GP Industries Limited

Sustainability Report 2017 – 2018

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Contents

1. Statement from Chairman

The Board of Directors (the "Board") of GP Industries Limited (the "Company" or "GP Industries") is pleased to present the first sustainability report of the Company and its subsidiaries (the "Group") for the financial year ended 31 March 2018 ("FY2018").

The Group is committed to protect the environment and be socially responsible to its stakeholders which include its employees, customers, suppliers, shareholders, government and regulatory authorities and local communities. The Group values stakeholders' views and actively collaborates with stakeholders to achieve its objectives towards sustainable development.

As a major global developer, manufacturer and distributor of primary and rechargeable batteries as well as one of the largest consumer battery producers in China, the Group complies with the highest international safety standards and good manufacturing practices and has made its batteries products safe, reliable, eco-friendly and of high quality.

At GP Industries, we value the contributions of all employees and remunerate them fairly. We implement adequate safety practices at our manufacturing facilities to ensure the safety of our employees onsite.

This sustainability report is the first formal report of the Group on its initiatives and achievements in embracing sustainability as part of the Group's culture. It also sets out the Group's targets, in qualitative terms, regarding its sustainability efforts.

The Group will continue to engage its stakeholders so as to remain relevant in addressing their major concerns.

Victor LO Chung Wing

Chairman and Chief Executive Officer

2. Organizational Profile

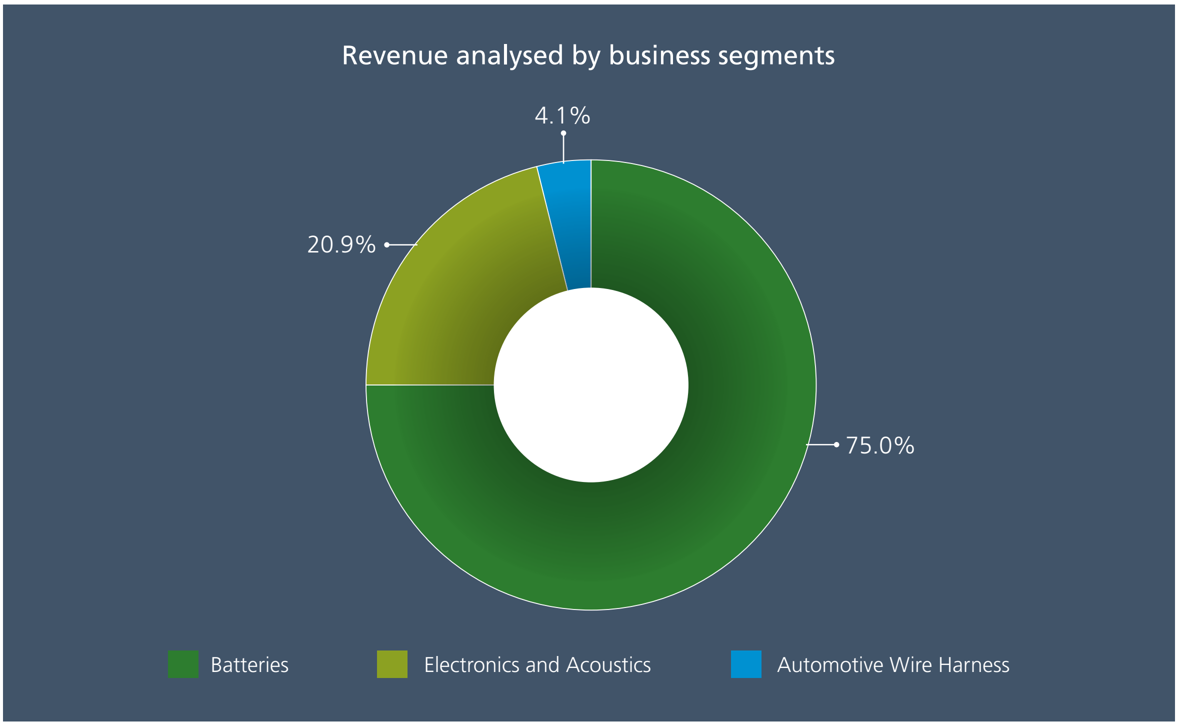
The Company is incorporated in Singapore and has been listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST") since 1995. It is the main industrial investment vehicle of Hong Kong-listed Gold Peak Industries (Holdings) Limited ("Gold Peak") which currently owns an 85.55% interest in the Company as at 18 March 2019.

The Company is principally engaged in holding of investment in subsidiaries and associates, and is the regional headquarters of the Group. The Group is principally engaged in the development, manufacture and marketing of batteries and related products, and electronic and acoustic products. In addition, the Group also manufactures automotive wire harness products.

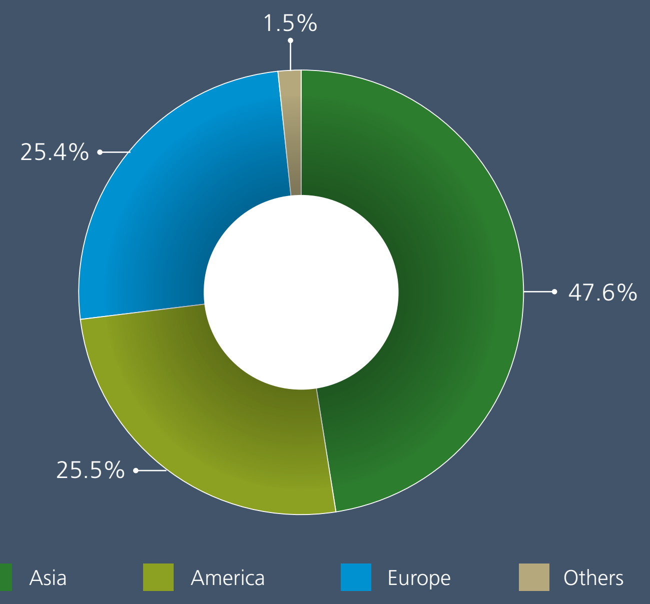
In addition to the manufacturing of batteries and electronic and acoustic products on an original equipment manufacturing and original design manufacturing bases, the Group has built renowned brand names for its major product categories, such as "GP" batteries ("GP Batteries"), "KEF" premium consumer speakers and "CELESTION" professional speaker drivers, which are marketed and distributed globally. In addition, the Group also manufactures, markets and distributes the "双鹿" batteries and markets and distributes certain types of "Toshiba" batteries in mainland China.

The Group has a strong and extensive manufacturing and distribution network. The Group's manufacturing activities are mainly carried out in Mainland China, Malaysia and Vietnam. The Group has established subsidiaries in Singapore, Mainland China, Hong Kong, Taiwan, Japan, Malaysia, United Kingdom, Germany, United States of America, Poland and United Arab Emirates to market and distribute the Group's products. A substantial part of the Group's management and administrative activities are carried out in Hong Kong.

For FY2018, the Group's revenue of S$1,099.7 million is analysed by business segments and geographic areas as follows:



Revenue analysed by geographical areas



The Group's major suppliers are mainly located in China. The Group's purchases include metals and chemicals used for the manufacturing of batteries, electronic components and wooden boxes for the manufacturing of electronics and acoustics products, and moulding parts, terminals and connectors for manufacturing of automotive wire harness products.

The Group's associates are principally engaged in the manufacturing of metallic products, electronic components, electronic cables, wires and cable assemblies, acoustics products, and manufacturing, marketing and trading of battery and battery products.

