

Press Release

For Immediate Release

10 November 2017, Hong Kong



Singapore-listed GP Industries announces 2017/2018 interim results

Gold Peak Industries (Holdings) Limited's (stock code: 40) 85.5% subsidiary, the Singapore-listed GP Industries Limited, today announced its unaudited interim results for the six months ended 30 September 2017.

Summary of results of GP Industries

	<i>(For the six months ended 30 September)</i>		% of change
	2017	2016	
Turnover	S\$569 million	S\$504 million	+ 13.0%
Profit attributable to equity holders of GP Industries	S\$12.54 million	S\$11.94 million	+ 5.0%

Review of Results

GP Industries' revenue for the six-month period ended 30 September 2017 ("H1FY2018") was S\$569.4 million, an increase of 13.0% over the revenue reported for the corresponding period ended 30 September 2016 ("H1FY2017"). The increase was mainly attributable to a 16.6% revenue growth of GP Batteries International Limited ("GP Batteries") and a 4.9% revenue increase reported by the electronics and acoustics business.

Gross profit increased by 11.3% to S\$138.6 million, despite a 13.0% increase in revenue, due mainly to appreciation of the Renminbi and increases in metal and component prices. Distribution costs increased by 11.4% mainly from GP Industries' increased investments in brand building activities. During H1FY2018, GP Industries reported a net exchange loss of S\$4.5 million as compared to a net exchange gain of

S\$5.3 million for H1FY2017. It also reported a higher other operating income of S\$11.2 million for H1FY2018 when compared to the S\$6.9 million reported last year, mainly from a higher gain from disposal of property, plant and equipment and a government grant received by GP Batteries.

For H1FY2018, profit before taxation increased by 5.8% to S\$32.9 million when compared to the S\$31.1 million reported in H1FY2017. Profit after taxation attributable to equity holders for H1FY2018 increased by 5.0% to S\$12.5 million when compared to the S\$11.9 million reported last year.

Business Review of GP Industries

(for the six months ended 30 September 2017)

Electronics and Acoustics Business

Revenue from the electronics and acoustics business in H1FY2018 grew by 4.9% when compared to H1FY2017. Sales of electronics products decreased by 4.3%, which was affected by the phasing out of some old products and the soft sales in Europe. Sales of acoustics products continued to grow and reported an increase of 22.6%, with sales to the US market increased by 22.1%, to the Asian markets by 39.4% and to the European market by 4.1%. However, the appreciation of the Renminbi, rapid increase in the price of certain components and GP Industries' active investments in brand building activities affected margins and costs.

Automotive Wire Harness Business

Sales of the automotive wire harness business decreased by 6.5% in H1FY2018. Sales to China increased by 46.5% while sales to the US decreased by 27.0% as some wire harnesses supplied to a key US customer approached the end of their production cycle. The appreciating Renminbi also affected the margins in this business.

Battery Business

The revenue of GP Batteries for H1FY2018 was S\$433.2 million, a 16.6% increase over H1FY2017. Sales of both primary batteries and rechargeable batteries

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increased by 17.1%. Gross profit margin maintained at 22.0% for H1FY2018, same as that for H1FY2017.

In geographical terms, sales increased across all regions. Sales in the Americas, Asia and Europe increased by 41.0%, 8.1% and 23.5% respectively.

During H1FY2018, GP Batteries reported a net exchange loss of S\$4.4 million, compared to a net exchange gain of S\$3.9 million in H1FY2017.

For H1FY2018, GP Batteries reported a profit after taxation attributable to its equity holders of S\$9.1 million, compared to S\$3.8 million for H1FY2017.

Other Industrial Investments

This business segment includes GP Industries' investments in Meiloon Industrial Co., Ltd. ("Meiloon") and Linkz Industries Limited ("Linkz"). In H1FY2018, both Meiloon and Linkz reported revenue growth and contributed more profit before taxation.

Prospects of GP Industries

Commenting on the prospects of GP Industries, Chairman and Chief Executive Officer, Victor Lo said, "Consumer demand for GP Industries' products is expected to gradually strengthen in the US and demand in China is expected to remain stable. Consumer demand in Europe is expected to gradually regain some growth from the current lower level. However, appreciation of Renminbi and increases in the price of certain metals and components are expected to affect the profit margin for some of its businesses."

"GP Batteries' new production capacity in Malaysia is contributing to its business growth."

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 distribution networks in key markets." Lo is also Chairman and Chief Executive of GP Batteries and Gold Peak.

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

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On 10 August 2017, GP Industries announced that, subject to and contingent upon the fulfilment of certain pre-condition (the “Pre-Condition”), GP Industries intended to make a voluntary conditional cash offer (the “Offer”) for all the issued ordinary shares of GP Batteries (“GP Batteries Shares”), other than the GP Batteries Shares already owned or agreed to be acquired by GP Industries as at the date of the Offer.

On 22 September 2017, the Pre-Condition to the Offer was fulfilled and GP Industries’ firm intention to make the Offer was announced. The formal offer document dated 6 October 2017 containing the terms and conditions of the Offer (the “Offer Document”) was despatched to the shareholders of GP Batteries on the same date. The Offer is conditional upon the 90% Acceptance Condition (as defined in the Offer Document) being satisfied.

On 31 October 2017, the 90% Acceptance Condition was satisfied and the Offer was declared unconditional in all respects on the same date. This has resulted in an increase in GP Industries’ equity interest in GP Batteries to approximately 90.37%, compared with approximately 64.88% as at 30 September 2017.

On 6 November 2017, it was further announced that GP Industries is entitled to, and will in due course, exercise its right of compulsory acquisition under Section 215(1) of the Companies Act, Chapter 50 of Singapore to compulsorily acquire all the GP Batteries Shares held by GP Batteries shareholders who have not accepted the Offer.

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