

## **BUSINESS REVIEW**

### **GP INDUSTRIES – 84.6% owned by Gold Peak**

- Reported in Singapore dollar, turnover rose by 27.9% and net profit increased by approximately 44.7%. This was mainly due to good performance of its Electronics Division as well as the three-month contributions from the newly acquired associates, GP Batteries and Clipsal Industries from July 2000.

#### **Electronics Division**

- Net profit contribution grew by approximately 16%. Export sales of electronic products grew by approximately 20%. Domestic sales of car audio products in China remained steady. Contribution from the component business increased by over 40%.
- The Cable and Harness Business continued to perform impressively. While sales of car harness to Japan grew by more than 30%, sales to automakers in China expanded rapidly. LTK, 49% owned cable manufacturer, also grew by over 20% in sales due to continued strong demand for broadband and LAN cables.
- For the Acoustics Business, the branded loudspeaker business in the U.K. continued to improve while contribution from speaker manufacturing associates was lower as Meiloon Industrial Co., Ltd in Taiwan has ceased to be accounted for as an associate since April 2000.

### **GP Batteries – 45% owned by GP Industries**

- GP Batteries' business environment continued to improve from the previous year and record sales were achieved. Reported in Singapore dollar, turnover and profit increased by 11.8% and 63.5% respectively.
- Its continuous efforts to reduce costs and improve efficiency also resulted in improved margin.
- The Lithium Ion battery plant, Gold Peak Industries (Taiwan) Limited was progressing well. In November 2000, it entered into an agreement with Taisec Securities Inc. for listing application in Taiwan and is expected to list in 2002.

### **Clipsal Industries – 49% owned by GP Industries**

- For the 6 months ended June 30, 2000, Clipsal Industries' turnover and profit before extraordinary items decreased by 8.0% and 1.1% respectively as reported in Singapore dollar. The decline in turnover was mainly due to the decrease in indent trade of electrical home appliances with an associate in Australia. Otherwise, sales in Asia had grown marginally by 2%.
- Price competition in most Asian markets remained keen. However, satisfactory sales growth was achieved in China.
- Gerard Industries, 50% owned associate in Australia continued to achieve sales and profit growth. In Italy, Lovato SpA continued to increase turnover and profitability. The Middle East also recorded satisfactory sales growth.