3. The Group's Sustainability Story

Conservation, Product Excellence and Corporate Social Responsibility

The Group has always held a high standard for environmental, social and governance ("ESG") issues. In addition to complying with relevant laws and regulations on environmental protection matters, the Group is always mindful of conserving resources. For example, the design of the Group's factory for the manufacturing of electronics and acoustic products conserves electricity consumption by allowing more sunlight to enter into the building. On a daily basis, employees are always reminded to minimise paper consumption by recycling used paper whenever possible.

The Group strives to develop innovative products that are both eco-friendly and cost-efficient in order to enrich the daily experience and improve the living standard of its customers as a whole. This is well demonstrated by the Group's new loudspeaker KEF's LS50 Wireless speaker which has been broadly recognized as a game-changing product in the hi-fi industry that leads the market in price-performance ratio and size-performance ratio.

The Group cares about the community by organizing and participating in various social caring events. Driven by this fundamental value, the Group continues to provide resources in protecting environment, promote health and safety in the workplace, take an active role in shouldering corporate social responsibility and stay committed to providing the best products and services for its customers and the community.

Sustainability Targets

It is the Group long term sustainability targets to:

- Limit the use of hazardous substances
- Lower energy consumption during manufacturing
- Maintain zero occupational health and safety incidents

Noteworthy Awards

During FY2018, the Group received a number of awards in recognition of its efforts in protecting the environment and product innovation:

Batteries Business

- GP Batteries International Limited and five factories in China

Bank of China (Hong Kong) ("BOCHK")

Federation of Hong Kong Industries

- **EcoChallenger / EcoPartner of BOCHK Corporate Environmental Leadership Awards**

- GP Batteries (Shenzhen) Co., Ltd

Environment Bureau of Hong Kong

Economic and Information Commission of Guangdong Province

- **Hong Kong-Guangdong Cleaner Production Excellent Partner (Manufacturing)**

粤港清洁生产伙伴
Hong Kong - Guangdong Cleaner Production Partner

粤港清洁生产优越伙伴（制造业）
Hong Kong - Guangdong Cleaner Production Excellent Partner (Manufacturing)

兹证明
This is to certify that

公司名称 Name of Enterprise : 时晖(中国)有限公司 Sylva Industries (China) Ltd.

厂房名称 Name of Factory : 深圳金山电池有限公司 GP Batteries (Shenzhen) Co. Ltd.

厂房地区 Location of Factory : 深圳坪山新区 Pingshan New District, Shenzhen

符合成为「粤港清洁生产优越伙伴（制造业）」的要求
并承诺致力落实清洁生产
have fulfilled the requirement for
Hong Kong - Guangdong Cleaner Production Excellent Partner (Manufacturing)
and demonstrated a high commitment to cleaner production

广东省经济和信息化委员会
The Economic & Information Commission of Guangdong Province

黄锦星局长
Mr. Wong Kam Sing, Secretary for the Environment
香港特别行政区政府 环境局
Environment Bureau
The Government of the Hong Kong Special Administrative Region

证书编号 Certificate Number : A052-ME17
颁发日期 Date of Issue : 2017年10月27日 27 October 2017
有效期至 2019年10月26日 Valid until 26 October 2019

- Dongguan Chao Ba Batteries Co Ltd

Dongguan Energy Trade Association

- **Clean Production Enterprise of the city**

Guangdong Provincial Cleaner Production Association

- **Clean Production Enterprise of the province**

证 书

证书号：粤清 1010110425 号

经审核验收， 东莞超霸电池有限公司

被评为广东省清洁生产企业。（有效期：至2020年2月）

特发此证。

广东省清洁生产协会

二〇一八年二月

Acoustics Business

- KEF LS50 Wireless

European Imaging and Sound Association (EISA)

- **Best Product 2017-2018 Wireless Loudspeaker**

What Hi-Fi? Sound & Vision, UK

- **Product of the Year – Hall of Fame**
- **Product of the Year – Best all-in-one system over £1000**

Hi-Fi Choice, UK

- **Editor’s Choice**

4. Ethics and Integrity

Business Ethics and Integrity

The Group subscribes to the principles of fair business practices and refrain from unfair trade practices, such as bribery and corruption, and strives to achieve business growth through fair market competition.

Whistle-blowing Policy

The Group has established a whistle-blowing policy that allows anyone to report in good faith any misconduct or malpractice, without fear of reprisal, through a confidential channel. If investigation is to take place, the head of internal audit will carry out the investigative work, and then seek administrative support from the Audit and Risk Committee (the "ARC"). The ARC may also consider the appointment of an external party to assist the head of internal audit in performing the investigative work. The Board, the ARC and the head of internal audit will keep strict confidentiality on the informer's identity throughout the course of the investigation. Any form of disadvantage or reprisal against the informer by the Company's management or staff is expressly prohibited.

Anti-Corruption

The Group is committed to preventing corruption, bribery, extortion, fraud and money laundering, as well as complying with applicable anti-corruption laws and regulations. It prohibits its employees from offering, making or receiving any bribes or kickbacks for the purpose of securing improper business advantages, or otherwise engaging in corrupt activities or practices.

The Group's whistle-blowing policy also enables suspected corruptive practices within the Group to be reported in strictest confidence.

During FY2018, the Group complied with all relevant laws and regulations that have significant impact on the Group relating to bribery, extortion, fraud and money laundering. No legal case regarding corrupt practices was brought against the Group or its employees.

Interested Person Transactions ("IPTs")

The Company has adopted an internal policy in respect of any transaction with interested persons and has set out the procedures for review and approval of the Group's IPTs. Please refer to the section on Interested Person Transactions in the Group's Annual Report for FY2018 ("FY2018 AR") for our disclosure in accordance with Rule 907 of the SGX-ST Listing Manual in respect of IPTs for FY2018.

Dealing in Securities

The Group has adopted a Code of Best Practices on Securities Transactions with respect to dealings in securities by Directors and officers of the Group.

Directors of the Company (the "Directors") and officers of the Group are prohibited from dealing in the Company's securities during the period commencing two weeks before the announcement of the Company's results for each of the first three quarters of its financial year, and one month before the announcement of the Company's full year results, ending on the date of the relevant announcement of the results. Directors and officers are also prohibited from dealing in the Company's securities when they are in possession of potentially price sensitive information.

Directors and officers of the Group are also not expected to deal in the Company's securities on considerations of a short-term nature.

The Company has complied with its Code of Best Practices on Securities Transactions.

5. Statement of the Board and Governance

Sustainability Strategy

Sustainability is a key factor to the long-term success of the Group, which enhance the stakeholder value. In formulating its business strategies, due consideration are given by the Board to risks and opportunities arising from the sustainability issues.

Sustainability Governance

The Board has delegated the responsibility for monitoring and overseeing the Group's sustainability efforts to management, comprising the Executive Directors and the heads of functional departments, such as finance and human resources, and business units. In additional, an Environmental, Health and Safety ("EHS") Committee has been formed to evaluate and determine the EHS related risks pertaining to the Group's businesses.

The Board incorporates sustainability issues into the strategic formulation of the Group. The Board approves the material environmental, social and economic factors identified by the EHS Committee, and ensures that the factors identified are well-managed and monitored by the EHS Committee.

The Board believes that this sustainability report provides a reasonable and transparent presentation of the Group's sustainability strategy and of its ESG performance, including how its sustainability strategies are refined in responding to the changing environment.

