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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 2024/2025 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 (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 financial year ended 31 March 2025 (“**FY2025**”). At the date of this announcement, GP Industries is an 86.18%-owned subsidiary of the Company and is listed on the Singapore Exchange Securities Trading Limited.

Key Highlights for FY2025 - GP Industries Group’s operating earnings improved significantly

- Revenue maintained at S\$1.1 billion
- Gross profit margin improved 140 basis points to 29.9%
- Profit before finance costs and share of results of associates increased by 23.9% to S\$68.0 million
- Profit attributable to equity holders of GP Industries is S\$24.3 million
- Full-year dividend of 3.0 Singapore cents per GP Industries share, representing 61.2% payout ratio
- GP Industries Group’s net asset as at 31 March 2025 was increased to S\$430.9 million from S\$422.9 million
- Gearing ratio improved to 63.3% from 71.8%

GP INDUSTRIES LIMITED
UNAUDITED CONSOLIDATED RESULTS

	For the year ended 31 March 2025		For the year ended 31 March 2024	
	S\$'000	HK\$'000	S\$'000	HK\$'000
		(Note)		(Note)
Revenue	1,104,700	6,431,784	1,108,131	6,452,314
Cost of sales	(774,524)	(4,509,434)	(791,951)	(4,611,293)
Gross profit	330,176	1,922,350	316,180	1,841,021
Other operating income	26,357	153,456	26,737	155,682
Distribution costs	(146,732)	(854,303)	(145,140)	(845,107)
Administrative expenses	(129,560)	(754,324)	(131,486)	(765,604)
(Allowance for) Write-back of expected credit losses, net	(1,181)	(6,876)	444	2,585
Other operating expenses	(11,096)	(64,603)	(11,872)	(69,127)
Profit before finance costs and share of results of associates	67,964	395,700	54,863	319,450
Finance costs	(28,915)	(168,349)	(34,282)	(199,614)
Share of results of XIC Innovation Limited ("XIC")	-	-	(76,350)	(444,563)
Share of results of associates, excluding XIC	13,462	78,378	16,981	98,875
Profit (Loss) before taxation	52,511	305,729	(38,788)	(225,852)
Income tax expenses	(12,413)	(72,271)	(8,246)	(48,014)
Profit (Loss) after taxation	40,098	233,458	(47,034)	(273,866)
Attributable to:				
Equity holders of GP Industries	24,326	141,631	(58,746)	(342,060)
Non-controlling interests	15,772	91,827	11,712	68,194
	40,098	233,458	(47,034)	(273,866)
	S cents	HK cents	S cents	HK cents
Earnings (Loss) per share attributable to equity holders of GP Industries				
Basic and diluted	4.90	28.52	(12.14)	(70.69)
	S cents	HK cents	S cents	HK cents
Interim dividend per share	1.50	8.73	1.00	5.82
Final dividend per share	1.50	8.73	1.00	5.82
	3.00	17.46	2.00	11.64

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 2025		As at 31 March 2024	
	S\$'000	HK\$'000 (Note)	S\$'000	HK\$'000 (Note)
Non-current Assets				
Investment properties	72,096	418,243	-	-
Property, plant and equipment	311,027	1,804,330	361,620	2,094,612
Right-of-use assets	29,074	168,664	36,185	209,594
Interest in associates	164,333	953,329	155,254	899,278
Financial assets at fair value through other comprehensive income	1,284	7,449	49,037	284,037
Financial assets at fair value through profit or loss	7,677	44,536	3,957	22,920
Deferred tax assets	3,619	20,995	4,932	28,568
Deposits and prepayments	3,198	18,552	3,198	18,524
Intangible assets	9,690	56,214	10,058	58,259
	<u>601,998</u>	<u>3,492,312</u>	<u>624,241</u>	<u>3,615,792</u>
Current Assets				
Inventories	198,481	1,151,428	180,454	1,045,244
Receivables and prepayments	218,965	1,270,260	239,239	1,385,744
Dividend receivable	4,130	23,959	2,600	15,060
Taxation recoverable	3,685	21,377	3,087	17,881
Short-term investments	2,623	15,217	219	1,269
Bank balances, deposits and cash	185,511	1,076,186	187,102	1,083,751
	<u>613,395</u>	<u>3,558,427</u>	<u>612,701</u>	<u>3,548,949</u>
Total Assets	<u>1,215,393</u>	<u>7,050,739</u>	<u>1,236,942</u>	<u>7,164,741</u>
Current Liabilities				
Trade and other payables	258,976	1,502,372	262,903	1,522,813
Contract liabilities	18,370	106,568	14,961	86,659
Lease liabilities	10,431	60,512	10,410	60,298
Income tax payable	3,872	22,462	1,731	10,026
Bank and other loans	290,502	1,685,260	294,519	1,705,942
	<u>582,151</u>	<u>3,377,174</u>	<u>584,524</u>	<u>3,385,738</u>
Net Current Assets	<u>31,244</u>	<u>181,253</u>	<u>28,177</u>	<u>163,211</u>
Non-current Liabilities				
Bank and other loans	167,709	972,913	196,252	1,136,750
Lease liabilities	20,603	119,522	26,472	153,334
Deferred tax liabilities	14,067	81,605	6,836	39,596
	<u>202,379</u>	<u>1,174,040</u>	<u>229,560</u>	<u>1,329,680</u>
Net Assets	<u>430,863</u>	<u>2,499,525</u>	<u>422,858</u>	<u>2,449,323</u>
Represented by:				
Issued capital	286,307	1,385,631	286,307	1,385,631
Treasury shares	(22,601)	(134,434)	(20,978)	(124,987)
Reserves	14,007	357,668	40,017	509,325
Ordinary equity	277,713	1,608,865	305,346	1,769,969
Perpetual bonds	14,627	88,538	-	-
Equity attributable to equity holders of GP Industries	292,340	1,697,403	305,346	1,769,969
Simple agreements for future equity ("SAFE")	18,793	107,544	18,793	107,544
Share of net assets of subsidiaries	119,730	694,578	98,719	571,810
Non-controlling interests	138,523	802,122	117,512	679,354
Total Equity	<u>430,863</u>	<u>2,499,525</u>	<u>422,858</u>	<u>2,449,323</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

