

CHAIRMAN'S STATEMENT

Our program of consolidating smaller factories into bigger ones is on schedule and it is expected that cost competitiveness will improve after the consolidation. We will also continue to invest in building the GP brand and expanding our distribution network globally.



The financial year 2016-2017 remained a challenging year. Global demands for primary batteries and Nickel Metal Hydride rechargeable batteries were slow-growing. Significant unsold capacity within the industry drove keen competition on price. Business opportunities from other battery companies contributed to the sales growth. New production facilities in Malaysia and Vietnam are in place and are expected to start bringing in additional revenue to the Group.

The Group's financial position remains healthy with a low gearing ratio. The increase in total bank loans was mainly due to the financing of capital expenditure for the expansion of the facilities in Malaysia and a new plant in Vietnam.

Revenue for the year was S\$760 million which was comparable to S\$765 million for financial year 2015-2016. During the year, the Group's Taiwan plant ceased production which impacted the revenue. Gross profit margin dropped by 0.8% to 22.4% mainly due to loss of income of the aforesaid plant. Profit attributable to shareholders of the Company was S\$3.5 million compared to S\$2.4 million last year. Earnings per share were 2.21 Singapore cents compared to 1.49 Singapore cents last year.

The Board of Directors recommended a final tax-exempt (one-tier) dividend of 1.5 Singapore cents per share. Together with the interim tax-exempt dividend paid, the total tax-exempt (one-tier) dividend per share for the year amounted to 2.5 Singapore cents.

Looking ahead, price competition will still be keen. The increase in commodity price will also have an impact on the Group's manufacturing costs. The Group will continue to invest in automation of production equipment to improve productivity, quality and efficiency in order to enhance competitiveness.

In addition, the Group will continue to focus on building the brand and growing our market share in key markets. We will continue to invest to increase our brand value and brand awareness globally. With the acceleration of e-commerce, we will focus on developing our e-commerce platform and increasing our presence in the digital community in order to gain distribution penetration for both online and offline channels.

The Group is aiming at consolidating the smaller factories in China and Taiwan with the larger ones to benefit from economies of scale. We will continue to streamline and rationalize the operations in mitigating the impact of increasing labor cost in China.

On behalf of the Board of Directors, I would like to express my heartfelt appreciation to all our shareholders, business partners and customers for their confidence and continued support. I would also like to thank our employees for their untiring effort in supporting the Group's initiatives during the past year.



Victor LO Chung Wing
Chairman and Chief Executive Officer

16 June 2017

THE FOUR PILLARS OF DEVELOPMENT



Clockenflap 2016 in Hong Kong

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BUILDING BRANDS

We continue to reinforce our Battery Experts positioning to raise awareness, drive preference and ultimately create brand advocates

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BUILDING CUSTOMERS

We aim to attract loyal customers with outstanding value supported by safety, reliability, quality and superior customer service

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BUILDING CHANNELS

From OEM to e-commerce, we drive multinational sales by developing multiple channels in multiple market sectors and regions

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BUILDING TEAMS

Our success is built on teamwork and we continue to encourage new competencies, new efficiencies and increasing digitization