The Group's approach to sustainability governance is summarised as follows:

Management

- Approves the material ESG factors identified and oversees that such factors are managed and monitored

EHS Committee

- Establish EHS management strategies and objectives to ensure sustainability
- Evaluate and determine EHS related risks
- Recognise stakeholders' need
- Review, monitor and assess EHS strategies

Functional Departments

- Comply with all relevant laws and regulations
- Communicate EHS policies and provide EHS trainings to employees
- Enforce operation and internal controls

EHS Task Force

- Audit and investigate EHS issues
- Improve and take corrective action

Employees

- Execute the Group's sustainability initiatives
- Provide internal feedback to management

6. Material ESG factors – Policies, Practices, Performance and Targets

The Group identifies and evaluates material ESG factors regularly to ensure such factors are relevant in a rapidly changing business environment and to the Group's evolving business strategies. The Group recognises engagement with stakeholders is critical to the successful identification of material ESG factors.

The existing framework and policy are reviewed and enhanced continuously. In addition, realistic achievements targets are set with proper parameters determined for evaluation of the progress.

7. Reporting Practice

This sustainability report is prepared in accordance with the Sustainability Reporting Guide of SGX-ST, and the Global Reporting Initiative ("GRI") Standards.

The report incorporates the primary components of report content as set out by the SGX-ST's "Comply or Explain" requirements on sustainability reporting under Rule 711B of the SGX-ST Listing Manual.

This report has been prepared in accordance with the GRI Standards' "Core" option. The GRI standards represent the global best practices for reporting on economic, environmental and social topics.

This report supplements the Group's FY2018 AR. Detailed section reference with GRI Standards is found at the end of this report.

GRI does not require external assurance and Management has assessed that external assurance is not required as the Group is laying the foundations for a sustainability reporting framework this year.

The consolidated financial statements of the Group for FY2018, as set out in its FY2018 AR, incorporate the financial statements of the Company and its subsidiaries made up to 31 March 2018. Information on the significant subsidiaries of the Company are set out on page 106 to 109 of FY2018 AR.

This report does not cover the ESG performance of the associates of the Group, as the Group does not have control in these entities. Information of the significant associates of the Company are set out on page 110 to 112 of FY2018 AR. The Board is also pleased to note that some of the significant associates have already embarked on their sustainability journey and such information [1] can be accessed as follows:

Name of associate	Sustainability initiatives
Dongguan Jifu Metallic Products Ltd.	Social Responsibility Policy (Labour and Corporate Ethics Policy)
	Energy Monitoring
Linkz Industries Limited	Manufacturing Plants - Green Approach
Meiloon Industrial Co., Ltd.	Corporate Social Responsibility
	RoHS 2 / REACH
	Industry-Academic Cooperation
	Conflict Minerals Sourcing Policy
	Conflict Minerals - EICC Report
Time Interconnect Technology Limited	ESG Report for FY2018 set out on page 42 to 57 of the annual report of Time Interconnect Technology Limited for FY2018

[1] Information on website is correct as at 18 March 2019

8. Stakeholder Engagement

The Company is committed to stakeholder engagement as a core component of the Group's sustainability strategy. Stakeholder engagement enables the Group to address the material issues, topics or concerns which affect our stakeholders, so that the Group can align its sustainability strategy with those of the stakeholders.

We identify key stakeholders as groups which have material impact or could potentially be impacted by our operations. The following is a summary of our key stakeholders, how they are principally engaged and what are the key topics and concerns raised:

Stakeholder	Method of engagement	Topics and concerns
Employees	▪ Internal communications, formal and informal	▪ Career development ▪ Working environment and wellbeing ▪ Remuneration and benefits ▪ Compliance with local labour laws
Customers	▪ Meetings ▪ Feed backs	▪ Pricing ▪ Product safety ▪ EHS practices ▪ Ethical practices
Suppliers	▪ Suppliers' assessment	▪ Economic performance ▪ Ethical practices
Shareholders	▪ Annual reports ▪ Annual general meeting ▪ Investor relationship management	▪ Economic performance ▪ Distribution to shareholders
Government and regulatory authorities	▪ Periodic reports and returns ▪ Ongoing dialogues	▪ Compliance with laws and regulations
Local communities	▪ Engagement in community services	▪ Environmental impacts ▪ Community engagement

9. Material Topics and Boundaries

Material topics are identified by communications with stakeholders as discussed in paragraph 8. Reporting and disclosure requirements imposed by regulatory authorities are also considered. Material sustainability topics of the peers are also considered if they are relevant to the Group. The identified material topics are then evaluated internally and prioritised accordingly to the impact to the stakeholders and attributable to the risk and opportunities.

Material topics discussed in this report	Boundaries (i.e. which segment, country or subsidiary, where applicable)
Economic	
Market presence	By country
Economic performance Anti-corruption	Group-wide
Environmental	
Materials Energy Water Effluents and waste Environmental compliance	Group-wide
Social	
Occupational health and safety Training and education Diversity and equal opportunity Local communities Supplier social assessment Customer health and safety Socio economic compliance	Group-wide

For questions or feedbacks about this sustainability report, please contact us at gpind@gp-industries.com.

10. Economic Topics

10.1 Direct economic value generated and distributed (201-1)

Economic performance is considered important to the Group as this is a key indicator on the Group's capability to meet the expectation of various groups of stakeholders. The Group's income statement for FY2018 are set out on page 35 of FY2018 AR. The following is a statement of direct economic value generated and distributed of the Group for FY2018, as compiled from the afore-mentioned income statement and other information set out in FY2018 AR:

Direct economic value generated: S$1,153.1 million	Revenue: S$1,099.7 million
	Proceeds from disposal of assets: S$29.5 million
	Share of results of associates, net of taxation: S$23.9 million

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Economic value distributed: S$1,141.1 million	Operating costs: S$876.8 million [2]
	Employee wages and benefits: S$208.6 million [2]
	Payments to providers of capital (finance costs and dividends): S$40.1 million
	Payments to government: S$15.6 million

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Economic value retained: S$12.0 million

[2] Includes economic value distributed attributable to community investments activities, which was not separately identified during FY2018.

11. Environmental Topics

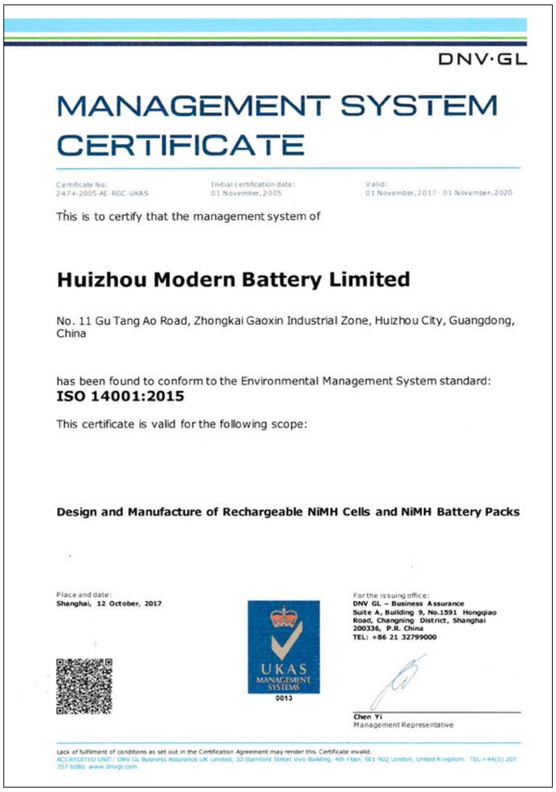
Environmental Protection

The Group believes that environmental protection is an important objective in operation. It strives to maintain green operations and develop products that help to enhance low carbon society, minimize adverse environmental impacts and achieve sustainable development. The Group engages in energy efficient practices and strives to reduce energy consumption to alleviate effects on global warming.

