment wrote back S$1.3 million, being the unclaimed warranty cost provision relating to the disposal of the previously 50%-owned automotive wire harness manufacturing joint venture, Shanghai Jinting Automobile Harness Limited, in 2013. As a result, profit contribution after exceptional item and before taxation increased by 9.8%.

Battery Business *("GP Batteries") (64.7% owned by GP Industries as at 31 March 2016)*

- Revenue of GP Batteries increased by 6.4% to S$765.3 million in Singapore dollar terms or 1.3% lower in US dollar terms.

- Sales of primary and rechargeable batteries increased by 6.1% and 8.2% respectively in Singapore dollar terms. In geographical terms, sales in Asia and Europe increased by 7.5% and 5.3% respectively, both in Singapore dollar terms.

- Gross profit margin improved slightly from 23.1% to 23.2%.

- GP Batteries reported a net exceptional loss of S$3.3 million, comprising S$4.5 million of fixed assets impairment with respect to its under-utilised rechargeable Lithium batteries production facilities, S$2.9 million of goodwill impairment and S$4.1 million of property disposal gain. In FY2015, GP Batteries reported a S$6.9 million net exceptional gain, comprising property disposal gains and impairment charges against fixed assets and inventories.

- GP Batteries' share of profit from associates increased from S$0.7 million to S$4.9 million for FY2016, due mainly to improved performance of its associates in Taiwan and Russia.

- GP Batteries reported a profit after taxation attributable to its equity holders of S$2.4 million, compared to S$13.0 million for FY2015.

Other Industrial Investments

- While Meiloon Industrial Co., Ltd. reported a profit before taxation compared to a loss in FY2015, pre-tax profit of Linkz Industries Limited decreased.

- Excluding exceptional items, this business segment reported a 59.6% increase in profit contribution. In FY2015, this segment reported an exceptional loss of S$1.0 million relating to the disposal of a subsidiary.

PROSPECTS

Consumer demand in many key markets is expected to remain weak although some of the Group's businesses in the US are expected to remain stable.

Global demands for primary batteries and rechargeable Nickel Metal Hydride batteries are expected to be slow-growing. Price competition is expected to be very keen. Growth has to come mainly from increasing market share and developing new applications.

GP Batteries' new plant in Vietnam is under construction and GP Batteries is planning to increase the production capacity of its plant in Malaysia.

In view of the slow-growing world economy, the Group will continue to maintain a healthy balance sheet and to enhance competitiveness by investing in technology, product development and building the Group's brands.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	**For the year ended 31 March** **2016** **HK$'000**	2015 HK$'000
Turnover	2	**5,795,467**	5,855,669
Cost of sales		**(4,309,705)**	(4,354,459)
Gross profit		**1,485,762**	1,501,210
Other income	3	**82,994**	174,232
Selling and distribution expenses		**(577,428)**	(584,165)
Administrative expenses		**(783,740)**	(746,597)
Other expenses	4	**(41,382)**	(54,876)
Finance costs		**(89,543)**	(86,021)
Share of results of associates		**128,158**	96,313
Profit before taxation	5	**204,821**	300,096
Taxation	6	**(86,549)**	(114,329)
Profit for the year		**118,272**	185,767
Profit for the year attributable to:			
Owners of the Company		**18,705**	51,517
Non- controlling interests		**99,567**	134,250
		118,272	185,767
Earnings per share - Basic and diluted	7	**2.4 HK cents**	6.6 HK cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the year ended 31 March	
	2016	2015
	HK$'000	HK$'000
Profit for the year	**118,272**	185,767
Other comprehensive (expense) income:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences released upon disposal of a subsidiary	**-**	2,333
Exchange differences arising from translation of foreign operations	**(106,705)**	(47,874)
Fair value loss on available-for-sale investments	**(2,712)**	(1,058)
Share of other comprehensive expense of associates	**(34,866)**	(45,590)
Other comprehensive expense for the year	**(144,283)**	(92,189)
Total comprehensive (expense) income for the year	**(26,011)**	93,578
Total comprehensive (expense) income attributable to:		
Owners of the Company	**(62,003)**	2,115
Non-controlling interests	**35,992**	91,463
	(26,011)	93,578

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**As at 31 March 2016 HK$'000**	As at 31 March 2015 HK$'000
Non-current assets			
Investment properties		**9,635**	9,849
Property, plant and equipment		**1,393,409**	1,409,224
Interests in associates		**1,333,509**	1,318,842
Available-for-sale investments		**62,286**	61,123
Intangible assets		**6,352**	10,635
Goodwill		**102,066**	118,448
Deferred tax assets		**21,483**	20,639
Receivables, deposits and prepayments		**24,704**	8,547
		2,953,444	2,957,307
Current assets			
Inventories		**904,126**	789,141
Trade and other receivables and prepayments	9	**1,003,005**	1,034,952
Dividend receivable		**39,300**	9,300
Taxation recoverable		**5,027**	24,271
Bank balances, deposits and cash		**977,879**	846,155
		2,929,337	2,703,819
Assets classified as held for sale		**-**	397
		2,929,337	2,704,216
Current liabilities			
Creditors and accrued charges	10	**1,150,230**	1,078,018
Derivative financial instruments		**2,866**	1,102
Taxation payable		**27,804**	24,037
Obligations under finance leases – amount due within one year		**653**	1,120
Bank loans and import loans		**1,289,704**	1,267,029
		2,471,257	2,371,306
Net current assets		**458,080**	332,910
Total assets less current liabilities		**3,411,524**	3,290,217
Non-current liabilities			
Obligations under finance leases – amount due after one year		**452**	682
Borrowings		**832,629**	524,850
Deferred taxation liabilities		**18,689**	26,845
		851,770	552,377
Net assets		**2,559,754**	2,737,840
Capital and reserves			
Share capital		**921,014**	921,014
Reserves		**402,496**	485,036
Equity attributable to owners of the Company		**1,323,510**	1,406,050
Non-controlling interests		**1,236,244**	1,331,790
Total equity		**2,559,754**	2,737,840

