



GP Industries Limited
(Incorporated in the Republic of Singapore)
Co. Reg. No. 199502128C

Second Quarter and Half Year Financial Statement and Dividend Announcement for the Financial Period ended 30 September 2018

1(a) An income statement and a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group income statement for the second quarter ("Q2") and half year ("H1") ended 30 September 2018. These figures have not been audited.

	Notes	Q2 ended 30.09.18 S\$'000	Q2 ended 30.09.17 S\$'000	Change %	H1 ended 30.09.18 S\$'000	H1 ended 30.09.17 S\$'000	Change %
Revenue		307,937	294,594	4.5	594,962	569,395	4.5
Cost of sales		(228,848)	(225,422)	1.5	(453,213)	(430,783)	5.2
Gross profit		79,089	69,172	14.3	141,749	138,612	2.3
Other operating income	a	1,368	9,038	(84.9)	13,392	11,245	19.1
Distribution costs	b	(34,067)	(28,425)	19.8	(66,073)	(56,007)	18.0
Administrative expenses		(32,795)	(31,191)	5.1	(64,611)	(62,892)	2.7
Exchange gain (loss)	c	2,652	(2,833)	n/m	6,721	(4,469)	n/m
Other operating expenses		(1,792)	(2,019)	(11.2)	(2,524)	(2,784)	(9.3)
Profit before finance costs and share of results of associates		14,455	13,742	5.2	28,654	23,705	20.9
Finance costs	d	(6,729)	(3,920)	71.7	(12,456)	(7,563)	64.7
Share of results of associates	e	7,136	8,626	(17.3)	14,427	16,755	(13.9)
Profit before taxation	f	14,862	18,448	(19.4)	30,625	32,897	(6.9)
Income tax expense	g	(4,552)	(6,105)	(25.4)	(8,504)	(11,242)	(24.4)
Profit after taxation		10,310	12,343	(16.5)	22,121	21,655	2.2
Attributable to:							
Equity holders of the Company		6,853	7,122	(3.8)	14,042	12,536	12.0
Non-controlling interests		3,457	5,221	(33.8)	8,079	9,119	(11.4)
		10,310	12,343	(16.5)	22,121	21,655	2.2

n/m – not meaningful

- (Note a) Decrease in other operating income for Q2 was due mainly to decrease in gain on disposal of property, plant and equipment and government grant. Increase in other operating income for H1 was due to the net effect of compensation income of approximately S\$7.9 million for damages done to certain property of a subsidiary reported in H1 ended 30 September 2018 and decrease in gain from disposal of property, plant and equipment.
- (Note b) Increase in distribution costs was due partly to increase in revenue, partly to increase in expenditure for the Group's brand building activities, partly to increase in sales on DDP (Delivered Duty Paid) Incoterms and partly to increase in costs for maintenance of vendor maintained inventory for customers. In addition, there was a write-back of doubtful debt provision of S\$2.3 million in Q2 ended 30 September 2017.
- (Note c) A net exchange gain was reported for Q2 and H1 ended 30 September 2018 due mainly to the depreciation of Chinese Renminbi against United States dollar.
- (Note d) Increase in finance costs was due mainly to increase in the Group's gross bank borrowings and increase in interest rates.
- (Note e) Except for the associates of the electronic business, contributions from other associates decreased for H1. Decrease in share of results of associates for Q2 was due to lower profit contributed by Linkz Industries Limited and Meiloon Industrial Co., Ltd.
- (Note f) Profit before taxation was arrived at after crediting (charging) the following:

	Q2 ended 30.09.18 S\$'000	Q2 ended 30.09.17 S\$'000	H1 ended 30.09.18 S\$'000	H1 ended 30.09.17 S\$'000
Depreciation and amortisation	(6,803)	(6,470)	(13,634)	(12,440)
(Allowance for and write-off of) Write-back of bad debt, net	(235)	2,358	51	2,303
Allowance for and write-off of inventory obsolescence, net	(319)	(604)	(1,121)	(1,057)
Interest income ⁽¹⁾	501	280	983	623
(Loss) Gain on disposal of property, plant and equipment ⁽¹⁾	(245)	5,689	745	5,776
Property, plant and equipment written off ⁽²⁾	(165)	(5)	(182)	(264)
Closure and relocation costs ⁽²⁾	(1,166)	-	(1,166)	-
Allowance for impairment loss on property, plant and equipment ⁽²⁾	-	(1,415)	-	(1,415)

⁽¹⁾ Reported under other operating income.

