

Press Release

For Immediate Release

8 August 2017, Hong Kong



Singapore-listed GP Batteries announces 2017/2018 Q1 results

GP Batteries International Limited, listed in Singapore and a subsidiary of Gold Peak Industries (Holdings) Limited (*stock code: 40*), today announced its unaudited quarterly results for the three months ended 30 June 2017.

GP Batteries is 64.9% owned by GP Industries Limited, which is also listed in Singapore and an 85.5% subsidiary of Gold Peak.

Summary of results of GP Batteries

	<i>(For the three months ended 30 June)</i>		% of change
	2017	2016	
Turnover	S\$207.2 million	S\$177.4 million	+ 16.8%
Profit attributable to equity holders of GP Batteries	S\$3.10 million	S\$1.24 million	+ 150.9%

Business Review of GP Batteries

Turnover for the three months ended 30 June 2017 was S\$207.2 million, an increase of 16.8% over the corresponding period last year. Sales of primary batteries and rechargeable batteries increased by 18.6% and 11.3% respectively over the corresponding period last year.

Sales increased across all regions. Sales in both the Americas and Europe increased by 45.7% over last year.

Profit before income tax was S\$8.6 million as compared to S\$6.8 million last year. Gross margin was 23.4% as compared to 21.4% last year. The increase in gross margin was mainly due to the increase in sales of rechargeable batteries which contributed a higher gross margin.

Distribution expenses were S\$16.2 million as compared to S\$13.9 million last year mainly due to increase in turnover.

Administrative expenses were S\$22.0 million as compared to S\$20.1 million in the corresponding period last year mainly due to the increase in staff costs.

Finance costs were S\$1.8 million as compared to S\$1.7 million last year mainly due to increase in borrowings for the land acquisition in Ningbo, China as well as to finance the new production facilities in Malaysia and Vietnam.

Share of profit of associates was S\$0.9 million as compared to S\$1.7 million last year mainly due to lower profit contributions from STL Group and T.G. Battery.

Net other operating expenses for the three months ended 30 June 2017 were S\$0.7 million as compared to a net other operating income of S\$2.9 million last year mainly due to a foreign exchange loss of S\$1.7 million which was recorded this year as compared to a foreign exchange gain of S\$2.0 million last year.

Prospects of GP Batteries

Commenting on the business prospects, Victor Lo, Chairman and Chief Executive Officer of GP Batteries, said, "GP Batteries is expected to grow its business during the coming period in spite of the rise in commodity price and keen competition in the industry, as the expected new production capacity in Malaysia will continue contributing to the business growth."

"Global demands for primary batteries and Nickel Metal Hydride rechargeable batteries are expected to be slow growing. GP Batteries will continue to focus on brand building and distribution network expansion in selected markets."

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

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“GP Batteries’ strategy is to continue to consolidate the smaller factories in China and Taiwan into larger ones to benefit from economies of scale for future competitiveness. It understands that the older sites in Huizhou could be rezoned by the local government as non-industrial sites and is therefore actively seeking buyers to dispose of those sites. The Taiwan plant has ceased production for about one year and will also be disposed of. Accordingly, these properties have been reclassified as assets held for sale in the statement of financial position.” Lo is also Chairman of GP Industries and Chairman and Chief Executive of Gold Peak.

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