For FY2025, GP Industries Group generated a revenue of S\$1,104.7 million, decreased by S\$3.4 million when compared to the last financial year ended 31 March 2024 (“**FY2024**”). The exclusion of the revenue from Nickel Metal Hydride Rechargeable Battery Manufacturing Business (“**Rechargeable Manufacturing Business**”) from GP Industries Group’s revenue for FY2025, upon the completion of distribution in specie for the Rechargeable Manufacturing Business to the shareholders of GP Industries (“**DIS**”) in January 2024, was mostly compensated by the increase of the revenue from Primary Batteries Business and Branded Acoustics Business of 8.6% and 7.0% respectively during FY2025. In terms of geographical markets, the sales to Americas and Asia increased while sales to Europe decreased.

Gross profit margin increased from 28.5% in FY2024 to 29.9% in FY2025, as GP Industries Group enhanced its product mix, implemented stricter cost control measures and closely monitored the optimal level and timing of commodities purchases.

Distribution costs increased by S\$1.6 million, or 1.1%, to S\$146.7 million when compared to FY2024, mainly due to the increase in advertising and promotion expense to further improve the brand awareness in the Batteries Business. Administrative expenses decreased by S\$1.9 million or 1.5% to S\$129.6 million when compared to FY2024 mainly due to GP Industries Group’s continued efforts to implement operational efficiency enhancement and expense control measures since FY2024.

Other operating income in FY2025 was S\$26.4 million, mainly included government grants of S\$7.1 million (FY2024: S\$5.6 million), product development and engineering fee income of S\$3.0 million (FY2024: S\$3.2 million), a one-off gain on de-registration of a dormant Malaysia battery subsidiary of S\$2.0 million (FY2024: Nil), fair value gain on the unquoted equity shares of GP Energy Tech Limited at fair value through profit or loss of S\$3.6 million (FY2024: Nil), interest income of S\$2.0 million (FY2024: S\$2.7 million) and exchange gain of S\$2.7 million (FY2024: S\$1.6 million).

Other operating expenses in FY2025 was S\$11.1 million, mainly included a provision for GP Industries Group’s internal restructuring of S\$4.3 million and property, plant and equipment written-off of S\$3.8 million, mainly related to the write-off of Zhongyin (Ningbo) Battery Co Ltd’s aging machinery and equipment. Other operating expenses in FY2024 of S\$11.9 million mainly included the cumulative translation deficit, amounting S\$8.3 million, charged to profit or loss upon the completion of DIS in January 2024.

GP Industries Group’s profit before finance costs and share of results of associates for FY2025 increased by 23.9% to S\$68.0 million when compared to FY2024 and the operating profit enhancement is mainly attributable to the improved gross profit margin.

GP Industries Group’s total share of attributable loss and impairment loss of XIC Innovation Limited (“**XIC Innovation**”, together with its subsidiaries “**XIC Group**”) for FY2024 was S\$76.4 million. GP Industries Group has no such loss in FY2025 after XIC Innovation was classified as financial assets at fair value through other comprehensive income (“**OCI**”) as at 31 March 2024 and will not affect the profit or loss of GP Industries Group since then.

