

Press Release

For Immediate Release

4 February 2010, Hong Kong



GP Batteries' profit for first 3 quarters soars by over 8 times

GP Batteries International Limited, listed in Singapore and a major associate of Gold Peak Industries (Holdings) Limited (*SEHK code: 40*), today announces its unaudited quarterly results. Profit for the nine months ended 31 December 2009 was S\$29.2 million, an increase of 885% compared to the corresponding period last year.

GP Batteries is 49.2% owned by Singapore-listed GP Industries Limited, which is a 76.7% subsidiary of Gold Peak.

Summary of results of GP Batteries

	<i>For the nine months ended 31 December</i>		% of change
	2009	2008	
Turnover	S\$ 604 million	S\$ 683 million	- 12%
Profit attributable to shareholders	S\$ 29.2 million	S\$ 3.0 million	+ 885%

Business Review of GP Batteries

Turnover for the nine months ended 31 December 2009 was S\$604 million or about 12% below the corresponding period last year. Nevertheless, the decline in turnover has narrowed over the past quarters.

Sales of rechargeable batteries registered a decrease for the three months ended 31 December 2009 by 17% while sales of primary batteries, especially the cylindrical carbon zinc batteries, rose by 12%.

Excluding the effect of commodity hedging contracts in the last financial year, gross profit margins for the nine months ended 31 December 2009 were approximately 23% compared to 21% for the corresponding period last year mainly due to effective cost control measures.

Share of results of associates was S\$11.5 million respectively, an increase of 45% over last year, which mainly reflects an abrupt slowdown in demand for notebook computer battery packs last year.

Following the refinancing of the syndicated loan facility in October 2009, GP Batteries has returned to a net current assets position. As such, the "going concern" issue, as mentioned in the Independent Auditors' Report dated 18 June 2009, no longer exists.

GP Batteries has acquired certain assets of Vectrix Corporation pursuant to a supervised sale under Section 363 of the United States Bankruptcy Code and is currently reviewing the business model of Vectrix in order to effectively incorporate this new acquisition as an integral part of GP Batteries' electric transportation business.

To strengthen its collaboration with Boston Power Inc. of the US, GP Batteries has entered into a worldwide distribution agreement with them utilizing GP Batteries' extensive sales network to promote the Boston Power's Sonata products.

Prospects of GP Batteries

The outlook for GP Batteries is cautiously optimistic as general business conditions continue to improve. However, currency fluctuations, rise in material costs and the tight labour situation in China may have an adverse impact on margins. GP Batteries will focus on productivity improvement.

GP Batteries will continue to enhance its presence in priority markets and in selected application segments. It will further tap on the global trend towards electric transportation by exploring opportunities to fully capitalise its capability and technical know-how in this area.

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