

Press Release

For Immediate Release

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Singapore-listed GP Industries announces 2015/2016 Q3 results *Profit increased by 12.9%*

Gold Peak Industries (Holdings) Limited's (stock code: 40) 85.4% subsidiary, the Singapore-listed GP Industries Limited, today announced its unaudited quarterly results for the nine months ended 31 December 2015.

Summary of results of GP Industries

	<i>(For the nine months ended 31 December)</i>		% of change
	2015	2014	
Turnover	S\$805 million	S\$740 million	+ 8.7%
Profit attributable to equity holders of GP Industries	S\$27.0 million	S\$23.9 million	+ 12.9%

Review of Results

GP Industries' revenue for the financial period from 1 April 2015 to 31 December 2015 ("Q3YTD") was S\$805 million, an increase of 8.7% over last year. When expressed in US dollar, revenue declined by 0.4% as a result of the appreciation of the US dollar against the Singapore dollar.

During Q3YTD, GP Industries reported a net exceptional gain of S\$5.4 million, comprising a S\$1.3 million write-back of unclaimed warranty provision upon the expiry of the warranty period relating to the disposal of a joint venture in 2013, and a property disposal gain of S\$4.1 million reported by GP Batteries International Limited ("GP Batteries"). During the corresponding period last year, GP Industries reported a net exceptional gain of S\$9.5 million, which included property disposal gains, impairment charge and restructuring costs.

Profit after taxation attributable to equity holders for Q3YTD increased by 12.9% to S\$27.0 million over the S\$23.9 million reported last year.

Business Review of GP Industries

(for the nine months ended 31 December 2015)

Electronics and Acoustics Business

Revenue from the electronics and acoustics business in Q3YTD increased by 9.0% when expressed in Singapore dollar terms and remained flat when expressed in US dollar terms. In US dollar, which is the main trading currency of this business, sales of electronics products decreased by 2.5% while sales of acoustics products increased by 6.4%. Sales of acoustics products to Asia increased by 16.6%, which was due mainly to new acoustics products launch during the financial quarter from 1 October 2015 to 31 December 2015. Sales to the US increased by 15.0% while sales to Europe declined by 9.2%. Aggregate profit contribution from the associates for Q3YTD remained stable. Excluding exceptional items, total profit contribution from the electronics and acoustics business increased by 5.3%.

Automotive Wire Harness Business

The revenue from the export-oriented automotive wire harness business grew by 13.1% in Singapore dollar terms or 3.6% in US dollar terms. Sales growth was driven mainly by sales increase to China despite a marginal drop in sales to the US. Excluding exceptional items, profit contribution from the automotive wire harness business declined by 20.8% when compared to the corresponding period last year due mainly to rapidly rising labour cost in China. This business segment wrote-back S\$1.3 million during Q3YTD, being the unclaimed warranty cost provision relating to the disposal of the previously 50%-owned automotive wire harness manufacturing joint venture, Shanghai Jinting Automobile Harness Limited, in 2013.

Battery Business

The revenue of GP Batteries for Q3YTD was S\$596 million, 8.5% higher than the revenue in the corresponding period last year in Singapore dollar terms, or 0.7% lower in US dollar terms. Sales of primary and rechargeable batteries increased by 8.1% and 11.5% respectively in Singapore dollar terms. In geographical terms, sales in Asia and the Americas increased by 11.9% and 4.1%, both in Singapore dollar terms.

GP Batteries reported a net foreign exchange gain of S\$9.9 million, compared to a gain of S\$3.7 million last year. In Q3YTD, GP Batteries also reported an exceptional property disposal gain of S\$4.1 million, compared to S\$10.2 million exceptional property disposal gains reported last year.

Improved performance of some of the associates of GP Batteries resulted in a share of profit from associates of S\$3.7 million, compared to a loss of S\$1.5 million last year.

For Q3YTD, GP Batteries reported a profit after taxation attributable to its equity holders of S\$13.2 million, compared to S\$15.3 million for the corresponding period last year.

Other Industrial Investments

This business segment includes GP Industries' investments in Meiloon Industrial Co., Ltd. ("Meiloon") and Linkz Industries Limited ("Linkz"). Meiloon continued to improve its operating results and reported a profit before taxation, compared to a loss last year. On the other hand, the pre-tax profit contributed by Linkz decreased marginally. Excluding exceptional items, this business segment reported a 138.3% increase in profit contribution.

Prospects of GP Industries

Commenting on the prospects of GP Industries, Chairman Victor Lo said, "Economic outlook is expected to be uncertain for many markets, which could affect exchange rates and consumer demand, although some of GP Industries' businesses in the US are expected to strengthen. Economic slowdown will continue to adversely affect the sales of battery products particularly in emerging markets."

"Lower commodity prices and the softened Renminbi exchange rate contributed to reduce the impact of rapidly increasing manufacturing costs in China."

Lo continued, "In view of the uncertain economic outlook, GP Industries will continue to maintain a healthy balance sheet and invest in technology, product development and brand building." Lo is also Chairman and Chief Executive of GP Batteries and Gold Peak.

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