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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 2013/2014 Interim Results of
GP Batteries International Limited**

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 Batteries International Limited for the six months ended 30 September 2013. GP Batteries Group's turnover decreased by 8.1% to S\$354 million and the net profit attributable to equity holders of GP Batteries was S\$0.26 million for the six months ended 30 September 2013.

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 Batteries International Limited ("GP Batteries" and together with its subsidiaries, "GP Batteries Group") for the six months ended 30 September 2013. GP Batteries is a 49.7%-owned associate of GP Industries Limited which is in turn an 82.9%-owned subsidiary of the Company and a company listed on the Singapore Exchange Securities Trading Limited.

GP BATTERIES INTERNATIONAL LIMITED
UNAUDITED CONSOLIDATED RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

	2013/2014		2012/2013	
	S\$'000	HK\$'000 (Note)	S\$'000 Restated	HK\$'000 Restated (Note)
Turnover	353,964	2,189,975	384,995	2,380,655
Cost of sales	<u>(273,667)</u>	<u>(1,693,178)</u>	<u>(302,375)</u>	<u>(1,869,766)</u>
Gross profit	80,297	496,797	82,620	510,889
Other operating income & expenses	956	5,915	3,843	23,764
Distribution expenses	(23,193)	(143,495)	(25,525)	(157,836)
Administrative expenses	(41,211)	(254,973)	(41,815)	(258,568)
Finance costs	<u>(3,733)</u>	<u>(23,096)</u>	<u>(4,712)</u>	<u>(29,137)</u>
Profit before share of results of associates	13,116	81,148	14,411	89,112
Share of results of associates	<u>(3,685)</u>	<u>(22,799)</u>	<u>(3,353)</u>	<u>(20,734)</u>
Profit before income tax	9,431	58,349	11,058	68,378
Income tax	<u>(5,569)</u>	<u>(34,455)</u>	<u>(4,962)</u>	<u>(30,683)</u>
Profit after income tax	<u><u>3,862</u></u>	<u><u>23,894</u></u>	<u><u>6,096</u></u>	<u><u>37,695</u></u>
Attributable to:				
Equity holders of GP Batteries	257	1,590	2,421	14,970
Non-controlling interests	<u>3,605</u>	<u>22,304</u>	<u>3,675</u>	<u>22,725</u>
	<u><u>3,862</u></u>	<u><u>23,894</u></u>	<u><u>6,096</u></u>	<u><u>37,695</u></u>
	S cents	HK cents	S cents	HK cents
Earnings per share	<u><u>0.23</u></u>	<u><u>1.42</u></u>	<u><u>2.20</u></u>	<u><u>13.60</u></u>
Dividend per share				
Interim	<u><u>Nil</u></u>	<u><u>Nil</u></u>	<u><u>1.00</u></u>	<u><u>6.18</u></u>

Comparative figures have been restated to conform with current period's presentation.

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 OPERATION

Turnover for the three months and six months ended 30 September 2013 was S\$190.0 million and S\$354.0 million respectively, a decrease of 4.8% and 8.1% over the corresponding period last year. Sales of rechargeable batteries decreased by 6.9% and 12.8% for the three months and six months ended 30 September 2013 respectively over the corresponding period last year. While sales of primary batteries for the three months ended 30 September 2013 were comparable to the same period last year, sales for the six months ended 30 September 2013 decreased by 3.4% over the corresponding period last year.

Sales in Europe and Asia decreased by 4.6% and 8.1% respectively while sales in the Americas increased by 2.2% for the three months ended 30 September 2013 over the corresponding period last year. For the six months ended 30 September 2013, sales in Europe and Asia decreased by about 9.8% and 11.4% respectively while sales in the Americas increased by 4.6%.

Profit before income tax for the three months and six months ended 30 September 2013 was S\$4.9 million and S\$9.4 million respectively as compared to S\$4.4 million and S\$11.1 million over the corresponding period last year. Gross profit margins for the three months and six months ended 30 September 2013 were 22.0% and 22.7% as compared to 21.1% and 21.5% over the corresponding period last year due to reduced factory overheads and lower material costs as a result of lower commodity prices.

Distribution expenses for the three months and six months ended 30 September 2013 were S\$12.3 million and S\$23.2 million, a decrease of about 6.7% and 9.1% over the corresponding period last year due to lower sales.

Finance costs for the three months and six months ended 30 September 2013 were S\$1.9 million and S\$3.7 million as compared to S\$2.2 million and S\$4.7 million over the corresponding period last year. This was mainly due to reduced bank borrowings as well as lower costs of borrowing.

Net other operating income for the six months ended 30 September 2013 was S\$1.0 million as compared to S\$3.8 million over the same period last year as there was a gain of S\$2.6 million arising from the disposal of a staff quarters in Shanghai following the relocation of Shanghai Bi Ba plant last year.

Share of loss of associates for the three months and six months ended 30 September 2013 was S\$2.0 million and S\$3.7 million as compared to S\$0.8 million and S\$3.4 million over the same period last year mainly due to higher costs incurred for projects undertaken by Vectrix.

Vectrix has continued to be a drain on GP Batteries Group's financial resources. GP Batteries Group is in discussion with different parties on the funding plan of Vectrix.

OUTLOOK

Business outlook remains volatile. However, GP Batteries Group has been rationalizing the capacities at different factories to improve cost efficiency. It is starting to see the initial benefits of automation program in offsetting part of the rise in labour costs.

High capacity lithium ferro phosphate products targeted at the Energy Storage System and telecommunication markets were introduced to different countries in Asia to take advantage of GP Batteries Group's local presence.

Electric vehicle market is proving to be slow and price sensitive. GP Batteries Group will limit its investment in this arena until it gets better visibility.

Sales revenue growth in the coming quarters will be the primary focus of GP Batteries Group's efforts.

BOARD OF DIRECTORS

As at the date of this announcement, the Board of Directors of the Company consists of Messrs. Victor LO Chung Wing (Chairman & Chief Executive), Andrew NG Sung On (Vice Chairman), LEUNG Pak Chuen, Richard KU Yuk Hing and Andrew CHUANG Siu Leung as Executive Directors, Mr. Vincent CHEUNG Ting Kau as Non-Executive Director, and Messrs. LUI Ming Wah, Frank CHAN Chi Chung and CHAN Kei Bui as Independent Non-Executive Directors.

By Order of the Board
WONG Man Kit
Company Secretary

Hong Kong, 6 November 2013
www.goldpeak.com