⁽²⁾ Reported under other operating expenses.

- (Note g) There was no significant adjustment for under- or over-provision of income tax expense in respect of prior years for H1 this year except for an over-provision of approximately S\$2,155,000 (2017: S\$309,000).

Group statement of comprehensive income for Q2 and H1 ended 30 September 2018.

	Notes	Q2 ended 30.09.18 S\$'000	Q2 ended 30.09.17 S\$'000	H1 ended 30.09.18 S\$'000	H1 ended 30.09.17 S\$'000
Profit after taxation for the financial period		10,310	12,343	22,121	21,655
Other comprehensive income (loss):					
Items that will not be reclassified subsequently to profit or loss:					
Fair value loss on financial assets at fair value through other comprehensive income		(634)	-	(1,255)	-
Share of other comprehensive income of associates		-	-	1	-
Items that may be reclassified subsequently to profit or loss:					
Exchange translation (deficit) surplus		(12,532)	2,054	(16,829)	3,074
Net change in fair value of cash flow hedges		(78)	-	(78)	-
Fair value gain on available-for-sale financial assets		-	8	-	8
Share of other comprehensive loss of associates	h	(3,109)	(399)	(2,975)	(3,027)
Other comprehensive (loss) income for the financial period, net of tax		(16,353)	1,663	(21,136)	55
Total comprehensive (loss) income for the financial period		(6,043)	14,006	985	21,710
Attributable to:					
Equity holders of the Company		(6,915)	7,240	(3,868)	10,736
Non-controlling interests		872	6,766	4,853	10,974
		(6,043)	14,006	985	21,710

(Note h) Share of other comprehensive loss of associates comprised exchange translation deficit.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

As at	Notes	Group		Company	
		30.09.18 S\$'000	31.03.18 S\$'000	30.09.18 S\$'000	31.03.18 S\$'000
Non-current Assets					
Property, plant and equipment	a	250,827	291,119	85	114
Interest in subsidiaries		-	-	422,342	422,342
Interest in associates		252,423	244,589	29,031	29,031
Financial assets at fair value through other comprehensive income / Available-for-sale financial assets	b	8,947	9,783	-	-
Non-current receivables	c	-	-	42,000	-
Deferred tax assets		4,004	3,660	-	-
Deposits and prepayments		1,155	1,627	-	-
Intangible assets		17,516	16,913	-	-
		534,872	567,691	493,458	451,487
Current Assets					
Inventories		189,027	182,417	-	-
Receivables and prepayments	d	255,919	200,251	22,485	3,787
Dividend receivable		-	4,771	10,736	21,211
Taxation recoverable		4,696	5,779	-	-
Derivative financial instruments		-	243	-	-
Available-for-sale financial assets	e	-	4,170	-	-
Bank balances, deposits and cash	f	217,185	194,161	16,765	10,270
		666,827	591,792	49,986	35,268
Assets classified as held for sale	g	38,696	9,326	-	-
		705,523	601,118	49,986	35,268
Current Liabilities					
Trade and other payables	h	318,208	263,987	22,972	4,124
Obligations under finance leases		159	40	-	-
Income tax payable		6,888	4,570	561	738
Bank overdrafts, bank loans and other loans	i	247,811	299,769	66,311	73,304
Notes	j	-	19,892	-	-
		573,066	588,258	89,844	78,166
Net Current Assets (Liabilities)		132,457	12,860	(39,858)	(42,898)
Non-current Liabilities					
Bank and other loans	i	218,737	116,702	161,964	104,959
Obligations under finance leases		473	63	-	-
Derivative financial instruments		78	-	78	-
Deferred tax liabilities		3,027	3,429	-	-
		222,315	120,194	162,042	104,959
Net Assets		445,014	460,357	291,558	303,630
Represented by:					
Issued capital		286,307	286,307	286,307	286,307
Treasury shares		(20,585)	(20,585)	(20,585)	(20,585)
Reserves		98,507	111,014	25,836	37,908
Equity attributable to equity holders of the Company		364,229	376,736	291,558	303,630
Non-controlling interests		80,785	83,621	-	-
Total Equity		445,014	460,357	291,558	303,630