The Group enhances conservative and efficient use of resources through automation. It adopts clean production practices and preventive measures throughout the whole lifecycle of its products in order to minimize environmental impact, and pursue growth and sustainability. Production and operation processes are reviewed and analysed to identify environmentally friendly and cost-effective technology so as to reduce emissions, use of hazardous materials, energy consumption and waste production. Video and phone conferences are encouraged to reduce business travel-related carbon footprint. Duplex printing and paperless operation are advocated to conserve natural resources.

It is also the Group's policy to improve its operations and minimize its adverse impact on the environment and natural resources. The environmental risks relating to EHS legislations are being assessed and mitigated during the design and development of its products. Pre-development support teams are formed as early as in the concept phase to review the products' design-for-manufacturability and environmental impact.

The Group's factories have been accredited with ISO14001. The accreditations demonstrate that the Group has established an effective environmental management system to control and manage hazardous substances.


DNV·GL

MANAGEMENT SYSTEM CERTIFICATE

Certificate No: 2474-2005-AE-RGC-UKAS
Initial certification date: 01 November, 2005
Valid: 01 November, 2017 - 01 November, 2020

This is to certify that the management system of

Huizhou Modern Battery Limited

No. 11 Gu Tang Ao Road, Zhongkai Gaoxin Industrial Zone, Huizhou City, Guangdong, China

has been found to conform to the Environmental Management System standard:
ISO 14001:2015

This certificate is valid for the following scope:

Design and Manufacture of Rechargeable NiMH Cells and NiMH Battery Packs

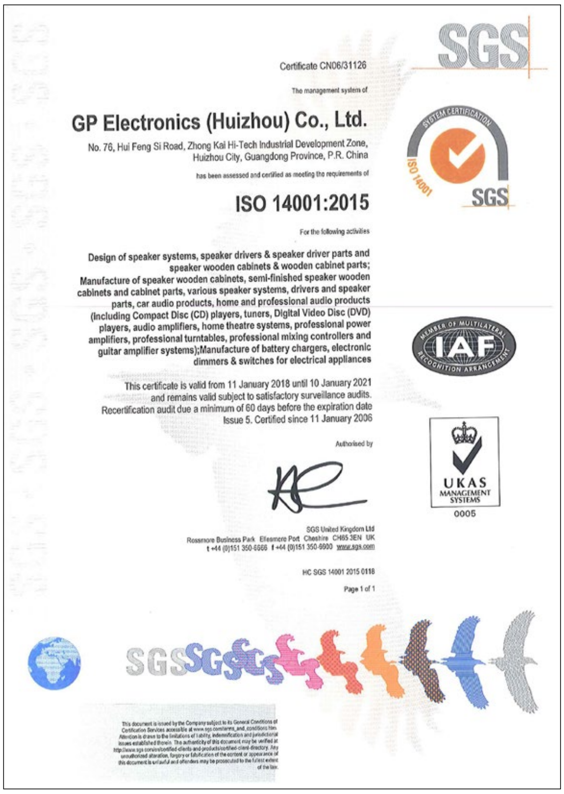
Place and date:
Shanghai, 12 October, 2017

UKAS MANAGEMENT SYSTEMS 0013

For the issuing office:
DNV GL – Business Assurance
Suite A, Building 9, No.1591 Hongqiao Road, Changning District, Shanghai 200336, P.R. China
TEL: +86 21 32799000

Chen Yi
Management Representative

Lack of fulfilment of conditions as set out in the Certification Agreement may render this Certificate invalid.
ACCREDITED UNIT: DNV GL Business Assurance UK Limited, 30 Stamford Street Vivo Building, 4th Floor, SE1 9LQ London, United Kingdom. TEL:+44(0) 207 357 6080. www.dnvgl.com


SGS

Certificate CN06/31126

The management system of

GP Electronics (Huizhou) Co., Ltd.

No. 76, Hui Feng Si Road, Zhong Kai Hi-Tech Industrial Development Zone, Huizhou City, Guangdong Province, P.R. China

has been assessed and certified as meeting the requirements of

ISO 14001:2015

For the following activities

Design of speaker systems, speaker drivers & speaker driver parts and speaker wooden cabinets & wooden cabinet parts; Manufacture of speaker wooden cabinets, semi-finished speaker wooden cabinets and cabinet parts, various speaker systems, drivers and speaker parts, car audio products, home and professional audio products (including Compact Disc (CD) players, tuners, Digital Video Disc (DVD) players, audio amplifiers, home theatre systems, professional power amplifiers, professional turntables, professional mixing controllers and guitar amplifier systems);Manufacture of battery chargers, electronic dimmers & switches for electrical appliances

This certificate is valid from 11 January 2018 until 10 January 2021 and remains valid subject to satisfactory surveillance audits.
Recertification audit due a minimum of 60 days before the expiration date
Issue 5. Certified since 11 January 2006

Authorised by

SGS United Kingdom Ltd
Rossmore Business Park Ellesmere Port Cheshire CH65 3EN UK
t +44 (0)151 350-6666 f +44 (0)151 350-6600 www.sgs.com

HC SGS 14001 2015 0118

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SYSTEM CERTIFICATION ISO 14001 SGS

MEMBER OF MULTILATERAL IAF RECOGNITION ARRANGEMENT

UKAS MANAGEMENT SYSTEMS 0005

11.1 Materials used by weight or volume (301-1)

The Group uses eco-friendly packaging materials for finished products. Apart from the necessary protection for shipment, the Group strives to avoid excessive packaging design. Types of packaging material usually include cardboards, paper and plastics. Product packaging is constantly reviewed in order to reduce material usage and minimize the impact on the environment.

The weight and intensity of packaging material used during FY2018, determined by direct measurements or estimation as deemed appropriate by the concerned entity, are as follows:

	FY2018
Weight	2,789.0 tons
Intensity (per S$ million revenue)	2.536 tons

11.2 Energy consumption within the organisation (302-1)

The Group educates and enhances staff awareness on saving electricity. Electric energy consumption is closely tracked and reviewed to maintain a lean and an efficient operation. Energy efficiency of equipment is considered in capital investment. For development of production equipment, the Group adopts energy-saving technology and uses energy-effective components.

Green building concept has been employed by the Group to reduce energy consumption in its factories. This includes using natural lighting from roof window and courtyard glass, installing utilities underground for more headroom, using glass as partition as much as possible, replacing various light sources with LED tubes and using solar energy for certain lighting systems.

Total electric energy consumption purchased from external parties during FY2018 and determined by direct measurements based on meter readings, are as follows:

	FY2018
Electricity consumption	95.0 million kWh
Intensity (per S$ million revenue)	0.0864 million kWh

11.3 Water withdrawal by source (303-1)

The Group regularly monitors its water consumption. Water-saving washing facility is used and water supply facilities and equipment are properly maintained. Water used in certain production plants is recycled for watering, toilet flushing and manufacturing. There was no issue in sourcing water that is fit for the Group's manufacturing purpose in FY2018.

