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

(Incorporated in Hong Kong under the Companies Ordinance)

(Stock Code: 40)



**Announcement of 2017/2018 Nine-Month Results of
GP Industries Limited
(For the nine months ended 31 December 2017)**

Pursuant to Paragraph 13.09(2) of the Listing Rules, the Board of Directors of Gold Peak Industries (Holdings) Limited is pleased to announce the unaudited consolidated results of GP Industries Limited for the nine months ended 31 December 2017. GP Industries' turnover increased by 8.1% to S\$837.2 million and the net profit attributable to equity holders of GP Industries increased by 50.6% to S\$30.2 million for the nine months ended 31 December 2017.

Pursuant to Paragraph 13.09(2) of the Listing Rules, the Board of Directors of Gold Peak Industries (Holdings) Limited (the "Company") is pleased to announce the unaudited consolidated results of GP Industries Limited ("GP Industries" and together with its subsidiaries, "GP Industries Group") for the nine months ended 31 December 2017. GP Industries is an 85.5%-owned subsidiary of the Company and is listed on the Singapore Exchange Securities Trading Limited.

GP INDUSTRIES LIMITED
UNAUDITED CONSOLIDATED RESULTS

	For the nine months ended 31 December 2017		For the nine months ended 31 December 2016	
	S\$'000	HK\$'000 (Note)	S\$'000	HK\$'000 (Note)
Turnover	837,200	4,758,561	774,441	4,366,840
Cost of sales	<u>(637,022)</u>	<u>(3,620,769)</u>	<u>(581,021)</u>	<u>(3,276,203)</u>
Gross profit	200,178	1,137,792	193,420	1,090,637
Other operating income	33,607	191,019	12,595	71,019
Distribution costs	(79,806)	(453,609)	(84,035)	(473,848)
Administrative expenses	(94,065)	(534,656)	(96,183)	(542,347)
Exchange (loss) gain	(6,640)	(37,741)	14,506	81,795
Other operating expenses	<u>(5,037)</u>	<u>(28,630)</u>	<u>(3,839)</u>	<u>(21,647)</u>
Profit from operations	48,237	274,175	36,464	205,609
Finance costs	(12,023)	(68,338)	(9,520)	(53,680)
Share of results of associates	<u>26,181</u>	<u>148,810</u>	<u>23,934</u>	<u>134,957</u>
Profit before taxation	62,395	354,647	50,878	286,886
Taxation	<u>(21,619)</u>	<u>(122,880)</u>	<u>(18,465)</u>	<u>(104,119)</u>
Profit after taxation	<u>40,776</u>	<u>231,767</u>	<u>32,413</u>	<u>182,767</u>
Attributable to:				
Equity holders of GP Industries	30,231	171,830	20,074	113,191
Non-controlling interests	<u>10,545</u>	<u>59,937</u>	<u>12,339</u>	<u>69,576</u>
	<u>40,776</u>	<u>231,767</u>	<u>32,413</u>	<u>182,767</u>
	S cents	HK cents	S cents	HK cents
Earnings per share	<u>6.24</u>	<u>35.47</u>	<u>4.14</u>	<u>23.34</u>

Note:-

The Hong Kong dollar equivalents as shown above for illustrative purposes are converted at the average exchange rates for the respective periods.

REVIEW OF RESULTS

GP Industries Group's revenue for the nine-month period ended 31 December 2017 ("Q3YTDFY2018") was S\$837.2 million, an increase of 8.1% over the revenue reported for the corresponding period ended 31 December 2016 ("Q3YTDFY2017"). The increase was mainly attributable to a 10.5% revenue growth reported by the Battery Business, previously referred to as GP Batteries International Limited ("GP Batteries") before its 100% acquisition by GP Industries during the financial quarter ended 31 December 2017, and a 3.1% revenue increase reported by the Electronics and Acoustics Business.

Despite the 8.1% increase in revenue, gross profit only increased by 3.5% to S\$200.2 million, due to cost increase, mainly contributed from the appreciation of the Renminbi and increased metal and component prices. Distribution costs decreased by 5.0%, as GP Industries Group selectively slowed down some of its investments in brand building activities for the Battery Business and a S\$3.6 million decrease in doubtful debt provision reported by the Battery Business due to continuous improvements in the payment performance and ageing profile from its distribution network in China. During Q3YTDFY2018, GP Industries Group reported a net exchange loss of S\$6.6 million as compared to a net exchange gain of S\$14.5 million reported in Q3YTDFY2017. GP Industries Group also reported higher other operating income of S\$33.6 million for Q3YTDFY2018 when compared to the S\$12.6 million reported in Q3YTDFY2017, mainly from the gain on disposal of property, plant and equipment reported by the Battery Business.