- (Note a) Decrease in the Group's property, plant and equipment was due mainly to the reclassification of (i) land and buildings with a net book value of S\$26.4 million located in Huizhou, The People's Republic of China ("PRC"); and (ii) land and buildings with a net book value of S\$8.9 million located in Ningbo, PRC, to assets classified as held for sale ("AHFS") during H1 ended 30 September 2018. The Group has entered into conditional agreements to dispose of such properties during the financial quarter ended 30 June 2018.
- (Note b) Upon adoption of Singapore Financial Reporting Standards (International) effective 1 April 2018, available-for-sale-financial assets as at 31 March 2018 have been re-designated as financial assets at fair value through other comprehensive income.
- (Note c) During the financial quarter ended 30 June 2018, the Company granted a S\$60.0 million interest bearing loan to a subsidiary, which is receivable over a period of three years. Non-current receivables represents the amount of the loan receivable from the subsidiary after one year from the date of the statement of financial position.
- (Note d) Increase in the Group's receivables and prepayments was due mainly to increase in trade receivables as a result of higher revenue for Q2 ended 30 September 2018 compared to that for the financial quarter ended 31 March 2018.
- Included in the Company's receivables and prepayments as at 30 September 2018 is the current portion of the loan to a subsidiary (note c), amounted to S\$14.4 million.
- (Note e) Structured deposit placed with a bank in PRC as at 31 March 2018 was uplifted during H1 ended 30 September 2018.
- (Note f) Increase in the Group's bank balances, deposits and cash was due mainly to deposits received from the proposed disposal of AHFS (note h).
- Increase in the Company's bank balances, deposits and cash was due mainly to funds received from a subsidiary (note h).
- (Note g) The net increase in AHFS during H1 ended 30 September 2018 was due mainly to the net effect of (i) reclassification of certain properties from property, plant and equipment to AHFS (note a); and (ii) the disposal of AHFS located in Taiwan.
- (Note h) Increase in the Group's trade and other payables was due mainly to (i) increase in trade payables as a result of higher revenue for Q2 ended 30 September 2018 compared to that for the financial quarter ended 31 March 2018; and (ii) deposits amounted to S\$31.0 million in total received from the proposed disposal of AHFS (note a).
- Increase in the Company's trade and other payables was due mainly to advance received from a subsidiary.
- (Note i) Increase in the Group's total borrowings was due mainly to the net effect of (i) drawdown of term loans amounted to approximately S\$240.9 million; and (ii) repayment of existing term loans and short-term borrowings amounted to approximately S\$195.9 million.
- Increase in the Company's total borrowings was due mainly to the net effect of (i) drawdown of term loans amounted to approximately S\$175.0 million; and (ii) repayment of existing term loans and short-term borrowings amounted to approximately S\$123.6 million.
- (Note j) The notes were fully redeemed during H1 ended 30 September 2018.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

As at	30.09.18 S\$'000	31.03.18 S\$'000
Amount repayable in one year or less, or on demand:		
Secured	159	40
Unsecured	247,811	319,661
	247,970	319,701
Amount repayable after one year:		
Secured	473	63
Unsecured	218,737	116,702
	219,210	116,765

Details of any collateral

As at	30.09.18 S\$'000	31.03.18 S\$'000
Net book value of property, plant and equipment held under finance leases:		
(i) Motor vehicles	311	146
(i) Machinery and equipment	435	-

Other comments to paragraph 1(b)(ii)

As at 30 September 2018, bank balances, deposits and cash of the Group amounted to S\$217,185,000 (31 March 2018: S\$194,161,000), resulting in net borrowings of S\$249,995,000 (31 March 2018: S\$242,305,000).