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 2016 and 2015 included in this preliminary 2015/16 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 2015 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 2016 in due course.

The Company's auditor has reported on the financial statements of the Group for both the years ended 31 March 2016 and 2015. 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).

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

Amendments to HKAS 19	Defined benefit plans: Employee contributions
Amendments to HKFRSs	Annual improvements to HKFRSs 2010-2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011-2013 cycle

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial instruments[2]
HKFRS 15	Revenue from contracts with customers[2]
HKFRS 16	Leases[3]
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations[1]
Amendments to HKAS 1	Disclosure initiative[1]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[1]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants[1]

Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[4]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception[1]
Amendments to HKFRSs	Annual improvements to HKFRSs 2012-2014 cycle[1]

[1] Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
[2] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
[3] Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.
[4] Effective for annual periods beginning on or a date to be determined.

The directors do not anticipate that the application of the new and revised HKFRSs will have material impact on the consolidated financial statements.

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.

The Group’s turnover represents sales of batteries, electronics and acoustics, automotive wire harness 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 2016	**Electronics HK$'000**	**Batteries HK$'000**	**Other Investments HK$'000**	**Eliminations HK$'000**	**Total HK$'000**
Turnover					
External sales	**1,526,423**	**4,269,044**	**-**	**-**	**5,795,467**
Inter-segment sales	**38**	**2,223**	**-**	**(2,261)**	**-**
Segment revenue	**1,526,461**	**4,271,267**	**-**	**(2,261)**	**5,795,467**
Results					
Segment results	**172,913**	**228,718**	**(1,756)**	**-**	**399,875**
Interest income					**9,549**
Other expenses					**(41,382)**
Finance costs					**(89,543)**
Unallocated expenses					**(73,678)**
Profit before taxation					**204,821**

Year ended 31 March 2015	Electronics HK$'000	Batteries HK$'000	Other Investments HK$'000	Eliminations HK$'000	Total HK$'000
Turnover					
External sales	1,530,020	4,325,649	-	-	5,855,669
Inter-segment sales	433	-	-	(433)	-
Segment revenue	1,530,453	4,325,649	-	(433)	5,855,669
Results					
Segment results	170,208	319,239	462	-	489,909
Interest income					14,513
Other expenses					(54,876)
Finance costs					(86,021)
Unallocated expenses					(63,429)
Profit before taxation					300,096

Inter-segment sales are charged by reference to market prices.

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

	Turnover	
	For the year ended 31 March	
	2016	2015
	HK$'000	HK$'000
The People's Republic of China		
- Hong Kong	**485,652**	690,488
- Mainland China	**1,693,561**	1,609,952
Other Asian countries	**638,591**	624,758
Europe	**1,174,727**	1,187,933
Americas	**1,688,303**	1,643,233
Australia & New Zealand	**20,523**	20,623
Others	**94,110**	78,682
	5,795,467	5,855,669

3. Other income

	For the year ended 31 March	
	2016	2015
	HK$'000	HK$'000
Other income include:		
Gain on disposal of properties	**22,976**	69,948
Exchange gain	**23,486**	59,366

4. Other expenses

	For the year ended 31 March	
	2016	2015
	HK$'000	HK$'000
Impairment loss recognised on and write off of property, plant and equipment	**(25,000)**	(30,479)
Impairment loss recognised on goodwill	**(16,382)**	-
Restructuring costs	-	(10,269)
Impairment loss recognised on available-for-sales investments	-	(5,977)
Impairment loss recognised on inventories	-	(5,000)
Impairment loss recognised on interest in associates and amount due from associates	-	(3,151)
	(41,382)	(54,876)

5. Profit before taxation

	For the year ended 31 March	
	2016	2015
	HK$'000	HK$'000
Profit before taxation has been arrived at after charging:		
Amortisation of intangible assets	**(4,283)**	(4,311)
Depreciation of property, plant and equipment	**(134,136)**	(148,822)

6. Taxation

	For the year ended 31 March	
	2016	2015
	HK$'000	HK$'000
The charge comprises:		
Hong Kong Profits Tax		
- charge for the year	**3,895**	3,418
- underprovision in previous years	**5,015**	4,849
	8,910	8,267
Taxation in jurisdictions other than Hong Kong		
- charge for the year	**96,795**	101,845
- (over)underprovision in previous years	**(10,762)**	466
	86,033	102,311
	94,943	110,578
Deferred taxation (credit) charge		
- current year	**(8,394)**	3,751
	86,549	114,329