Total water consumption, all supplied by public water utilities during FY2018 and determined by direct measurements based on meter readings, are as follows:

	FY2018
Water consumption	624.9 million litres
Intensity (per S$ million revenue)	0.568 million litres

11.4 Waste by type and disposal method (306-2)

The Group implements standardized management of hazardous wastes. Hazardous wastes primarily include nickel, manganese, metals and waste mineral oil-water emulsion from scrap and unqualified batteries, as well as rags and containers which were contaminated by oil and paints, organic solvents and a trace of metals. All hazardous wastes are disposed of in accordance with requirements of standardized management of hazardous wastes. All hazardous waste labels are standardized to reduce non-standardized collection of hazardous wastes. The production, collection, storage and handling of hazardous wastes have been properly handled in order to reduce the negative impacts towards soil, water and air. Hazardous wastes are aptly collected and sold to recycling companies for proper treatment.

Non-hazardous wastes mainly include scrapped cardboards, wood, plastics and metals. Non-hazardous wastes are classified into non-recyclable and recyclable wastes. Non-recyclable wastes are collected and disposed of by garbage collection companies. Recyclable scrap parts such as cardboards together with solder oxide wastes and copper wire scraps are collected and sold to recycling companies.

Total solid wastes generated during FY2018 are as follows:

	FY2018
Hazardous solid waste	1,943.7 tons
Non-hazardous solid waste	861.8 tons
Total	2,805.3 tons

11.5 Non-compliance with environmental laws and regulations (307-1)

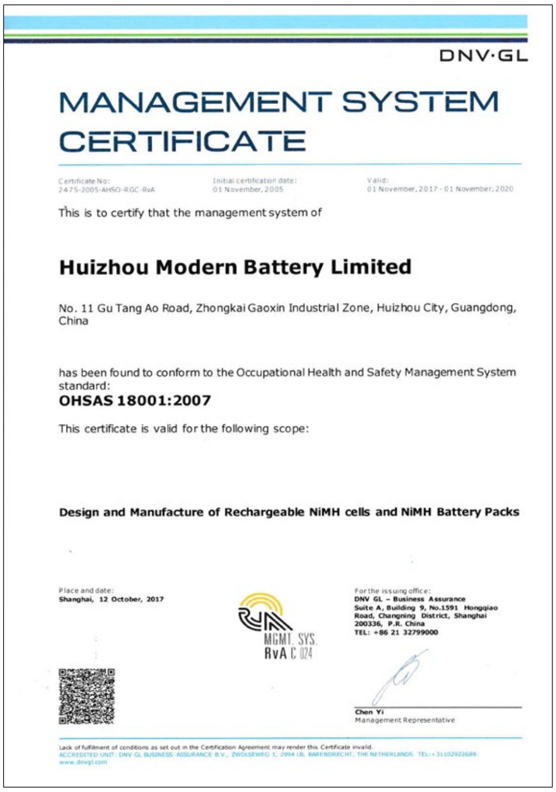
During FY2018, the Group complied with all relevant laws and regulations that have significant impact on the Group relating to discharges to land and generation of hazardous and non-hazardous wastes.

12. Social Topics

12.1 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities (403-2)

It is the Group's policy to provide its employees with a safe and healthy working environment in order to protect the health and wellness of its employees. The Group continuously improves its working conditions to prevent industrial accidents and occupational diseases. Health and safety standards such as working procedures, machine operating standards as well as hazardous materials and wastes handling guidelines are defined and communicated to employees, and such standards are regularly reviewed for corrective and improvement actions. Safety and occupational health courses are included in orientation program for new employees in production plants. Training courses on the authentication of SA8000, first aid and proper use of hazardous and chemical materials are held. Child and forced labour are strictly prohibited in the Group.

The Group uses Occupational Health and Safety Assessment Series 18001 ("OHSAS18001") as a framework for its occupational health and safety management system in order to create the best working conditions for employees and to prevent workplace accidents and illnesses. A number of the Group's plants in China were certified with the OHSAS18001 accreditations.


DNV·GL

MANAGEMENT SYSTEM CERTIFICATE

Certificate No: 2475-2005-AHSO-RGC-RvA
Initial certification date: 01 November, 2005
Valid: 01 November, 2017 - 01 November, 2020

This is to certify that the management system of

Huizhou Modern Battery Limited

No. 11 Gu Tang Ao Road, Zhongkai Gaoxin Industrial Zone, Huizhou City, Guangdong, China

has been found to conform to the Occupational Health and Safety Management System standard:

OHSAS 18001:2007

This certificate is valid for the following scope:

Design and Manufacture of Rechargeable NiMH cells and NiMH Battery Packs

Place and date: Shanghai, 12 October, 2017

For the issuing office: DNV GL – Business Assurance, Suite A, Building 9, No.1591 Hongqiao Road, Changning District, Shanghai 200336, P.R. China, TEL: +86 21 32799000

MGMT. SYS. RvA C 024

Chen Yi
Management Representative

Lack of fulfilment of conditions as set out in the Certification Agreement may render this Certificate invalid.
ACCREDITED UNIT: DNV GL BUSINESS ASSURANCE B.V., ZWOLSEWEG 1, 2994 LB, BARENDRECHT, THE NETHERLANDS. TEL:+31102922689. www.dnvgl.com


DNV·GL

MANAGEMENT SYSTEM CERTIFICATE

Certificate No: 207279-2016-AHSO-RGC-RvA
Initial certification date: 12 October, 2007
Valid: 12 October, 2016 - 12 October, 2019

This is to certify that the management system of

GP Logistics (Shenzhen) Company Limited

Room 105, 5/F & 6/F, Block A, and 2/F & 5/F Block B, Master Energy Trade Warehouse Building, No. 32 Shihua Road, Futian Free Trade Zone, Shenzhen, P.R. China

has been found to conform to the Occupational Health and Safety management system standard:

OHSAS 18001:2007

This certificate is valid for the following Scope:

Provision of Total Logistics Solution and One-stop Packing Services including Warehousing Management and Distribution, Cargo Inspection, Packaging Design & Packing Operation.

Place and date: Shanghai, 30 September, 2016

For the issuing office: DNV GL – Business Assurance, Building 9, No.1591 Hongqiao Road, Changning District, Shanghai 200336, P.R. China, TEL: +86 21 32799000

