Gold Peak Technology Group Limited
金山科技工業有限公司

Press Release

For Immediate Release

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Singapore-listed GP Industries announces 2026/2027 interim results

Gold Peak Technology Group Limited's *(stock code: 40)* 86.18%* subsidiary, the Singapore-listed GP Industries Limited ("GP Industries" and together with its subsidiaries "GP Industries Group"), today announced its unaudited consolidated results for the 6 months ended 30 September 2026 ("1HFY2027").

Highlights of Results of GP Industries

- Revenue increased by 9.1% to S$606.5 million compared with the six months ended 30 September 2025 ("1HFY2026"), supported by growth in both the Battery Business and the Electronics and Acoustics Business.
- Gross profit increased by 7.2% to S$169.8 million, while gross profit margin declined by 50 basis points to 28.0% compared with 1HFY2026, primarily reflecting changes in trade dynamics affecting the Battery Business, including the reduction in China's VAT export rebate.
- Administrative expenses increased by 6.0% to S$68.6 million, mainly reflecting transitional costs for rightsizing initiatives the Management is taking.
- Finance costs remained broadly stable at S$11.2 million compared with 1HFY2026.
- Profit attributable to equity holders of GP Industries increased by 10.0% to S$18.0 million compared with 1HFY2026.
- The proposed interim dividend is 1.85 Singapore cents per GP Industries share, representing a payout ratio of 51.2%.
- GP Industries Group's net current assets increased by S$63.4 million to S$63.9 million compared with 31 March 2026.
- The gearing ratio decreased from 57.4% at 31 March 2026 to 51.8%.

Review of Results

For 1HFY2027, GP Industries Group recorded revenue of S$606.5 million, an increase of S$50.6 million, or 9.1%, compared with 1HFY2026. Growth was primarily driven by sales to Asia and Europe, which increased by 15.1% and 18.9%, respectively, more than offsetting a 15.6% decline in sales to the U.S. amid continued uncertainties surrounding U.S. tariff policies. Sales to the U.S. accounted for 16.2% of Group revenue in 1HFY2027 (1HFY2026: 21.0%).

Revenue from the Battery Business increased by 10.3% in 1HFY2027, supported by strong demand for cylindrical alkaline and coin cell batteries. Revenue from the Electronics and Acoustics Business increased by 5.3%, led by growth in sales of KEF-branded products, particularly in Asia.

Gross profit increased by 7.2% to S$169.8 million, while gross profit margin declined from 28.5% in 1HFY2026 to 28.0% in 1HFY2027. The decline primarily reflected changes in trade dynamics affecting the Battery Business, including the reduction in China's VAT export rebate. This was partly offset by an improved business mix in the Electronics and Acoustics Business, with a greater contribution from the higher-margin KEF-branded business. GP Industries Group continues to maintain strict cost controls and closely manage the volume and timing of commodity purchases to mitigate further margin pressure.

Distribution costs remained broadly stable at S$67.7 million compared with 1HFY2026, despite revenue growth of 9.1% and higher global logistics costs. Administrative expenses increased by S$3.9 million, or 6.0%, to S$68.6 million, primarily due to higher staff costs. The increase is expected to be transitional as GP Industries Group adjusts its cost structure with rightsizing initiatives, which included some initial adjustment costs before saving are realized later.

Other operating income for 1HFY2027 was S$10.3 million (1HFY2026: S$10.7 million), mainly comprising:

- Refund of U.S. tariffs of S$3.5 million (1HFY2026: Nil),
- Government grants of S$1.1 million (1HFY2026: S$1.8 million),
- Interest income of S$0.9 million (1HFY2026: S$0.9 million), and
- Fair value gain on investment properties of S$0.6 million (1HFY2026: S$1.6 million).

Other operating expenses for 1HFY2027 were S$4.5 million, mainly comprising:

- Exchange loss of S$2.7 million (1HFY2026: exchange gain of S$2.4 million recorded in other operating income),
- Bank charges of S$0.8 million (1HFY2026: S$0.8 million),
- Fair value loss on financial assets at fair value through profit or loss of S$0.6 million (1HFY2026: S$0.2 million), and
- Property, plant and equipment write-off of S$0.4 million (1HFY2026: S$0.9 million).

GP Industries Group's profit before finance costs and share of results of associates increased by 13.9% to S$38.5 million in 1HFY2027 compared with 1HFY2026. The increase was primarily attributable to higher gross profit and the refund of U.S. tariffs, partly offset by higher administrative expenses and an exchange loss.

GP Industries Group's share of results of associates decreased by 24.2%, from S$9.7 million in 1HFY2026 to S$7.3 million in 1HFY2027. This primarily reflected Changzhou Lithium Batteries Limited ("CZLB") becoming a subsidiary on 1 January 2026 and therefore ceasing to be an associate, together with lower contributions from Wisefull Technology Limited ("Wisefull") and Meiloon Industrial Co., Ltd. ("Meiloon").

GP Industries Group's finance costs remained broadly stable at S$11.2 million (1HFY2026: S$11.1 million), as borrowing interest rates stabilised and average total borrowing level maintained during 1HFY2027.