1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Q2 ended 30.09.18 S\$'000	Q2 ended 30.09.17 S\$'000
Operating activities		
Profit before taxation	14,862	18,448
Adjustments for:		
Share of results of associates	(7,136)	(8,626)
Depreciation of property, plant and equipment	6,720	6,387
Amortisation of intangible assets	83	83
Finance costs	6,729	3,920
Interest income	(501)	(280)
Loss (Gain) on disposal and write-off of property, plant and equipment, net / assets classified as held for sale	410	(5,684)
Allowance for impairment loss on property, plant and equipment	-	1,415
Allowance for and write-off of inventory obsolescence, net	319	604
Allowance for and write-off of (Write-back of) bad debt, net	235	(2,358)
Utilisation of prepaid rent	271	-
Realised gain on derivative financial instruments	(24)	(68)
Unrealised fair value gain on derivative financial instruments	(171)	-
Unrealised exchange (gain) loss	(2,391)	132
Operating cash flows before movements in working capital	19,406	13,973
Inventories	1,408	(15,758)
Receivables and prepayments	(22,773)	(12,552)
Trade and other payables	8,049	19,152
Amount due from and to ultimate holding company	-	(433)
Cash generated from operations	6,090	4,382
Income tax paid	(2,423)	(3,818)
Finance costs paid	(6,542)	(4,894)
Interest received	500	280
Net cash used in operating activities	(2,375)	(4,050)
Investing activities		
Purchase of property, plant and equipment	(5,795)	(21,093)
Deposits received for assets classified as held for sale	26,859	-
Deposits for purchase of property, plant and equipment	25	1,031
Dividends received from associates	3,883	7,617
Proceeds from disposal of property, plant and equipment / assets classified as held for sale	(153)	2,219
Uplift of time deposits	12,064	-
Cash transferred to an escrow account	-	(21,720)
Net cash generated from (used in) investing activities	36,883	(31,946)

	Q2 ended 30.09.18 S\$'000	Q2 ended 30.09.17 S\$'000
Financing Activities		
Drawdown of long-term bank and other loans	48,702	3,053
Repayment of long-term bank and other loans	(27,643)	(20,561)
(Repayment) Drawdown of short-term bank loans, net	(47,079)	40,676
(Redemption) Issue of notes	(13,368)	5,989
Obligation under finance leases	(52)	(52)
Dividend paid	(8,478)	(7,267)
Dividend paid to non-controlling interests	(1,592)	(1,550)
Net cash (used in) generated from financing activities	(49,510)	20,288
Net decrease in cash and cash equivalents	(15,002)	(15,708)
Cash and cash equivalents at beginning of financial period	236,036	171,560
Effects of exchange rate changes on the balance of cash held in foreign currencies	(4,112)	719
Cash and cash equivalents at end of financial period	216,922	156,571
Cash and cash equivalents at end of financial period comprised:		
Bank balances, deposits and cash	217,185	179,271
Less: Bank overdrafts	(263)	(980)
Less: Cash held in escrow account	-	(21,720)
	216,922	156,571

1(d)(i) A statement (for the issuer and the group) of changes in equity together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to equity holders of the Company												Non-controlling interests S\$'000	Total equity S\$'000
	Issued capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Legal reserve S\$'000	Capital reserve on consolidation S\$'000	Exchange translation reserve S\$'000	Fair value reserve S\$'000	Share-based payment reserve S\$'000	Property revaluation reserve S\$'000	Hedging reserve S\$'000	Retained profits S\$'000	Total S\$'000		
Group														
Balance at 01.07.18	286,307	(20,585)	5,868	17,043	31,368	(103,706)	(621)	1,467	596	-	161,887	379,624	81,505	461,129
<u>Total comprehensive income (loss)</u>														
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	6,853	6,853	3,457	10,310
Other comprehensive loss for the financial period	-	-	-	-	-	(13,056)	(634)	-	-	(78)	-	(13,768)	(2,585)	(16,353)
Total comprehensive (loss) income for the financial period	-	-	-	-	-	(13,056)	(634)	-	-	(78)	6,853	(6,915)	872	(6,043)
<u>Transactions with owners, recognised directly in equity</u>														
Contributions by and distributions to owners:														
Dividends paid	-	-	-	-	-	-	-	-	-	-	(8,478)	(8,478)	(1,592)	(10,070)
Changes in ownership interests in subsidiaries:														
Acquisition of additional interest in a subsidiary	-	-	-	-	(2)	-	-	-	-	-	-	(2)	-	(2)
Total transactions with owners	-	-	-	-	(2)	-	-	-	-	-	(8,478)	(8,480)	(1,592)	(10,072)
Balance at 30.09.18	286,307	(20,585)	5,868	17,043	31,366	(116,762)	(1,255)	1,467	596	(78)	160,262	364,229	80,785	445,014

