

## Press Release

For Immediate Release

9 February 2017, Hong Kong



### Singapore-listed GP Industries announces 2016/2017 Q3 results

Gold Peak Industries (Holdings) Limited's (stock code: 40) 85.5% subsidiary, the Singapore-listed GP Industries Limited, today announced its unaudited quarterly results for the nine months ended 31 December 2016.

#### Summary of results of GP Industries

	<i>(For the nine months ended 31 December)</i>		% of change
	2016	2015	
Turnover	S\$774 million	S\$805 million	- 3.8%
Profit attributable to equity holders of GP Industries	S\$20.07 million	S\$27.03 million	- 25.7%

#### Review of Results

GP Industries' revenue for the nine-month ended 31 December 2016 ("Q3YTD") was S\$774.4 million, 3.8% lower than the revenue reported for the same period in 2015.

During Q3YTD, GP Industries recorded exceptional gains of S\$6.1 million from the disposal of assets and write-back of excess restructuring costs, as compared to gains of S\$5.4 million for the corresponding period last year from disposal of assets and write-back of unclaimed warranty cost provision.

For Q3YTD, profit after taxation attributable to equity holders decreased by 25.7% to S\$20.1 million, as compared to S\$27.0 million last year.

## **Business Review of GP Industries**

*(for the nine months ended 31 December 2016)*

### ***Electronics and Acoustics Business***

Revenue from the electronics and acoustics business in Q3YTD decreased by 3.0% when compared to the same period last year. The decrease was due mainly to a 4.0% decrease in sales of acoustics products and the closure of a subsidiary in component manufacturing. Comparing sales during Q3YTD last year, sales of electronics products remained stable. Sales of acoustics products to the US and Asia decreased by 5.0% and 5.5% respectively while sales to Europe remained stable. The associates contributed less profit before taxation in aggregate due mainly to soft market demand. Profit contribution before exceptional items and taxation from the electronics and acoustics business decreased by 29.7%.

### ***Automotive Wire Harness Business***

Overall sales of the automotive wire harness business grew by 6.0%. Sales to China increased by 29.0% while sales to the US decreased by 1.8%. Profit contribution before exceptional items and taxation from the automotive wire harness business remained stable.

### ***Battery Business***

The revenue of GP Batteries International Limited (“GP Batteries”) for Q3YTD was S\$568.1 million, 4.6% lower than that for the comparative period last year. Global demands for primary batteries and Nickel Metal Hydride batteries were slow growing and price competition was very keen. Sales of primary batteries and rechargeable batteries decreased by 2.8% and 14.2% respectively. The drop in the revenue of rechargeable batteries was due mainly to the discontinuation of a contract with a major customer of the Taiwan plant, which has ceased production.

In geographical terms, sales in the Americas decreased by 31.6% while sales in Europe increased by 32.8%. The decrease in sales in the Americas and increase in sales in Europe were largely due to the relocation of the procurement office of a major customer from the US to Europe.

During Q3YTD, GP Batteries reported foreign exchange gains of S\$12.6 million, as compared to the S\$9.9 million reported in the same period last year.

Profit contribution from GP Batteries' associates increased to S\$5.8 million for Q3YTD from S\$3.7 million last year. The performance of AZ Limited, an associate in Russia, and T.G. Battery Co (Hong Kong) Limited have improved.

For Q3YTD, GP Batteries reported a profit after taxation attributable to its equity holders of S\$7.5 million, as compared to S\$13.2 million last year.

### **Other Industrial Investments**

This business segment includes GP Industries' investments in Meiloon Industrial Co., Ltd. ("Meiloon") and Linkz Industries Limited ("Linkz"). Both Meiloon and Linkz reported improved performance and contributed more profit before taxation. Profit contribution from this business segment increased by 33.1% during Q3YTD when compared to the corresponding period last year.

### **Prospects of GP Industries**

Commenting on the prospects of GP Industries, Chairman Victor Lo said, "Consumer demand in Europe is expected to remain weak and this challenging market environment is further aggravated by the weak Euro and Pound Sterling. Markets in the US and China are expected to be stable."

"For the battery business, there is conceivably significant unsold capacity for primary and Nickel Metal Hydride batteries within the industry and competition will continue to be keen. GP Batteries' strategy of merging smaller factories into bigger ones is expected to enhance cost competitiveness after the consolidation. The production facilities for primary button batteries in Shanghai will be relocated to Ningbo and GP Batteries will incur some closure costs as a result in the fourth quarter of this financial year. As the new factories in Malaysia and Vietnam come on stream, they will also start to contribute to revenue growth."

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

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Lo continued, “GP Industries will continue to enhance the competitiveness of its businesses by investing in technology, new product development, further automating its factories and to continue building its brands and global distribution networks.” Lo is also Chairman and Chief Executive of GP Batteries and Gold Peak.

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