Profit attributable to equity holders of GP Industries increased by 10.0% to S$18.0 million. The directors of GP Industries have proposed an interim dividend of 1.85 Singapore cents per share (1HFY2026: 1.75 Singapore cents per share), representing a payout ratio of 51.2% (1HFY2026: 53.7%).

Business Review of GP Industries

Battery Business

Revenue for the Battery Business in 1HFY2027 was S$464.6 million, an increase of 10.3% compared with 1HFY2026. The growth was primarily driven by cylindrical alkaline and coin cell batteries, whose sales increased by 16.0% and 22.6%, respectively.

Gross profit margin for the Battery Business declined from 24.5% in 1HFY2026 to 23.4% in 1HFY2027, as volume growth did not fully offset changes in sales mix and cost pressures, including the reduction in China's VAT export rebate.

Profit contribution from the Battery Business decreased from S$26.3 million in 1HFY2026 to S$22.7 million in 1HFY2027. Higher gross profit was offset by increased operating expenses, primarily reflecting a transitional rise in staff costs as management is restructuring the business to best meet the evolving operating environment, together with higher global logistics costs.

Electronics & Acoustics Business

Revenue of the Electronics and Acoustics Business for 1HFY2027 increased by 5.3% to S$142.0 million, underpinned by an 11.0% increase in KEF sales, driven by the continued success of new product launches and stronger performance across Asian markets.

Gross profit margin increased by 210 basis points to 43.0%, primarily reflecting improved margins at KEF and a greater contribution from the KEF-branded business. Profit contribution from the Electronics and Acoustics Business increased from S$2.8 million in 1HFY2026 to S$11.1 million in 1HFY2027, supported by higher gross profit and effective control of administrative and distribution expenses, despite rising global logistics costs.

Other Industrial Investments

This segment mainly includes investments in Meiloon, Shinwa Industries (H.K.) Limited, Wisefull and GP Industries's investment in GP Energy Tech Limited. Contribution before taxation decreased from S$5.9 million in 1HFY2026 to S$3.7 million in 1HFY2027, primarily due to lower share of results from Wisefull and Meiloon.

Capital Resource and Liquidity of GP Industries Group

During 1HFY2027, GP Industries Group continued to strengthen its debt maturity profile and liquidity position, including through the drawdown of a new three-year syndicated term loan of HK$350 million to refinance short-term borrowings. Net current assets increased from S$0.5 million as at 31 March 2026 to S$63.9 million as at 30 September 2026, while the current ratio improved from 1.00 to 1.11.

GP Industries Group continued to reduce leverage, with net bank borrowings decreasing from S$259.7 million to S$248.9 million and the gearing ratio declining from 57.4% to 51.8%.

Outlook of GP Industries

Market Environment

GP Industries Group delivered revenue and profit growth in the first half of FY2027 despite continued volatility arising from U.S. tariff developments and challenging global macroeconomic and geopolitical conditions. Its resilience was supported by strategic investments in the Battery and branded audio businesses, the continued rebalancing of manufacturing capacity across Asia and expanding distribution in key markets. The proportion of sales to the U.S. in 1HFY2027 declined 15.6% compared with 1HFY2026, while sales to Asia increased to 58.4% of Group revenue.

GP Industries Group expects operating conditions in the second half of FY2027 to remain challenging. In the Battery Business, management will focus on supporting gross profit margins, improving cost efficiency through rightsizing initiatives and strengthening cash generation through disciplined working capital management. Key uncertainties include tariff developments and potential EU anti-dumping measures on cylindrical alkaline batteries. Management will continue to closely monitor these developments and explore opportunities to expand production capacity outside China to enhance supply chain flexibility and mitigate trade and cost risks.

For the Electronics and Acoustics Business, GP Industries Group will continue to focus on technology and product development, strengthening its premium brands, extending its income stream to licensing income and expanding global sales channels, including KEF's partnerships with leading retailers and its network of Experience Centres in key global cities. Despite uncertainties arising from increasing electronic component costs and the broader economic uncertainties, which may affect demand for premium audio products, GP Industries Group remains focused on strengthening KEF's brand positioning, development of new products and expanding its global market presence.

Assets Optimization

GP Industries Group continues to pursue opportunities to divest non-core assets, including vacant land and unused factories in Malaysia and China. Where an immediate disposal is not commercially attractive, GP Industries Group will seek to generate rental income where appropriate. These initiatives support GP Industries Group's objectives to optimize its asset base, reduce leverage, enhance financial flexibility and prioritize capital allocation to its core businesses.

Conclusion

Commenting on the prospects of GP Industries, Victor Lo, Executive Chairman said, "GP Industries Group's diversified manufacturing footprint, adaptable supply chain and established brand portfolio provide a foundation for navigating continued global uncertainty. Its priorities remain disciplined cost management, rightsizing initiatives, investment in core businesses and strategic asset optimization. Through these priorities, GP Industries Group aims to strengthen profitability and cash generation, reduce leverage and enhance financial flexibility, while pursuing sustainable long-term growth and value creation." Lo is also the Chairman and Chief Executive of Gold Peak.

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