MGMT. SYS. RvA C 024

Chen Yi
Management Representative

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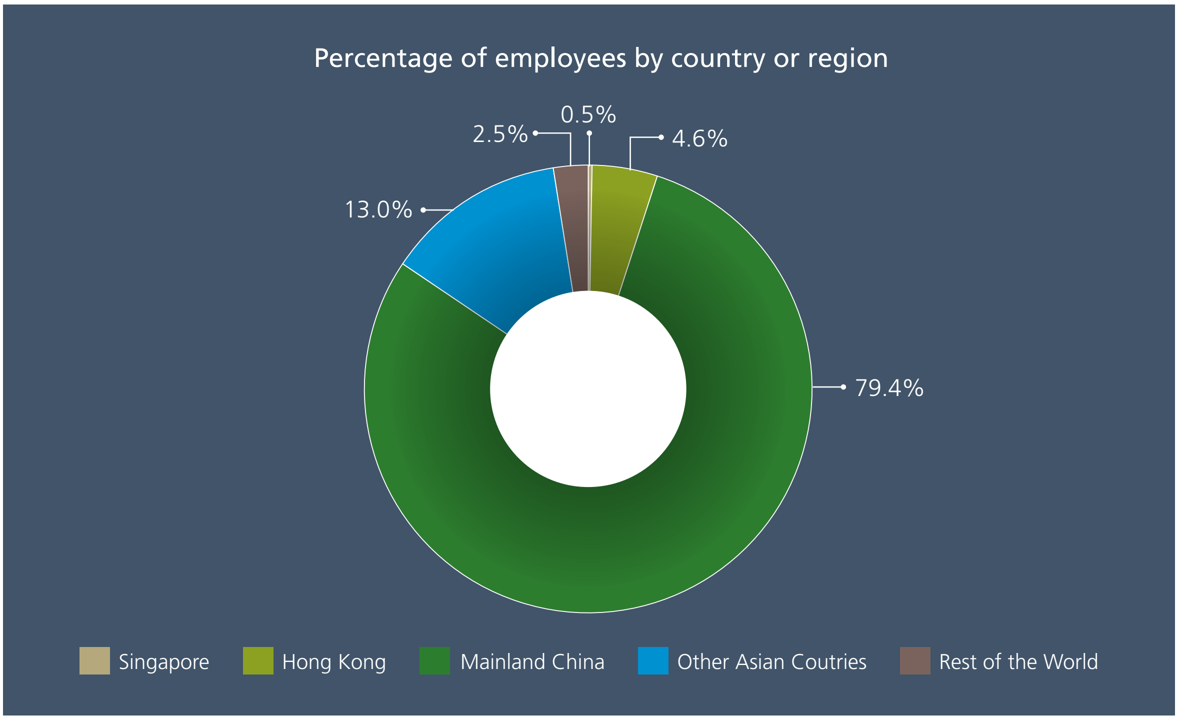
During FY2018, the Group complied with all relevant laws and regulations that have significant impact on the Group relating to providing a safe working environment, protecting employees from occupational hazards and prohibiting child and forced labour.

During FY2018, the subsidiaries in Hong Kong, Mainland China, Malaysia and Vietnam reported 34 cases of minor workplace injury occurred, which resulted in a loss of 553 working days, and zero work-related fatality.

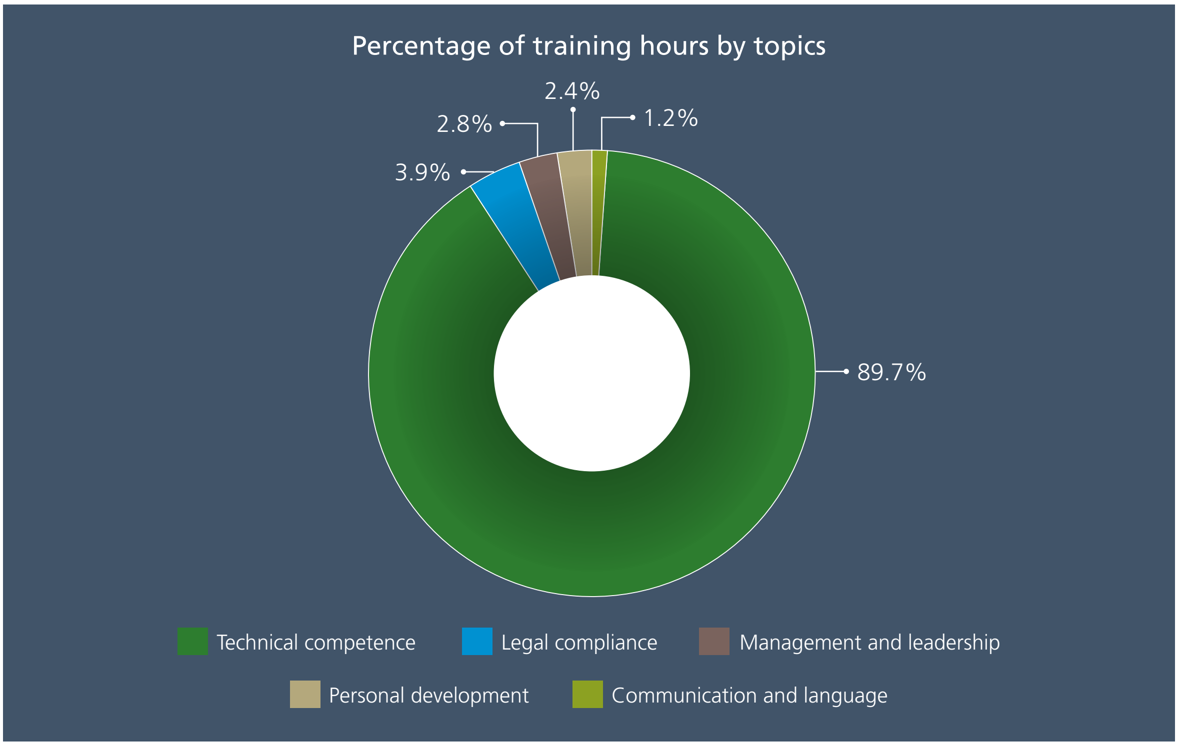
12.2 Information on employees and other workers (102-8)

As at 31 March 2018, the Group was supported by a motivated workforce of approximately 8,400 people worldwide, comprising approximately 4,200 male employees and 4,200 female employees. The work force are deployed in various countries or regions, as follows:



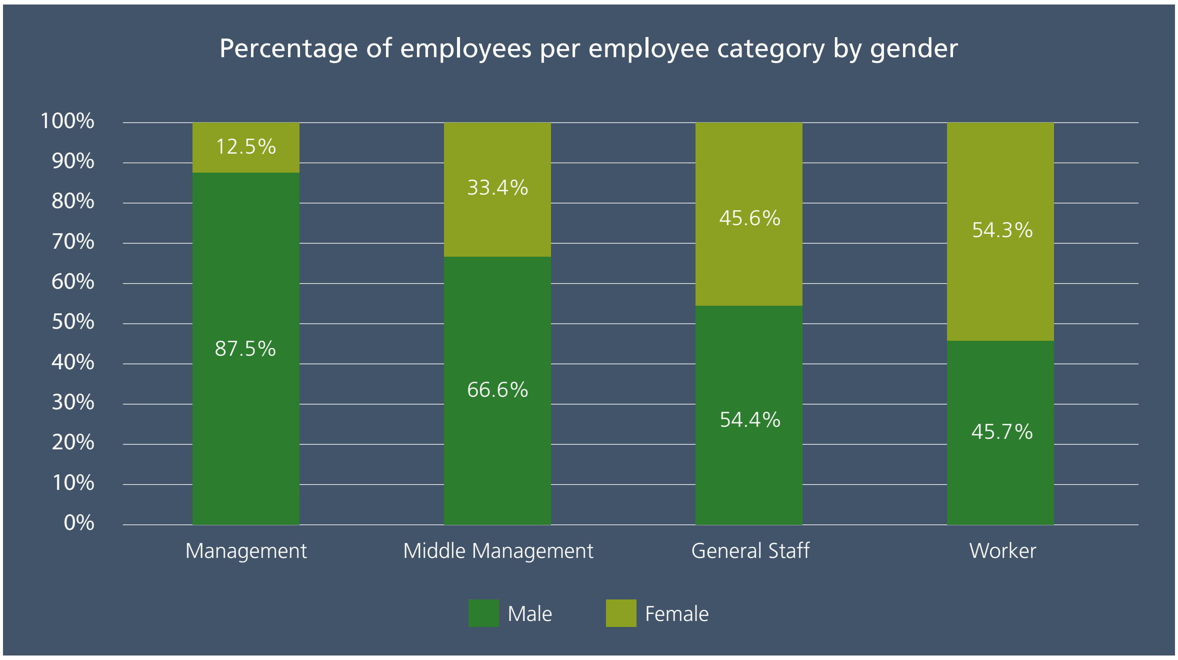
12.3 Average hours of training per year per employee (404-1)

