

## Press Release

For Immediate Release

2 February 2016, Hong Kong



### Singapore-listed GP Batteries announces 2015/2016 Q3 results

GP Batteries International Limited, listed in Singapore and a subsidiary of Gold Peak Industries (Holdings) Limited (*stock code: 40*), today announced its unaudited quarterly results for the nine months ended 31 December 2015.

GP Batteries is 64.6% owned by GP Industries Limited, which is also listed in Singapore and an 85.4% subsidiary of Gold Peak.

#### Summary of results of GP Batteries

	<i>(For the nine months ended 31 December)</i>		% of change
	2015	2014	
Turnover	S\$595.6 million	S\$549.0 million	+ 8.5%
Profit attributable to equity holders of GP Batteries	S\$13.24 million	S\$15.28 million	- 13.4%

#### Summary of Business Review of GP Batteries

Turnover for the nine months ended 31 December 2015 was S\$595.6 million, an increase of 8.5% over the corresponding period last year. As the Singapore dollar has weakened significantly against the US dollar, the changes in turnover over the corresponding period last year decreased by 0.7% in US dollar terms.

Sales of primary batteries increased by 8.1% over the corresponding period last year. For rechargeable batteries, sales increased by 11.5% as compared to last year.

Sales in Asia and the Americas increased by 11.9% and 4.1% over last year.

*Singapore-listed GP Batteries announces 2015/2016 Q3 results*

Profit before income tax was S\$32.8 million as compared to S\$35.5 million last year. Gross profit margins were 23.0% as compared to 22.8% last year mainly due to the decrease in material prices.

Distribution expenses were S\$52.5 million as compared to S\$42.4 million last year. The increase was mainly due to increase in turnover as well as additional S\$4.0 million doubtful debt provisions made in last quarter as a prudent measure against the weakening economy in China.

Administrative expenses were S\$67.2 million as compared to S\$57.9 million last year. This was mainly due to increase in staff cost, office rental and IT expenses.

Finance costs were S\$4.7 million as compared to S\$4.1 million last year mainly due to additional interest expenses incurred after the drawdown of the S\$85 million three-year term loan facility in July 2015.

Net other operating income was S\$16.4 million as compared to S\$15.9 million last year mainly due to (a) a gain of S\$4.0 million arising from the disposal of a factory building in China this year as compared to a gain of S\$9.2 million arising from the disposal of a factory building in Singapore last year; and (b) a gain on foreign exchange of S\$9.9 million this year as compared to a foreign exchange gain of S\$3.7 million last year.

Share of profits of associates was S\$3.7 million as compared to losses of S\$1.5 million last year mainly due to the improved performance of STL Group in Taiwan and AZ Limited, the Group's 40%-owned associate in Russia.

### **Prospects of GP Batteries**

Commenting on the business prospects, Victor Lo, Chairman and Chief Executive Officer of GP Batteries, said, "The business outlook is challenging. Market slowdown will continue to negatively impact the sales especially in emerging markets."

“The primary battery market worldwide will continue to be slow growing and GP Batteries will place more emphasis on faster growing rechargeable markets.”

“The oversupply situation for the more mature product categories will become more apparent and very keen competition will continue.”

“GP Batteries will continue to strengthen its brand building activities and focus on distribution development in target regions. Its balance sheet remains healthy.” Lo is also Chairman of GP Industries and Chairman and Chief Executive of Gold Peak.

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