During the financial quarter ended 31 December 2017, GP Industries Group increased its shareholdings in GP Batteries from approximately 64.88% as at 30 September 2017 to 100% as at 31 December 2017, pursuant to a voluntary conditional cash offer for, and the consequential compulsory acquisition of, all the issued ordinary shares of GP Batteries, other than those already owned by GP Industries Group. GP Batteries was de-listed from the Singapore Exchange Securities Trading Limited with effect from 27 December 2017. Related transactional costs, amounted to approximately S\$1.6 million, were recorded as other operating expenses of GP Industries Group.

For Q3YTDFY2018, profit before taxation increased by 22.6% to S\$62.4 million when compared to the S\$50.9 million reported in Q3YTDFY2017. Profit after taxation attributable to equity holders of GP Industries for Q3YTDFY2018 increased by 50.6% to S\$30.2 million when compared to the S\$20.1 million reported for Q3YTDFY2017.

Based on the weighted average of 484,469,182 shares in issue (Q3YTDFY2017: 484,482,829 shares), basic earnings per share for Q3YTDFY2018 was 6.24 Singapore cents as compared to 4.14 Singapore cents for Q3YTDFY2017.

BUSINESS REVIEW

Battery Business - The revenue of the Battery Business for Q3YTDFY2018 was S\$627.7 million, a 10.5% increase over the revenue for Q3YTDFY2017. Sales of primary batteries and rechargeable batteries increased by 11.7% and 8.4% respectively. However, steep increase in material costs, weaker United State Dollar and stronger Renminbi have significant adverse impact on gross profit margin for the period under review. In geographical terms, sales increased across all regions. Sales in the Americas, Asia and Europe for Q3YTDFY2018 increased by 27.7%, 5.5% and 10.9% respectively over Q3YTDFY2017.

Electronics and Acoustics Business - Revenue from the Electronics and Acoustics Business in Q3YTDFY2018 grew by 3.1% when compared to Q3YTDFY2017. Sales of electronics products decreased by 6.8% when compared to Q3YTDFY2017, affected mainly by the phasing out of some old products and soft sales in Europe. Sales of acoustics products continued to grow and reported an increase of 19.4%. Sales to the US market increased by 24.6%, to the Asian markets increased by 24.7% and to the European market increased by 8.2%. However, the appreciation of the Renminbi, rapid increase in the price of some components and GP Industries Group's active investments in brand building activities affected margins and costs.

Automotive Wire Harness Business - Sales of the Automotive Wire Harness Business decreased by 5.4% in Q3YTDFY2018 when compared to Q3YTDFY2017. Sales to China increased by 36.5% while sales to the US decreased by 23.5% as some wire harnesses supplied to a key US customer approached the end of their production cycle. The appreciating Renminbi also affected manufacturing costs in this business.

Other Industrial Investments - This business segment includes GP Industries Group's investments in Meiloon Industrial Co., Ltd. ("Meiloon") and Linkz Industries Limited ("Linkz"). In Q3YTDFY2018, both Meiloon and Linkz reported revenue growth and contributed more profit before taxation.

PROSPECTS

Consumer demand for GP Industries Group's products in the US is expected to gradually strengthen and demand in China is expected to remain stable. Consumer demand in Europe is expected to gradually return to growth from the current low 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 GP Industries Group's businesses.

GP Industries Group will continue to enhance the competitiveness of its businesses by investing in technology, new product development, further automating GP Industries Group's factories and will continue building GP Industries Group's brands and distribution networks in key markets.

BOARD OF DIRECTORS

As at the date of this announcement, the Board consists of Messrs. Victor LO Chung Wing (Chairman & Chief Executive), LEUNG Pak Chuen, Richard KU Yuk Hing, Andrew CHUANG Siu Leung and Brian LI Yiu Cheung as Executive Directors, Messrs. LUI Ming Wah, Frank CHAN Chi Chung and CHAN Kei Bui as Independent Non-Executive Directors, and Ms. Karen NG Ka Fai as a Non-Executive Director.

By Order of the Board
WONG Man Kit
Company Secretary

Hong Kong, 8 February 2018
www.goldpeak.com