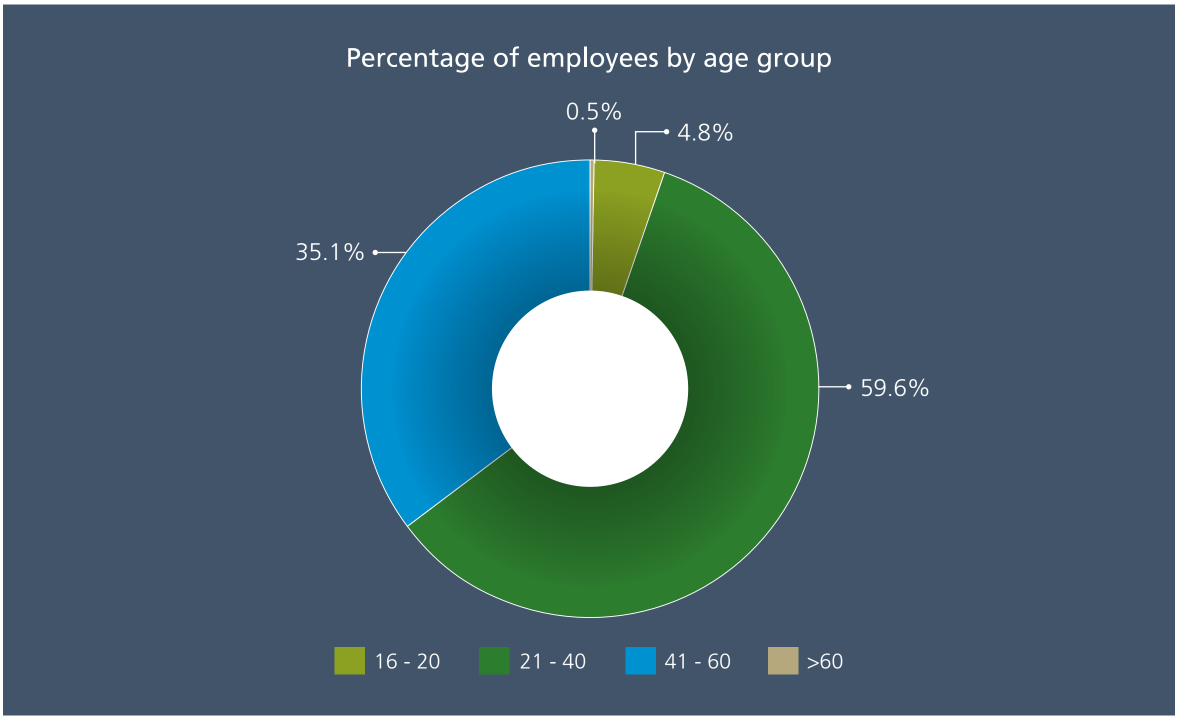
The Group invests in employees through development programs to enhance their soft and hard skills as well as work competence in preparation for their career development. Employees participated in various workshops and training sessions on laws and regulations, management and leadership skills, personal development, technical competence as well as language and communication. In addition, orientation programme provided to new employees in production plants include training on safety and occupational health courses relevant to their scope of work. During the year ended 31 March 2018, the total number of training hours, excluding orientation programmes for new employees, are analysed below:



12.4 Diversity of governance bodies and employees (405-1)

The Group adopts a policy of equal employment opportunities to ensure that every job applicant and employee has equal employment and promotion opportunities. Personal capability and suitability are the bases for consideration. The Group strives to ensure that everyone works in an environment free of discrimination and harassment. The profile of the Group's workforce as at 31 March 2018 is set out below:





Further information on the Board and senior management of the Group are set out on page 20 to 23 of FY2018 AR.

The Group considers its employees the most valuable asset and offers them fair and competitive remuneration packages. Discretionary incentives are granted to eligible employees based on the performance of the Group and contribution of individual employees. Retirement schemes are offered as part of the remuneration package. Remuneration policies and packages are reviewed regularly to ensure that compensation and benefits are in line with market standards, thus helping the recruitment and retention of talent.

12.5 Community Involvement (413-1)

As a responsible corporate citizen, the Group nurtures a caring culture among employees in the workplace and reciprocates to the community through participation in various community events.

In Hong Kong, the Group has supported the Community Chest's Corporate and Employee Contribution Program for more than a decade. The Group is also an active participant of many community activities, such as Love Teeth Day, flag-selling, blood drive, Earth Hour, Lai See Packets (Red Packets for Chinese New Year) Recycle Program, festive food donation, etc. It also organized activities including cleaning campaign, visits to elderly homes as well as environmental caring seminars for primary schools during the year. The Group participated in an internship program for tertiary students to enhance them with relevant working experience. The Group formed a team to participate in a fund-raising activity to support the rehabilitation of the amputees and also sponsored the underprivileged children to participate in a robotic summer camp.

Since 2014, GP Batteries has been a sponsor and the sole supplier of batteries for the Hong Kong Standard Chartered Marathon. In January 2018, the Group participated in the race with a team of over 240 runners comprising employees and their families to promote work-life balance and a healthy lifestyle. Training sessions and on-site support on the event day were provided to help runners achieve their goals effectively and safel

In recognition of the Group's continuous commitment in good corporate citizenship, Gold Peak, the Company's holding company, has been awarded the Caring Company Logo by The Hong Kong Council of Social Service for 16 consecutive years.

In Mainland China, Zhongyin (Ningbo) Battery Co Ltd, a 70% owned subsidiary, had set up its own charity fund (中银慈善基金会 or Zhongyin Charity Fund, the "ZY Charity Fund") in 2005. The ZY Charity Fund contributed to fund the building of a primary school, 双鹿电池希望小学, in Guizhou, Mainland China in 2007. From 2007 to 2012, the ZY Charity Fund also funded the purchase of school uniform, computer and electronic equipment for teaching as well as the building of a canteen for the school children.

12.6 Assessment of the health and safety impacts of product and service categories (416-1), Supplier Social Assessment (414-1)

The Group is committed to producing safe and quality products.

IEC (International Electrotechnical Commission) 62133 is the safety standard for rechargeable secondary cells and batteries, containing alkaline or other non-acid electrolytes, which are used in portable applications. The Group's IEC62133-certified lithium-ion and NiMH batteries offer quick market penetration into 53 Certification Body scheme participating countries. UN (United Nations) 38.3 lists the requirements for the transportation of cells, batteries or battery systems that are lithium metal or lithium-ion. With UN38.3 certification, all GP lithium-ion batteries are allowed to be easily shipped by air and sea (subject to national deviation, additional tests may be needed).

As an established global brand, GP Batteries adheres to international safety standard. The Group's quality assurance centres, located strategically in China and Singapore, are well-recognized by more than 90 international regions under International Laboratory Accreditation Cooperation-Mutual Recognition Agreement. The Group's Hong Kong laboratory is the first and only one in Hong Kong out of six certified to UL WTDP (Witnessed Test Data Program) for UL1642, UL62133 and UN38.3 battery safety testing in Mainland China and Hong Kong. It is also the only one in Hong Kong out of five CTF (Customers' Testing Facilities - Stage 1) approved facilities for IEC62133 battery safety testing in Mainland China and Hong Kong.

