

## Press Release

For Immediate Release

29 June 2010, Hong Kong



### **Gold Peak reports annual profit of HK\$128M**

*Proposed final dividend of 3.5 HK cents*

Gold Peak Industries (Holdings) Limited (*SEHK: 40*) today announced its audited consolidated results of the Company and its subsidiaries for the year ended 31 March 2010.

#### **Financial Highlights**

- Consolidated turnover: HK\$1,458 million, up 11%
- Profit attributable to owners of the Company: HK\$128.2 million (2008/2009: loss attributable to owners of the Company: HK\$65.3 million)
- Earnings per share: 20.55 HK cents (2008/2009: loss per share 10.64 HK cents)
- Proposed final dividend per share: 3.5 HK cents (2008/2009: 1.5 HK cents)

The Group's turnover for the year ended 31 March 2010 amounted to HK\$1,458 million, increased by 11% over the previous year. The consolidated net profit attributable to owners of the Company was HK\$128.2 million, compared to a loss of HK\$65.3 million for last year. Basic earnings per share for the year amounted to 20.55 HK cents, compared to the restated basic loss per share of 10.64 HK cents last year.

#### **Prospects**

Commenting on the prospects of the Group, Victor Lo, Chairman and Chief Executive of Gold Peak, said, "Demand for the Group's products should continue to improve as the global economy recovers. Robust economic growth in China and the rest of Asia is expected to boost the demand for the Group's automotive wire harness and acoustics products. However, the uncertainties which originated from the Euro-zone debt crisis may affect consumer sentiment and volatility in currencies, liquidity and material costs may negatively affect some of the Group's businesses."

“The Group will continue to invest into development of new products and its brands. Cost-control and streamlining measures instituted last year will continue to contribute to the competitiveness of the Group’s products. GP Batteries will further explore opportunities in the electric transportation business,” added Lo.

## **Business review**

### **GP Industries Ltd.** *(79.5% owned by Gold Peak as at 31 March 2010)*

Revenue of GP Industries increased by 11% and profit from operations increased by 50%, mainly attributable to recovery of the electronics business, additional contribution from Shanghai Jintong Automobile Harness Limited (“Jintong”) to the automotive wire business and GP Industries’ effective cost-control measures. The performance of GP Batteries also recovered strongly and contributed a significantly higher profit after taxation. Gross profit margin of GP Industries continued to improve.

### ***Electronics and Acoustics***

- Sales from the electronics business increased mainly due to an increase in sales of professional audio equipment as a result of strong market reception for new products launched.
- Sales from subsidiaries in the components business were lower. Associated companies of the components business recovered strongly and the aggregate contribution from associates increased.
- Sales from the acoustics business decreased as sales to America and Europe declined. The drop in sales was also aggravated by the depreciation of Euro against Singapore dollar. Sales to China and other Asian markets grew. Cost-control measures mitigated the adverse effects of lower revenue.
- Total profit contribution from the electronics and acoustics business increased.

### ***Automotive wire harness***

In November 2009, GP Industries completed the acquisition of the 50% equity interest in Jintong, a jointly managed automotive wire harness manufacturer serving mainly the Chinese automotive industry. Accordingly, Jintong contributed to the revenue of GP Industries for the period from November 2009 to March 2010. Profit contribution from the automotive wire harness business increased substantially as a result of the additional contribution from Jintong.

**Other businesses**

- Profit contribution from the cable associate Linkz Industries Limited increased despite lower sales.
- Sales of the 20%-owned Meiloon Industrial Co., Ltd. decreased and contributed lower profit. However, Meiloon's results were improving and it returned to profit in the financial quarter ended 31 December 2009.
- During the financial year, GP Industries exited from the light fittings business.

**GP Batteries** (49.8% owned by GP Industries as at 31 March 2010)

GP Batteries' turnover decreased due mainly to decrease in sales to Europe particularly in the first half of the financial year. Profit contribution increased substantially. Gross profit margin improved mainly due to sales mix with better margin as well as effective cost-control measures.

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