

Press Release

For Immediate Release

20 June 2017, Hong Kong



Gold Peak announces 2016/2017 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 2017.

Financial highlights

Turnover	: HK\$5,823 million, up 0.5%
Profit attributable to owners of the Company	: HK\$20.1 million, up 7.5% (2015/16: HK\$18.7 million)
Earnings per share	: 2.6 HK cents (2015/16: 2.4 HK cents)
Proposed final dividend per share	: 1.2 HK cents (2015/16 final dividend: 1.0 HK cent)

Business review

GP Industries (*85.5% owned by Gold Peak as at 31 March 2017*)

For the financial year ended 31 March 2017 (“FY2017”), GP Industries’ revenue was S\$1,037.6 million, comparable to the revenue reported for the financial year ended 31 March 2016 (“FY2016”).

During FY2017, GP Industries continued its strategy to invest in building brands and strengthening global distribution leading to an increase in distribution costs. During FY2017, GP Batteries International Limited (“GP Batteries”) started expanding its manufacturing facilities and consolidated some smaller factories, thus incurring closure costs. However, gains were also reported from disposal of property, plant and equipment.

For FY2017, profit before taxation attributable to equity owners of GP Industries decreased by 2.9% to S\$55.3 million, compared to S\$57.0 million for FY2016.

Profit after taxation attributable to equity holders of GP Industries for FY2017 decreased by 18.3% to S\$18.7 million, compared to S\$22.8 million reported for FY2016.

Electronics and acoustics business

- Revenue grew by 1.2% when compared to FY2016.
- Sales of electronics and acoustics products increased by 3.2% and 1.8% respectively.
- Sales of acoustics products increased by 4.2% and 1.1% to the US and Europe markets respectively, and remained essentially flat to the Asia market.
- Profit contribution decreased by 10.8% in FY2017.

Automotive wire harness business

- Sales grew by 3.5% in FY2017 when compared to FY2016.
- Sales to China increased by 28.2% while sales to the US decreased by 4.9%.
- Profit contribution decreased by 28.3% when compared to FY2016, as a write-back of S\$1.3 million unclaimed warranty cost provision related to the disposal of a joint venture in 2013 was reported in FY2016.

Battery Business (“GP Batteries”) (64.9% owned by GP Industries as at 31 March 2017)

- Revenue of GP Batteries decreased by 0.7% to S\$759.8 million.
- Sales of primary batteries increased by 1.3% while sales of rechargeable batteries decreased by 10.4%. In geographical terms, sales in the Americas and Asia decreased by 24.3% and 2.4% respectively while sales in Europe increased by 32.2%.

- During FY2017, foreign exchange gains increased from S\$3.5 million to S\$7.4 million.
- GP Batteries' share of profit from associates increased from S\$4.9 million to S\$6.8 million for FY2017 due to improved performance of associates in Russia and Taiwan.
- GP Batteries reported a profit after taxation attributable to its equity owners of S\$3.5 million, compared to S\$2.4 million for FY2016.

Other industrial investments

- Profit contribution increased by 37.4% as both Meiloon Industrial Co., Ltd. and Linkz Industries Limited contributed more profit before taxation.

Prospects

Commenting on the prospects of the Group, Victor Lo, Chairman and Chief Executive of Gold Peak, said, "Consumer demand in the US is expected to gradually strengthen and demand in China is expected to be stable. Consumer demand in Europe is expected to remain weak. This challenging market environment is further aggravated by the weak Euro and Pound Sterling."

"Global demands for batteries are expected to be slow-growing. Price competition is expected to be keen. GP Batteries will continue to consolidate the smaller factories into larger ones to benefit from economies of scale and to raise its competitiveness. Additional production capacity from the new factories in Malaysia and Vietnam is expected to start bringing in additional revenue to GP Batteries."

Lo continued, "Gold Peak will continue to enhance the competitiveness of its businesses by investing in technology and new product development, further automating its factories and building its brands and distribution networks in key markets."

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