

Press Release

For Immediate Release

23 November 2017, Hong Kong



Gold Peak announces 2017/2018 interim results

Gold Peak Industries (Holdings) Limited (*SEHK: 40*) today announced its unaudited consolidated results of the Company and its subsidiaries for the six months ended 30 September 2017.

Financial highlights

Turnover	: HK\$3,220 million, up 11.8%
Profit attributable to owners of the Company	: HK\$13.3 million, up 1.1%
Earnings per share	: 1.69 HK cents (2016/17: 1.67 HK cents)
Interim dividend per share	: 1.2 HK cents (2016/17: 1.2 HK cents)

Business review

GP Industries (85.5% owned by Gold Peak as at 30 September 2017)

GP Industries' revenue for the six months ended 30 September 2017 was S\$569.4 million, an increase of 13.0% over last year. The increase was mainly attributable to a 16.6% revenue growth of GP Batteries International Limited ("GP Batteries") and a 4.9% revenue increase reported by the electronics and acoustics business.

Gross profit increased by 11.3% to S\$138.6 million despite a 13.0% increase in revenue due mainly to appreciation of the Renminbi and increases in metal and component prices. Distribution costs increased by 11.4% mainly from GP Industries'

increased investments in brand building activities. GP Industries reported a net exchange loss of S\$4.5 million, compared to a net exchange gain of S\$5.3 million for last year. GP Industries also reported higher other operating income of S\$11.2 million, compared to the S\$6.9 million reported last year, mainly from higher gain from disposal of property, plant and equipment and a government grant received by GP Batteries.

Profit before taxation increased by 5.8% to S\$32.9 million, compared to the S\$31.1 million reported last year. Profit after taxation attributable to equity holders of GP Industries increased by 5.0% to S\$12.5 million, compared to S\$11.9 million reported last year.

Electronics and acoustics business

- Revenue from the electronics and acoustics business grew by 4.9%.
- Sales of electronics products decreased by 4.3%, caused 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 22.6%, with sales to the US market increased by 22.1%, to the Asian markets by 39.4% and to the European market by 4.1%.
- Appreciation of the Renminbi, rapid increase in the price of certain components and GP Industries' active investments in brand building activities affected margins and costs.

Automotive wire harness business

- Sales of the automotive wire harness business decreased by 6.5%.
- Sales to China increased by 46.5% while sales to the US decreased by 27.0% as some wire harnesses supplied to a key US customer approached the end of their production cycle.
- The appreciating Renminbi also affected the margins in this business.

Battery Business (64.9% owned by GP Industries as at 30 September 2017)

- Revenue of GP Batteries was S\$433.2 million, an increase of 16.6%.
- Sales of both primary batteries and rechargeable batteries increased by 17.1%.
- Gross profit margin maintained at 22.0%.

- Sales increased across all regions. Sales in the Americas, Asia and Europe increased by 41.0%, 8.1% and 23.5% respectively.
- GP Batteries reported a net exchange loss of S\$4.4 million, compared to a net exchange gain of S\$3.9 million last year.
- Profit after taxation attributable to equity holders of GP Batteries was S\$9.1 million, compared to S\$3.8 million last year.

Other industrial investments

- Both Meiloon Industrial Co., Ltd. and Linkz Industries Limited reported revenue growth and contributed more profit before taxation to GP Industries.

Prospects

Commenting on the prospects of the Group, Victor Lo, Chairman and Chief Executive of Gold Peak, said, “Consumer demand for the Group’s products is expected to gradually strengthen in the US and demand in China is expected to remain stable. Consumer demand in Europe is expected to gradually regain some growth from the current lower level. However, appreciation of Renminbi and increases in the prices of certain metals and components are expected to affect the profit margin for some of the Group’s businesses.”

“GP Batteries’ new production capacity in Malaysia is contributing to its business growth.”

Lo continued, “The Group will continue to enhance the competitiveness of its businesses by investing in technology, new product development, further automating the Group’s factories and to continue building the Group’s brands and distribution networks in key markets.”

On 10 August 2017, GP Industries announced that, subject to and contingent upon the fulfilment of certain pre-condition (the “Pre-Condition”), GP Industries intended to make a voluntary conditional cash offer (the “Offer”) for all the issued ordinary shares of GP Batteries (“GP Batteries Shares”), other than the GP Batteries already owned or agreed to be acquired by GP Industries as at the date of the Offer. On 22 September 2017, the Pre-Condition to the Offer was fulfilled and GP Industries’ firm intention to make the Offer was announced. The

formal offer document dated 6 October 2017 containing the terms and conditions of the Offer (the “Offer Document”) was despatched to the shareholders of GP Batteries on the same date. The Offer was conditional upon the 90% Acceptance Condition (as defined in the Offer Document) being satisfied.

On 31 October 2017, the 90% Acceptance Condition was satisfied and the Offer was declared unconditional in all respects on the same date. On 6 November 2017, it was further announced that GP Industries was entitled to, and would in due course, exercise its right of compulsory acquisition under Section 215(1) of the Companies Act, Chapter 50 of Singapore to compulsorily acquire all the GP Batteries shares held by GP Batteries shareholders who had not accepted the Offer.

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