The Group has developed and implemented quality control systems towards hazardous substances which are produced in manufacturing processes to ensure all operations comply with relevant laws and regulations. Laboratories are established to control product quality. A quality management system is set up in accordance with the requirements of ISO9001:2015 and IATF16949:2016. When non-conforming or suspected non-conforming products are shipped, quality assurance teams will notify relevant departments for containment action (including recall, rework or sorting) immediately. Sales department shall notify the affected customers so that the non-conforming or suspected non-conforming products can be quarantined, recalled or returned in a timely manner. Moreover, factory teams led by quality assurance will perform the failure and root cause analyses. Prompt corrective and preventive actions will be taken accordingly to prevent similar incidents from recurring.

The Group has set up mechanisms to receive customers' feedback in order to continuously improve its products and services. During the year, a number of our international renowned customers audited some of the Group's factories and affirmed that the operations and products meet their environmental and safety expectations.

Most of the Group's factories have received ISO9001 accreditations, indicating the Group's ability to consistently provide products and services that meet customers' needs as well as applicable statutory and regulatory requirements.


DNV·GL

MANAGEMENT SYSTEM CERTIFICATE

Certificate No: 4186-2007-AQ-RGC-UKAS
Initial certification date: 12 October, 2007
Valid: 16 November, 2017 - 12 October, 2019

This is to certify that the management system of

GP Logistics (Shenzhen) Company Limited

Room 105, 5/F & 6/F, Block A, and 2/F & 5/F, Block B, DongFu Warehouse Building, No. 32 Shihua Road, Futian Free Trade Zone, Shenzhen City, P.R. China, 518038 (Unicode: 91440300661024544E)

has been found to conform to the Quality Management System standard:
ISO 9001:2015/GB/T 19001-2016

This certificate is valid for the following scope:

Provision of Total Logistics Solution and One-stop Packing Services including Warehousing Management and Distribution, Cargo Inspection, Packaging Design & Packing Operation.

Place and date: Shanghai, 17 November, 2017

For the issuing office: DNV GL – Business Assurance

Chen Yi
Management Representative


SGS

Certificate HK04/1410

The management system of

GP Electronics (Huizhou) Co., Ltd.

No.76, Hui Feng Si Road, Zhong Kai Hi-Tech Industrial Development Zone, Huizhou City, Guangdong Province, P.R. China

Unified Social Credit Code 91441300733090031Y

has been assessed and certified as meeting the requirements of

ISO 9001:2015

For the following activities

Design of speaker systems, speaker drivers & speaker driver parts and speaker wooden cabinets & wooden cabinet parts; Manufacture of speaker wooden cabinets, semi finished speaker wooden cabinets and cabinet parts, various speaker systems, drivers and speaker parts, car audio products, home and professional audio products (including Compact Disc (CD) players, tuners, Digital Video Disc (DVD) players, audio amplifiers, home theatre systems, professional power amplifiers, professional turntables, professional mixing controllers and guitar amplifier systems); Manufacture of battery chargers, electronic dimmers & switches for electrical appliances

This certificate is valid from 9 October 2016 until 8 October 2019 and remains valid subject to satisfactory surveillance audits. Recertification audit due a minimum of 60 days before the expiration date. Issue 5. Certified since 10 October 2004

Authorised by

The Group's 9V batteries are UL217 certified specifically for smoke alarm application. GP Batteries is amongst the first batch of lithium-ion battery brands that obtained voluntary CQC (China Quality Certification) mark in Mainland China, UR mark in the USA, BIS (Bureau of Indian Standards) mark in India, and MC (Malaysian Conformity) mark in Malaysia which demonstrate its ability to satisfy customers' needs efficiently.

In addition, the Group has a well-established supply chain management policy to monitor the qualification of its suppliers. Suppliers are qualified based on their capability to meet the product's technical and quality requirements, health and safety standards and business ethics. The Group conducts random audits of its suppliers' production sites to ensure their continuous compliance with the quality requirements.

12.7 Non-compliance with laws and regulations in the social and economic area (419-1)

During FY2018, the Group complied with all relevant laws and regulations that have significant impact on the Group relating to (i) compensation and benefits, recruitment and promotion, working hours, holidays, dismissal, social insurance, equal opportunity, diversity, antidiscrimination, and other benefits and welfare; and (ii) health and safety matters on products and services provided and methods of redress.

SGX Five Primary Components Index

S/N	Primary Component	Section Reference
1	Material topics	Stakeholder Engagement
2	Policies, practices and performance	▪ Statement from Chairman ▪ The Group's Sustainability Story ▪ Economic Topics, Environmental Topics and Social Topics
3	Board statement	Statement of the Board and Governance
4	Targets	The Group's Sustainability Story
5	Framework	Reporting Practice

GRI Standards Content Index

GRI Standards	Disclosure Content	Section Reference/Comment
General Disclosures		
GRI 102: General Disclosures 2016		
102-1	Name of the organisation	Paragraph 1
102-2	Activities, brands, products, and services	Paragraph 2
102-3	Location of headquarters	Paragraph 2
102-4	Location of operations	Paragraph 2
102-5	Ownership and legal form	Paragraph 2
102-6	Markets served	Paragraph 2
102-7	Scale of the organisation	Paragraph 2
102-8	Information on employees and other workers	Paragraph 12.2
102-9	Supply chain	Paragraph 2
102-10	Significant changes to the organisation and its supply chain	No significant changes
102-11	Precautionary principle or approach	The Group does not specifically address the principles of the precautionary approach
102-14	Statement from senior decision maker	Paragraph 5
102-16	Values, principles, standards, and norms of behavior	Paragraph 4
102-18	Governance structure	Paragraph 5
102-40	List of stakeholder groups	Paragraph 8
102-42	Identifying and selecting stakeholders	Paragraph 8
102-43	Approach to stakeholder engagement	Paragraph 8
102-44	Key topics and concerns raised	Paragraph 8
102-45	Entities included in the consolidated financial statements	Page 106 to 109 of FY2018 AR
102-46	Defining report content and topic boundaries	Paragraph 9
102-47	List of material topics	Paragraph 9
102-48	Restatements of information	Not applicable (inaugural report)

GRI Standards	Disclosure Content	Section Reference/Comment
102-49	Changes in reporting	Not applicable (inaugural report)
102-50	Reporting period	Financial year ended 31 March 2018
102-51	Date of most recent report	Not applicable (inaugural report)
102-52	Reporting cycle	Annually
102-53	Contact point for questions regarding the report	gpind@gp-industries.com
102-54	Claims of reporting in accordance with the GRI Standards	Paragraph 7
102-55	GRI content index	This section
102-56	External assurance	Paragraph 7
Economic		
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	Paragraph 10.1
GRI 205: Anti-corruption 2016		
205-2	Communication and training about anti-corruption policies and procedures	Paragraph 4
Environmental		
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	Paragraph 11.1
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Paragraph 11.2
GRI 303: Water 2016		
303-1	Water withdrawal by source	Paragraph 11.3
GRI 306: Effluents and Waste 2016		
306-2	Waste by type and disposal method	Paragraph 11.4
GRI 307: Environmental Compliance 2016		
307-1	Non-compliance with environmental laws and regulations	Paragraph 11.5

GRI Standards	Disclosure Content	Section Reference/Comment
Social		
GRI 403: Occupational Health and Safety 2016		
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Paragraph 12.1
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Paragraph 12.3
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Paragraph 12.4
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	Paragraph 12.5
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	Paragraph 12.6
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	Paragraph 12.6
GRI 419: Socio Economic Compliance 2016		
419-1	Non-compliance with laws and regulations in the social and economic area	Paragraph 12.7

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