

Press Release

For Immediate Release

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Singapore-listed GP Industries' 9-month profit rises over 3 folds

Gold Peak Industries (Holdings) Limited (*SEHK code: 40*)'s 76.7% subsidiary, the Singapore-listed GP Industries Limited, today announced its unaudited quarterly results for the three months and nine months ended 31 December 2009.

Summary of results of GP Industries

| | For the nine months ended 31 December | | % of change |
|-------------------------------------|---------------------------------------|-------------------|-------------|
| | 2009 | 2008 | |
| Turnover | S\$ 193.3 million | S\$ 185.7 million | + 4% |
| Profit attributable to shareholders | S\$ 33.3 million | S\$ 8.0 million | + 317% |

- Revenue of GP Industries for the nine-month period ended 31 December 2009 increased by 4% to S\$193 million, mainly attributable to recovery of the electronics business and the S\$18 million revenue contributed by Shanghai Jintong Automobile Harness Limited, a jointly managed wire harness manufacturer serving the Chinese automotive industry. GP Industries' effective shareholding in Jintong was raised to 50% in November 2009 and the financial result of Jintong is now accounted for by the proportionate consolidation method from November 2009 onwards.
- GP Industries' gross profit margin continued to improve. Its profit from operations increased from S\$6.6 million last year to S\$10.7 million this year. The improvement is primarily driven by recovery of the electronics business, Jintong's added contributions to the wire harness business and GP Industries' effective cost control measures. The performance of GP Batteries International Limited also recovered strongly and contributed a significantly higher profit after taxation of S\$14.1 million when compared with S\$1.6 million last year. The acquisition of additional shareholding in Jintong gave rise to an exceptional gain of S\$8.9 million. As a result, GP Industries reported a net exceptional gain of S\$4.2 million for the nine-month period.
- The performance of GP Industries' businesses has returned to or exceeded pre-economic crisis level. Profit attributable to shareholders for the nine-month period increased from S\$8.0 million last year to S\$33.3 million this year.

Business Review of GP Industries

Electronics and components business -- Sales from the electronics and components business for the nine months increased by 21% over the same period last year. Sales and profit contribution from the electronics business increased significantly mainly due to a 31% increase in sales of professional audio equipment in the nine-month period this year and effective cost reduction measures. Sales from the electronics business in Q3 grew by 40% over Q3 last year, mainly from strong market reception of new products launched during the period. However, sales from the components business remained flat during the period. Aggregate profit contribution from the associated companies in the components business also increased with higher sales reported by an associate. Total profit contribution from the electronics and components business increased by 64%.

Acoustics business -- Sales from the acoustics business during the nine months decreased by 15% in Singapore dollar terms or 17% in US dollar terms when compared to the same period last year. During the first three quarters, sales to America reduced by 27% while sales to Europe dropped by 17%. However, sales to China grew by 14% in Q3 over Q3 last year. In addition, cost control measures mitigated the adverse effects of lower revenue. The branded acoustics business reported a 75% drop in profit for the nine-month period. Sales of the 20%-owned Meiloon Industrial Co., Ltd. dropped by 30% and contributed a small loss during the nine-month period. However, Meiloon's results have been improving and returned to profit in Q3.

Cable & harness business -- In November 2009, GP Industries Group completed the acquisition of the 50% equity interest in Jinting. Jinting contributed a revenue of approximately S\$18 million during Q3, which resulted in a 2.5 times increase in revenue and a 5-fold increase in profit contribution from this business segment for the nine-month period this year. Profit contribution from the 47%-owned cable associate Linkz Industries Limited increased by 20% despite lower sales in the first three quarters. As a result, profit contribution from the cable and harness business increased by 2.4 times over last year.

GP Batteries (49.15-owned by GP Industries as at 31 December 2009) -- GP Batteries' turnover for the nine-month period was S\$604 million, or about 12% below the turnover of the same period last year. However, excluding the effect of commodity hedging contracts in last financial year, gross profit margin for the nine months improved to 23% from 21% due mainly to effective cost control measures. Profit after tax attributable to equity holders of GP Batteries for the nine-month period was S\$29.2 million, compared to S\$3.0 million last year.

Prospects of GP Industries

Commenting on the prospects of GP Industries, Chairman Victor Lo said, "With the global economy recovering, the demand for GP Industries Group's products in Europe and the US will continue to improve. GP Industries expects the demand for its professional audio equipment to remain strong. Strong economic growth in China is expected to boost the demand for GP Industries Group's automotive wire harness and branded speaker products. However, in the global economic recovery period, there may be unforeseen fluctuations such as market demand, component prices and foreign currency exchange rates which may affect GP Industries' margin." Lo is also Chairman and Chief Executive of Gold Peak.

"GP Industries will continue with its investment in new products and cost control measures. It has also made significant progress in strengthening its financial position and reduced its gearing level (net bank borrowing to equity) from approximately 49% as at 30 September 2008 to approximately 30% as at 31 December 2009," added Lo.

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