

## Press Release

For Immediate Release

26 May 2016, Hong Kong



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

GP Batteries International Limited, listed in Singapore and a subsidiary of Gold Peak Industries (Holdings) Limited (*stock code: 40*), today announced its unaudited consolidated results for the year ended 31 March 2016.

GP Batteries is 64.7% owned by GP Industries Limited, which is also listed in Singapore and an 85.5% subsidiary of Gold Peak.

#### Summary of results of GP Batteries

	<i>(For the year ended 31 March)</i>		% of change
	2016	2015	
Turnover	S\$765.3 million	S\$719.3 million	+ 6.4%
Profit attributable to equity holders of GP Batteries	S\$2.4million	S\$13.0 million	- 81.5%

#### Summary of Business Review of GP Batteries

Turnover for the twelve months ended 31 March 2016 was S\$765.3 million, an increase of 6.4% over the corresponding period last year. As the Singapore dollar has weakened against the US dollar during the year, the changes in turnover in US dollar terms over the corresponding periods last year would be decrease of 1.3%.

Sales of primary batteries decreased by 0.2% for the three months ended 31 March 2016 while sales for the twelve months ended 31 March 2016 increased by 6.1% as compared to the corresponding periods last year. For rechargeable batteries, sales for the three months ended 31 March 2016 decreased by 1.9% while sales for the twelve months ended 31 March 2016 increased by 8.2%.

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

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For the three months ended 31 March 2016, sales in Europe increased by 11.9% while sales in Asia decreased by 5.9% as compared to last year. For the twelve months ended 31 March 2016, sales in Asia and Europe increased by 7.5% and 5.3% respectively.

For the three months ended 31 March 2016, loss before income tax was S\$4.2 million as compared to a profit before income tax of S\$6.1 million last year. Profit before income tax for the twelve months ended 31 March 2016 was S\$28.6 million as compared to S\$41.6 million last year. Gross profit margins for the twelve months ended 31 March 2016 were 23.2% as compared to 23.1% last year.

Distribution expenses for the three months ended 31 March 2016 were S\$9.1 million as compared to S\$15.6 million last year mainly due to a reversal of S\$3.8 million of doubtful debts provision as a result of improved receivable/collection cycles and ageing profiles from the PRC distribution network. Distribution expenses for the twelve months ended 31 March 2016 were S\$61.6 million as compared to S\$58.0 million last year due to increase in turnover.

Administrative expenses for the twelve months ended 31 March 2016 were S\$89.0 million as compared to S\$76.8 million last year. This was mainly due to increase in staff cost, office rental and IT expenses.

Finance costs for the twelve months ended 31 March 2016 were S\$6.4 million as compared to S\$5.4 million last year mainly due to additional interest expenses incurred after the draw down of the S\$85 million three-year term loan facility in July 2015.

Net other operating expenses for the three months ended 31 March 2016 were S\$13.4 million as compared to S\$1.2 million last year mainly due to (a) a foreign exchange loss of S\$6.4 million as compared to a foreign exchange gain of S\$2.9 million last year; (b) a S\$4.5 million of fixed assets impairment in respect of GP Batteries' rechargeable Lithium batteries production facilities due to under-utilized production capacity as compared to a S\$2.5 million of fixed asset impairment last year; and (c) a S\$2.9 million of goodwill impairment that arose as a result of the carrying values of the investment in subsidiaries exceeding the recoverable amounts as determined by the expected future cash flow generated. Net operating income for

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the twelve months ended 31 March 2016 was S\$3.0 million as compared to S\$14.7 million last year mainly due to, besides the aforementioned impairment, (a) a gain of S\$4.0 million arising from the disposal of a factory building in the PRC 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 foreign exchange gain of S\$3.5 million this year as compared to a foreign exchange gain of S\$6.6 million last year.

Share of profits of associates for the twelve months ended 31 March 2016 were S\$4.9 million as compared to S\$0.7 million over the corresponding period last year mainly due to the improved performance of STL Group and AZ Limited, GP Batteries' 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, "Global demands for primary batteries and Nickel Metal Hydride batteries are expected to be slow-growing. Price competition is expected to be very keen. Growth has to come mainly from increasing market share and developing new applications."

"The new plant in Vietnam is under construction. In addition, GP Batteries is planning at increase the production capacity in the Malaysian plant."

"GP Batteries is aiming at combining smaller plants in the PRC and Taiwan into bigger plants in order to improve efficiency and to accommodate further automation. GP Batteries will continue to invest in brands and distribution in selected markets." Lo is also Chairman of GP Industries and Chairman and Chief Executive of Gold Peak.

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