

Press Release

For Immediate Release

20 June 2016, Hong Kong



Gold Peak announces 2015/2016 final results

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 2016.

Financial highlights

Turnover	: HK\$5,795 million, down 1%
Profit attributable to owners of the Company	: HK\$18.7 million, down 64% (2014/15: HK\$51.5 million)
Earnings per share	: 2.4 HK cents (2014/15: 6.6 HK cents)
Proposed final dividend per share	: 1.0 HK cent (2014/15 Final dividend: 2.5 HK cents)

Business review

GP Industries (85.5% owned by Gold Peak as at 31 March 2016)

For the financial year ended 31 March 2016 ("FY2016"), GP Industries' revenue was S\$1,038.3 million, an increase of 6.6% over the revenue reported for the financial year ended 31 March 2015 ("FY2015"). Expressed in US dollar, GP Industries' revenue for FY2016 declined by 1.0%, compared to FY2015.

GP Industries reported a net exceptional loss of S\$2.0 million for FY2016, comprising a S\$1.3 million write-back of unclaimed warranty provision, a S\$4.1 million property disposal gain of GP Batteries and an exceptional loss of S\$7.4 million mainly from

impairment charges for under-utilised factory assets and goodwill of GP Batteries. In FY2015, GP Industries reported a net exceptional gain of S\$5.6 million, which included property disposal gains, impairment charges and restructuring costs.

For FY2016, profit after taxation attributable to equity holders of GP Industries decreased by 10.3% to S\$22.8 million, compared to S\$25.5 million reported for FY2015.

However, excluding exceptional items, profit attributable to equity holders of GP Industries for FY2016 was S\$23.7 million, compared to S\$24.1 million for FY2015, a decrease of 1.7%.

Electronics and acoustics business

- Revenue increased by 6.4% over FY2015 when expressed in Singapore dollar terms and decreased by 1.2% when expressed in US dollar terms.
- In US dollar, sales of electronics products decreased by 2.7% while sales of acoustics products increased by 3.7%.
- Sales of acoustics products, in US dollar terms, increased by 10.5% and 12.2% to Asia and the US respectively while sales to Europe declined by 8.4%.
- Profit contribution after exceptional items and before taxation increased by 4.7%.

Automotive wire harness business

- Revenue from the export-oriented automotive wire harness business grew by 12.9% in Singapore dollar terms or 4.8% in US dollar terms, driven mainly by a 28.9% sales increase to China despite a 1.0% drop in sales to the US.
- This business segment wrote back S\$1.3 million, 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. As a result, profit contribution after exceptional item and before taxation increased by 9.8%.

Battery Business (“GP Batteries”) (64.7% owned by GP Industries as at 31 March 2016)

- Revenue of GP Batteries increased by 6.4% to S\$765.3 million in Singapore dollar terms or 1.3% lower in US dollar terms.
- Sales of primary and rechargeable batteries increased by 6.1% and 8.2% respectively in Singapore dollar terms. In geographical terms, sales in Asia and Europe increased by 7.5% and 5.3% respectively, both in Singapore dollar terms.
- Gross profit margin improved slightly from 23.1% to 23.2%.
- GP Batteries reported a net exceptional loss of S\$3.3 million, comprising S\$4.5 million of fixed assets impairment with respect to its under-utilised rechargeable lithium batteries production facilities, S\$2.9 million of goodwill impairment and S\$4.1 million of property disposal gain. In FY2015, GP Batteries reported a S\$6.9 million net exceptional gain, comprising property disposal gains and impairment charges against fixed assets and inventories.
- GP Batteries’ share of profit from associates increased from S\$0.7 million to S\$4.9 million for FY2016, due mainly to improved performance of its associates in Taiwan and Russia.
- GP Batteries reported a profit after taxation attributable to its equity holders of S\$2.4 million, compared to S\$13.0 million for FY2015.

Other industrial investments

- While Meiloon Industrial Co., Ltd. reported a profit before taxation compared to a loss in FY2015, pre-tax profit of Linkz Industries Limited decreased.
- Excluding exceptional items, this business segment reported a 59.6% increase in profit contribution. In FY2015, this segment reported an exceptional loss of S\$1.0 million relating to the disposal of a subsidiary.

Prospects

Commenting on the prospects of the Group, Victor Lo, Chairman and Chief Executive of Gold Peak, said, “Consumer demand in many key markets is expected to remain weak although some of the Group’s businesses in the US are expected to remain stable.”

“Global demands for primary batteries and rechargeable 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.”

“GP Batteries’ new plant in Vietnam is under construction and GP Batteries is planning to increase the production capacity of its plant in Malaysia.”

Lo continued, “In view of the slow-growing world economy, the Group will continue to maintain a healthy balance sheet and to enhance competitiveness by investing in technology, product development and building the Group’s brands.”

#