Profit attributable to equity holders of GP Industries for FY2025 was S\$24.3 million. Based on the weighted average of 483,595,729 (FY2024: 483,843,482) GP Industries shares in issue and excluding the accrued distribution for perpetual bonds, basic earnings per share of GP Industries for FY2025 was 4.90 Singapore cents.

The directors of GP Industries have proposed a final dividend of 1.5 Singapore cents per GP Industries share which, together with the interim dividend of 1.5 Singapore cents per GP Industries share, will bring the full-year dividend to 3.0 Singapore cents per GP Industries share (FY2024: 2.0 Singapore cents per GP Industries share), representing a payout ratio of 61.2% for FY2025.

Business Review

Batteries Business - The revenue of the Batteries Business for FY2025 was S\$833.3 million, a decline of 0.4% when compared to FY2024. The revenue in FY2025 excluded the Rechargeable Manufacturing Business, which contributed revenue of S\$58.5 million in FY2024, after the DIS in January 2024. GP Industries Group's revenue of the rechargeable batteries in FY2024 was S\$78.8 million, and GP Industries Group's sales of rechargeable batteries in FY2025, which mainly represents the trading of rechargeable battery products under the GP brand, was S\$26.3 million, a decline of approximately 66.6% when compared with FY2024. The drop in revenue of the rechargeable batteries was compensated by the 8.6% increase in sales of primary batteries, mainly contributed by increased demand of cylindrical battery and coin button cell products in FY2025. In geographical terms, sales to Americas and Asia increased by 15.8% and 5.6% respectively, while sales to Europe decreased by 21.9%.

Gross profit margin of the Batteries Business increased from 24.2% in FY2024 to 25.0% in FY2025. The improvement of gross profit margin was due mainly to lower costs of some commodities, improvement in product mix and better factories utilization.

During FY2025, GP Industries Group recognized a one-off gain on de-registration of a dormant Malaysia battery subsidiary of S\$2.0 million. During FY2024, GP Industries Group reversed an impairment loss of S\$7.8 million related to the 40%-owned AZ Limited, recognized a cumulative translation deficit of S\$8.3 million, charged to profit or loss upon the completion of the DIS and share of the land disposal gain amounted to S\$4.0 million from Changzhou Lithium Batteries Limited, which is an indirect associate of GP Industries.

The increase in gross profit margin of Batteries Business contributed to the increase in profit contribution from the Battery Business in FY2025.

Audio Business - The revenue of the Audio Business for FY2025 was S\$271.4 million, at par with the revenue reported in FY2024.

KEF's sales increased by 7.0% in FY2025, with increase in sales to Americas and Asia by 12.3% and 5.0%, respectively. The Celestion brand professional speaker driver business reported a 7.2% revenue improvement, as a result of a 10.4%, 5.6% and a 7.1% increase in sales to the Americas, Europe and Asia respectively. The professional audio manufacturing business deployed more manufacturing capacity to support the growth of both KEF and Celestion brand in FY2025 and reported a 13.4% decline in revenue for outsider customers

with decreased sales in major geographical markets, including a 10.2% and 48.9% decrease to the Americas and Europe, respectively while sales to Asia increased by 19.0%.

Gross profit margin of the Audio Business for FY2025 increased to 45.0%, an increase of 300 basis points when compared with FY2024. The increase of gross profit margin is mainly contributed by better product mix and higher sales of branded acoustics products, which can generate a higher profit margin. The increase in revenue and enhancement of product mix contributed to the increase in profitability of the Audio Business in FY2025.

Other Industrial Investments - This business segment mainly includes GP Industries Group's investments in Meiloon Industrial Co., Ltd. ("**Meiloon**"), Shinwa Industries (H.K.) Limited and Wisefull Technology Limited ("**Wisefull**"). The contribution before taxation from this segment increased substantially from S\$3.2 million for FY2024, excluding the share of attributable loss and impairment loss of XIC Innovation for FY2024, to S\$7.7 million for FY2025, due mainly to the improvement in the share of results of Meiloon and Wisefull for FY2025.

GP Industries's 39.13% direct equity interest in XIC Innovation as at 31 March 2024 of S\$46.2 million was classified as financial assets at fair value through OCI and since then, any fair value changes of XIC Group will be recognised in OCI and will not affect the profit or loss of GP Industries Group.

Based on the valuation report prepared by an independent external valuer, the carrying amount of GP Industries's interest in XIC Innovation as at 31 March 2025 was fully impaired, after considering the additional impairment on certain assets of XIC Group based on updated information obtained up to the date of this results announcement, and a fair value loss of S\$46.2 million was recognized in OCI of GP Industries Group during FY2025.

