

Press Release

For Immediate Release

26 May 2010, Hong Kong



GP Batteries 2009/2010 profit soars to S\$37M

GP Batteries International Limited, listed in Singapore and a major associate of Gold Peak Industries (Holdings) Limited (*stock code: 40*), today announces its unaudited consolidated results for the year ended 31 March 2010.

GP Batteries is 49.8% owned by Singapore-listed GP Industries Limited, which is a 79.4% subsidiary of Gold Peak.

Summary of results of GP Batteries:

For the 3 months ended 31 March (Q4)

	2010	2009	% of change
Turnover	S\$195.6M	S\$181.5M	+ 7.7%
Profit/ Loss attributable to shareholders	Profit S\$7.9M	Loss S\$2.7M	—

For the year ended 31 March

	2010	2009	% of change
Turnover	S\$799.4M	S\$864.1M	- 7.5%
Profit attributable to shareholders	S\$37.1M	S\$0.2M	—

Prospects of GP Batteries

Commenting on the business prospects of GP Batteries, Andrew Ng, Chairman and Chief Executive, said, "The business outlook for GP Batteries is positive with improving performance over the past quarters. However, volatility of currencies and raw material prices will impact margins." Ng is also Vice Chairman of Gold Peak.

"We will continue to enhance our brand management and new product development while focusing on priority markets and core products. We will continue capitalizing on strong outsourcing demand. We have signed on with SAP to modernize the IT management and work processes to further improve productivity and cost efficiency," added Ng.

GP Batteries' electric transportation capabilities continue to generate interest and receive encouraging response from corporations in Singapore and worldwide. GP Batteries will continue to explore further business opportunities in this arena.

Business Review of GP Batteries

Turnover for the fourth quarter ended 31 March 2010 rose by 8% to S\$195.6 million. Turnover for the year was S\$799.4 million, a decrease of 8% comparing to last financial year.

Compared to the same quarter last year, sales of primary batteries recorded a rise of 26% attributed mainly to cylindrical carbon zinc and button batteries. North and South America and Japan were the main regions that contributed to the increase of turnover in the fourth quarter. The decrease in turnover for the whole financial year was mainly due to the drop in sales to Europe particularly in the first half of this financial year.

Excluding the effect of commodity hedging contracts in the last financial year, gross profit margin for the year was approximately 23%, compared to 21% for last year mainly due to sales mix with better margin as well as effective cost-control measures.

Other revenue was S\$13.5 million, a decrease of 58% over last year. In the financial year 2008/2009, a subsidiary of GP Batteries in Ningbo, China received a government subsidy of S\$14.2 million while the subsidy income dropped to S\$2.6 million during the year under review.

Distribution expenses were S\$58.6 million, an increase of 18% over last year due to stepping-up of brand-building efforts, in particular, in mainland China.

The plant of Ningbo GP Energy Co. Ltd (formerly "Ningbo GP Sanyo Energy Co. Ltd"), a 90%-owned subsidiary producing primary lithium batteries, which had most of its facilities damaged in a fire has started to contribute positively to GP Batteries' results during this financial year.

GP Batteries has collaborated with tertiary institutions in Singapore to further experiment its Plug-In Hybrid Electric Vehicle, being in-line with its intention to establish Singapore as a test-bed for its e-mobility initiatives.

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