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**金山工業(集團)有限公司**  
**Gold Peak Industries (Holdings) Limited**

*(Incorporated in Hong Kong under the Companies Ordinance)*

**(Stock Code: 40)**



**Announcement of 2009/2010 Nine-Month Results of  
GP Industries Limited  
(For the nine months ended 31 December 2009)**

Pursuant to Paragraph 13.09(1) of the Listing Rules, the Board of Directors of Gold Peak Industries (Holdings) Limited is pleased to announce the unaudited consolidated results of GP Industries Limited for the nine months ended 31 December 2009. GP Industries' turnover increased by 4% to S\$193 million and its net profits increased by 317% to S\$33.3 million for the nine months ended 31 December 2009.

Pursuant to Paragraph 13.09(1) of the Listing Rules, the Board of Directors of Gold Peak Industries (Holdings) 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 nine months ended 31 December 2009. GP Industries is a subsidiary of the Company and is listed on the Singapore Exchange Securities Trading Limited.

**GP INDUSTRIES LIMITED**  
**UNAUDITED CONSOLIDATED RESULTS**

	For the nine months ended 31 December 2009		For the nine months ended 31 December 2008	
	S\$'000	HK\$'000 (Note)	S\$'000	HK\$'000 (Note)
Turnover	193,279	1,037,193	185,730	1,025,269
Cost of sales	<u>(138,399)</u>	<u>(742,691)</u>	<u>(136,228)</u>	<u>(752,008)</u>
Gross profit	54,880	294,502	49,502	273,261
Other operating income	6,252	33,550	11,410	62,986
Distribution costs	(22,147)	(118,847)	(25,930)	(143,139)
Administrative expenses	(27,949)	(149,983)	(31,119)	(171,783)
Exchange gain	381	2,045	3,396	18,746
Other operating expenses	<u>(758)</u>	<u>(4,068)</u>	<u>(677)</u>	<u>(3,737)</u>
Profit from operations	10,659	57,199	6,582	36,334
Finance costs	(3,704)	(19,877)	(5,092)	(28,109)
Share of results of associates	29,665	159,191	12,001	66,248
Exceptional items	<u>4,181</u>	<u>22,437</u>	<u>(944)</u>	<u>(5,211)</u>
Profit before taxation	40,801	218,950	12,547	69,262
Taxation	<u>(7,383)</u>	<u>(39,619)</u>	<u>(4,799)</u>	<u>(26,491)</u>
Profit after taxation	<u>33,418</u>	<u>179,331</u>	<u>7,748</u>	<u>42,771</u>
Attributable to:				
Equity holders of GP				
Industries	33,290	178,644	7,979	44,046
Minority interests	<u>128</u>	<u>687</u>	<u>(231)</u>	<u>(1,275)</u>
	<u>33,418</u>	<u>179,331</u>	<u>7,748</u>	<u>42,771</u>
	S cents	HK cents	S cents	HK cents
Earnings per share	<u>5.82</u>	<u>31.23</u>	<u>1.38</u>	<u>7.62</u>

Note:-

The Hong Kong dollar equivalents as shown above for illustrative purposes are converted at the average exchange rates for the respective periods.

## REVIEW OF RESULTS

Revenue of GP Industries Group for the nine-month (“YTD”) 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 (“Jintong”), a jointly managed wire harness manufacturer serving the Chinese automotive industry. GP Industries Group’s 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 Group’s gross profit margin continued to improve. GP Industries Group’s profit from operations for the YTD period 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 Group’s effective cost control measures. The performance of GP Batteries International Limited (“GP Batteries”) 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 Group reported a net exceptional gain of S\$4.2 million for the YTD period this year.

In the YTD period, the performance of GP Industries Group’s businesses has returned to or exceeded pre-economic crisis level. Profit attributable to shareholders for the YTD period increased from S\$8.0 million last year to S\$33.3 million this year.

Based on the weighted average number of 572,349,888 shares in issue (2008: 576,601,925 shares), basic earnings per share for the YTD period increased from 1.38 Singapore cents to 5.82 Singapore cents.

## BUSINESS REVIEW

### *Electronics Division (including electronics & components, acoustics and cable & harness businesses):*

#### Electronics & components business

Sales from the electronics and components business for the YTD period 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 YTD sales of professional audio equipment 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% compared to the same period last year.

#### Acoustics business

Sales from the acoustics business during the YTD period decreased by 15% in Singapore dollar terms or 17% in US dollar terms when compared to the YTD period last year. During the YTD period, 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 YTD period. Sales of the 20%-owned Meiloon Industrial Co., Ltd. (“Meiloon”) dropped

by 30% and contributed a small loss during the YTD 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 YTD period. Profit contribution from the 47%-owned cable associate Linkz Industries Limited increased by 20% despite lower sales in the YTD period. 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 YTD 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 YTD period improved to 23% from 21% due mainly to effective cost control measures. Profit after tax attributable to equity holders of GP Batteries for the YTD period was S\$29.2 million, compared to S\$3.0 million last year.

#### **PROSPECTS**

With the global economy recovering, the demand for GP Industries Group's products in Europe and the US will continue to improve. GP Industries Group 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 Group's margin.

GP Industries Group will continue with its investment in new products and cost control measures. GP Industries Group 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.

#### **BOARD OF DIRECTORS**

As at the date of this announcement, the Board of Directors of the Company consists of Messrs. Victor LO Chung Wing (Chairman & Chief Executive), Andrew NG Sung On (Vice Chairman), Kevin LO Chung Ping, Paul LO Chung Wai, LEUNG Pak Chuen, Richard KU Yuk Hing and Andrew CHUANG Siu Leung as Executive Directors, Messrs. CHAU Kwok Wai, Raymond WONG Wai Kan and Vincent CHEUNG Ting Kau as Non-Executive Directors, and Messrs. LUI Ming Wah, Frank CHAN Chi Chung and CHAN Kei Bui as Independent Non-Executive Directors.

By Order of the Board  
**WONG Man Kit**  
Company Secretary

Hong Kong, 5 February 2010

[www.goldpeak.com](http://www.goldpeak.com)