

Press Release

For Immediate Release

13 August 2021, Hong Kong



Singapore-listed GP Industries achieves 15.8% up for first quarter revenue

Gold Peak Industries (Holdings) Limited's (stock code: 40) 85.59% subsidiary, the Singapore-listed GP Industries Limited, today announced its business update for the three months ended 30 June 2021 ("1QFY2022").

Overview of the Group's sales performance for 1QFY2022

Despite great challenges from disruptions in material supply and global logistics caused by the COVID-19 pandemic, GP Industries' revenue for 1QFY2022 amounted to S\$301.6 million, a 15.8% increase when compared to the revenue for the three-month period ended 30 June 2020.

Revenue of the Batteries Business increased by 7.9%, due mainly to an 8.7% increase in sales of primary batteries. Revenue of the Electronics and Acoustics Business increased substantially by 61.8% which reflected the strong rebound of market demand for acoustics products. KEF's new products launched during the last financial year were very well received in both the American and European markets and sales of KEF's products increased by 81.5%. Sales of Celestion professional speaker drivers also increased by 53.0% while sales from contract manufactured professional audio products increased by 36.0%.

On 31 May 2021, GP Industries announced that it has entered into a conditional agreement to dispose of the Automotive Wire Harness Business and proceeds from the proposed disposal will be used to help strengthen its cash flow and fund the working capital requirements of its core businesses. The proposed disposal is expected to be completed by 30 September 2021.

Impacts of COVID-19 on the Group's businesses for 1QFY2022

As new COVID-19 virus variants became more widespread, the number of pandemic cases in the world, including some developed countries with high vaccination rates, remained at a high level, which continues to cast uncertainties on the global economic recovery. Despite temporary lockdowns, social distancing and changing travel restrictions imposed by various countries during 1QFY2022, GP Industries continued to make progress in rationalizing its production facilities while complying with the required safety management measures in various countries.

During 1QFY2022, GP Industries' factories in China and Vietnam maintained normal operations. Its factory in Thailand also resumed production during 1QFY2022 and started the manufacturing of contract manufactured professional audio products in June 2021. GP Industries' regional sales and marketing offices in various countries in Europe, the Americas, the Asia Pacific and the Greater China regions are all in full operation.

However, GP Industries' factories in Malaysia were ordered to reduce production according to the operation level approved by the Malaysian government as various movement control orders were implemented in the country during 1QFY2022. GP Industries reorganized the production capacity of factories outside Malaysia to accommodate for the reduced production capacity in Malaysia.

GP Industries anticipates that any potential impact on its businesses will depend, to a large extent, on future developments of the COVID-19 pandemic and actions taken by government authorities to contain the pandemic. GP Industries will stay vigilant and focus on driving revenue, adapting its operations and containing costs while working with government measures to control the spread of the pandemic.

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