Capital Resource and Liquidity of GP Industries Group

During FY2025, GP Industries Group has strengthened its capital base by (i) issuing perpetual subordinated bonds of an aggregate principal amount of US\$11,000,000 (S\$14.1 million); (ii) transferring certain portion of industrial complex and vacant land and buildings of GP Industries Group's unused factories located in China with carrying amount of S\$72.1 million to investment properties, recognized a revaluation gain net of deferred tax of S\$24.0 million in OCI and (iii) enhancing the earnings with the profit attributable to equity holders of GP Industries for FY2025 of S\$24.3 million. The total positive effect of these measures on the net assets of GP Industries Group for FY2025 was S\$62.4 million.

After netting off the fair value loss through OCI on full impairment of GP Industries's interest in XIC Innovation of S\$46.2 million from the above-mentioned measure for net assets enhancement, GP Industries Group's net assets as at 31 March 2025 was S\$430.9 million.

During FY2025, GP Industries Group completed a 3-year sustainability-linked loan facility of S\$70 million with Malayan Banking Berhad. GP Industries Group recorded net current assets of approximately S\$31.2 million as at 31 March 2025 (FY2024: S\$28.2 million). GP Industries Group's gearing ratio, defined as Group's net bank borrowings expressed as a percentage of total equity, at 31 March 2025 was 63.3% compared to 71.8% at 31 March

2024. The current ratio, calculated as the ratio of current assets to current liabilities, was 1.05 at 31 March 2025 (FY2024: 1.05).

Outlook

Market Environment

FY2025 has been a year of formidable headwinds, with difficult global macroeconomic conditions and environment challenges, including persisting inflationary pressures and high interest rate, geopolitical uncertainties, particularly rapidly changing import tariffs of the United States (“U.S.”), have negatively impacting global consumer spending and strained GP Industries Group’s near-term earnings. Despite these pressures, GP Industries Group remains resilient, exercising financial prudence while maintaining flexibility, with the aim of maximising shareholder value.

GP Industries Group’s success in navigating market challenges is attributed to its strategic investments in battery and audio branding business, rebalancing of GP Industries Group’s manufacturing capacity in Southeast Asia and further enhancing its extensive manufacturing footprint outside China.

Since early 2025, the U.S. government has announced certain tariffs and relevant new policies affecting various countries as well as industries, thereby creating uncertainties to global trade and the economic development of various countries. The tariff policies have been rapidly evolving and the temporary 90-day tariff reduction from the 145% tariff for importing products from China to the U.S. provides some relief while the U.S. and China trade negotiations continue. The Management assess, based on the current US import tariff policy and the temporary 90-day pause tariff rate, the potential impact of the trade tariff on GP Industries’s performance as manageable, given our diversified capabilities, our growth in non-US markets and our network of manufacturing facilities in the ASEAN and the United Kingdom (“UK”), all with proven export records. In recent years, GP Industries Group’s sales of products directly exported to the U.S. from China has averaged approximately 14% of GP Industries Group’s global revenue. However, should there be substantial changes to the US import tariffs for the countries where GP Industries Group manufacture products in, the Management will reassess the impact of the new tariffs and make proper announcements if necessary.

Strategic Initiatives

The Management will proactively monitor GP Industries Group’s exposure to the tariffs and adjust the short-term and long-term strategies in order to mitigate tariff impacts and adapt to changing macroeconomic conditions. The Management is implementing several strategies including:

- Further enhancing production capacity in Southeast Asia to serve the U.S. market
- Reserving production capacity in China primarily for European and Asian markets
- Optimizing supply chains to minimize tariff exposure while maintaining competitiveness
- Increasing focus on emerging markets, particularly in Asia
- Continuously monitoring consumer demand trends to adjust product offerings

The Management will continue to monitor developments closely and will adapt strategies as needed, exploring all available options to maintain profitability while remaining responsive to evolving customer needs.

GP Industries Group remains committed to focusing on its robust product development pipeline. KEF will continue to expand its global footprint by working more closely with leading retailers in key markets and make best use of KEF's experience centres in key global cities.

Assets Optimization

GP Industries Group intends to accelerate divestment of non-core assets, including vacant land and unused factories in China. If property market conditions are unfavorable, GP Industries Group will generate rental income before completing disposals. This initiative will strengthen GP Industries Group's net asset position, secure de-leveraging targets, and provide additional financial flexibility.

Conclusion

While global trading and macroeconomic conditions present challenges, GP Industries Group's diversified manufacturing footprint, adaptable supply chain, strong market position, and innovative product development strategy position GP Industries Group well to navigate these uncertainties. By implementing targeted measures to mitigate external pressures, focusing on core business growth, and optimizing our asset portfolio, GP Industries Group remain confident in delivering long-term value through sustained revenue growth, improved profitability, and increased market share.

By Order of the Board
Gold Peak Technology Group Limited
LEUNG Chi Fung
Company Secretary

Hong Kong, 29 May 2025
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, Waltery LAW Wang Chak, Christopher LAU Kwan and LEUNG Joseph 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.