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 and diluted earnings per share attributable to the owners of the Company is based on the following data:

	For the year ended 31 March	
	2016	2015
	HK$'000	HK$'000
Earnings		
Profit for the year attributable to owners of the Company	**18,705**	51,517
Number of shares	**'000**	'000
Number of shares in issue during the year for the purposes of basic and diluted earnings per share	**784,693**	784,693

The computation of diluted earnings per share for the year ended 31 March 2016 did not assume the exercise of the outstanding share options of the Company because the exercise price of the Company's share options was higher than the average market prices for the Company's shares for the year ended 31 March 2016.

The computation of diluted earnings per share for the year ended 31 March 2015 did not assume the exercise of the outstanding share options of the Company and the share options of GP Industries, the subsidiary of the Group, because the exercise prices of the Company's and GP Industries' share options were higher than the average market prices of the respective shares for the year ended 31 March 2015.

8. Dividends

	For the year ended 31 March	
	2016	2015
	HK$'000	HK$'000
Dividends recognised as distribution during the year:		
2015 Final dividend - 2.5 HK cents (2015: 2014 Final dividend – 2.0 HK cents) per share	**19,617**	15,694
2016 Interim dividend - 2.5 HK cents (2015: 2015 Interim dividend - 2.5 HK cents) per share	**19,617**	19,617
	39,234	35,311

A final dividend of 1.0 HK cent (2015: 2.5 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$7,847,000 (2015: HK$19,617,000) has been recognised in the dividend reserve of the Company.

On the basis of 3.5 HK cents (2015: 5.0 HK cents) per share for 2016, total interim and final dividends amount to HK$27,464,000 (2015: HK$39,234,000).

9. Trade and other receivables and prepayments

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 doubtful debts, presented based on the invoice date at the end of the reporting period:

	As at 31 March	
	2016	2015
	HK$'000	HK$'000
Trade and bills receivables		
0 - 60 days	**579,039**	626,874
61 - 90 days	**132,939**	57,395
Over 90 days	**85,105**	132,383
	797,083	816,652
Other receivables, deposits and prepayments	**230,626**	226,847
	1,027,709	1,043,499
Less: Non current portion of other receivables, deposits and prepayments	**(24,704)**	(8,547)
	1,003,005	1,034,952

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	
	2016	2015
	HK$'000	HK$'000
Trade creditors		
0 - 60 days	**596,423**	540,428
61 - 90 days	**106,423**	88,790
Over 90 days	**99,086**	99,610
	801,932	728,828
Other payables and accrued charges	**348,298**	349,190
	1,150,230	1,078,018

FINANCIAL REVIEW

During the year, the Group's net bank borrowings increased by HK$198 million to HK$1,146 million. As at 31 March 2016, the aggregate of the Group's shareholders' funds and non-controlling interests was HK$2,560 million and the Group's gearing ratio (the ratio of consolidated net bank borrowings to shareholders' funds and non-controlling interests) was 0.45 (31 March 2015: 0.35). The gearing ratios of the Company, GP Industries and GP Batteries were 0.44 (31 March 2015: 0.39), 0.25 (31 March 2015: 0.18) and 0.16 (31 March 2015: 0.13) respectively.

At 31 March 2016, 61% (31 March 2015: 71%) of the Group's bank borrowings was revolving or repayable within one year whereas 39% (31 March 2015: 29%) 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 currency 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 2.5 HK cents (2014/15: 2.5 HK cents) per share was paid in January 2016.

The Board will propose at the forthcoming annual general meeting of the Company (the "AGM") the payment of a final dividend of 1.0 HK cent (2014/15: 2.5 HK cents) per share to shareholders on the Register of Shareholders of the Company on 14 September 2016, making a total dividend of 3.5 HK cents (2014/15: 5.0 HK cents) per share for the whole year. If approved at the AGM, the proposed final dividend will be paid on 23 September 2016.

CLOSURE OF REGISTER

The AGM will be held on 1 September 2016. The Register of Shareholders of the Company will be closed from 30 August to 1 September 2016, 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 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 29 August 2016.

Shareholders whose names appear on the Register of Shareholders of the Company on 14 September 2016 will be entitled to receive the proposed final dividend. The Register of Shareholders of the Company will be closed from 12 to 14 September 2016, 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 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 9 September 2016.

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 each business is 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 of the Company. The final results for the year ended 31 March 2016 have been reviewed by the Company's audit committee.

By Order of the Board
WONG Man Kit
Company Secretary

Hong Kong, 20 June 2016
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), LEUNG Pak Chuen, Richard KU Yuk Hing, Andrew CHUANG Siu Leung and Brian LI Yiu Cheung as Executive Directors, Messrs. LUI Ming Wah, Frank CHAN Chi Chung and CHAN Kei Biu as Independent Non-Executive Directors, and Ms. Karen NG Ka Fai as a Non-Executive Director.