

Press Release

For Immediate Release

23 May 2017, Hong Kong



Singapore-listed GP Industries announces 2016/2017 final results

Gold Peak Industries (Holdings) Limited's (stock code: 40) 85.5% subsidiary, the Singapore-listed GP Industries Limited, today announced its unaudited consolidated results for the year ended 31 March 2017.

Summary of results of GP Industries

	<i>(For the year ended 31 March)</i>		% of change
	2017	2016	
Turnover	S\$1,038 million	S\$1,038 million	-
Profit attributable to equity holders of GP Industries	S\$18.66 million	S\$22.84 million	- 18.3%

Review of Results

GP Industries' revenue for the financial year ended 31 March 2017 ("FY2017") was S\$1,037.6 million, similar to the revenue reported for the financial year ended 31 March 2016 ("FY2016").

During FY2017, consumer demand remained soft while competition intensified. Revenue increase registered by some of GP Industries' businesses in some markets was off-set by revenue decline registered by other businesses in other markets. GP Industries continued its strategy to invest in building its brands and in strengthening its global distribution, which contributed to an increase in its distribution costs. During FY2017, GP Batteries International Limited ("GP Batteries"), GP Industries' listed subsidiary, started expanding some of its manufacturing facilities and consolidated some of its smaller factories. In connection with this, some closure costs were incurred while some gains from disposal of property, plant and equipment were also reported in FY2017.

For FY2017, profit before taxation 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.

Business Review of GP Industries

(for the year ended 31 March 2017)

Electronics and Acoustics Business

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

Automotive Wire Harness Business

Sales of the automotive wire harness business 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%. In FY2017, profit contribution from this business decreased by 28.3% when compared to FY2016, which included a write-back of S\$1.3 million unclaimed warranty cost provision related to the disposal of a joint venture in 2013.

Battery Business

The revenue of GP Batteries for FY2017 was S\$759.8 million, 0.7% lower than that for the comparative period last year. Sales of primary batteries increased by 1.3% while sales of rechargeable batteries decreased by 10.4%. The drop in the revenue of rechargeable batteries was due mainly to the discontinuation of a contract with a major customer of the Taiwan plant, which has ceased production.

In geographical terms, battery sales in the Americas and Asia decreased by 24.3% and 2.4% respectively while sales in Europe increased by 32.2%. The decrease in sales in the Americas and increase in sales in Europe was largely due to the relocation of the procurement office of a major customer from the US to Europe.

During FY2017, GP Batteries reported foreign exchange gains of S\$7.4 million, compared to S\$3.5 million reported in FY2016.

Profit contribution from GP Batteries' associates increased to S\$6.8 million for FY2017 from S\$4.9 million for FY2016. The performance of AZ Limited, an associate in Russia, and T.G. Battery Co (Hong Kong) Limited have improved.

For FY2017, GP Batteries reported a profit after taxation attributable to its equity holders of S\$3.5 million, compared to S\$2.4 million for FY2016.

Other Industrial Investments

This business segment includes GP Industries' investments in Meiloon Industrial Co., Ltd. ("Meiloon") and Linkz Industries Limited ("Linkz"). In FY2017, both Meiloon and Linkz contributed more profit before taxation. Profit contribution from this business segment increased by 37.4% during FY2017 when compared to FY2016.

Prospects of GP Industries

Commenting on the prospects of GP Industries, Chairman and Chief Executive Officer, Victor Lo 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."

"The battery business is expected to remain competitive. Additional production capacity from the new factories is expected to start bringing in additional revenue. GP Batteries will continue to consolidate the smaller factories into larger ones to benefit from economy of scale and to raise its competitiveness."

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.

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