	Attributable to equity holders of the Company											Non-controlling interests S\$'000	Total equity S\$'000
	Issued capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Legal reserve S\$'000	Capital reserve on consolidation S\$'000	Exchange translation reserve S\$'000	Available-for-sale financial assets reserve S\$'000	Share-based payment reserve S\$'000	Property revaluation reserve S\$'000	Retained profits S\$'000	Total S\$'000		
Group													
Balance at 01.07.17	286,307	(20,585)	3,132	16,453	22,617	(107,389)	545	1,467	596	142,828	345,971	162,715	508,686
<u>Total comprehensive income (loss)</u>													
Profit for the financial period	-	-	-	-	-	-	-	-	-	7,122	7,122	5,221	12,343
Other comprehensive income for the financial period	-	-	-	-	-	113	5	-	-	-	118	1,545	1,663
Total comprehensive income for the financial period	-	-	-	-	-	113	5	-	-	7,122	7,240	6,766	14,006
<u>Transactions with owners, recognised directly in equity</u>													
Contributions by and distributions to owners:													
Dividend paid	-	-	-	-	-	-	-	-	-	(7,267)	(7,267)	(1,550)	(8,817)
Balance at 30.09.17	286,307	(20,585)	3,132	16,453	22,617	(107,276)	550	1,467	596	142,683	345,944	167,931	513,875

	Issued capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Hedging reserve S\$'000	Retained profits S\$'000	Total equity S\$'000
Company						
Balance at 01.07.18	286,307	(20,585)	614	-	37,787	304,123
Total comprehensive income (loss)						
Loss for the financial period	-	-	-	-	(4,009)	(4,009)
Other comprehensive loss for the financial period	-	-	-	(78)	-	(78)
Total comprehensive loss for the financial period	-	-	-	(78)	(4,009)	(4,087)
Transactions with owners, recognised directly in equity						
Dividend paid	-	-	-	-	(8,478)	(8,478)
Balance at 30.09.18	286,307	(20,585)	614	(78)	25,300	291,558
Balance at 01.07.17	286,307	(20,585)	614	-	34,504	300,840
Profit and total comprehensive income for the financial period	-	-	-	-	8,337	8,337
Transactions with owners, recognised directly in equity						
Dividend paid	-	-	-	-	(7,267)	(7,267)
Balance at 30.09.17	286,307	(20,585)	614	-	35,574	301,910

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in the Company's issued capital during the period from 30 June 2018 to 30 September 2018.

There were no shares that may be issued on conversion of any outstanding convertibles as at 30 September 2018 and 2017.

As at	30.09.18	30.09.17
Treasury shares held	36,889,300	36,889,300
Subsidiary holdings held	-	-
	36,889,300	36,889,300
Percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of issued shares excluding treasury shares and subsidiary holdings	7.61%	7.61%

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at	30.09.18	31.03.18
Total number of issued shares	521,358,482	521,358,482
Less: treasury shares	(36,889,300)	(36,889,300)
Total number of issued shares excluding treasury shares	484,469,182	484,469,182

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

As at 30 September 2018, there were no sales, transfers, cancellation and/or use of treasury shares.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

As at 30 September 2018, there were no sales, transfers, cancellation and/or use of subsidiary holdings.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

With effect from 1 April 2018, the Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)") in preparing its financial statements. The Group's audited financial statements for its financial year ended 31 March 2018 were prepared using Singapore Financial Reporting Standards.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

In adopting SFRS(I)s, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. The Group's opening statement of financial position under SFRS(I) has been prepared as at 1 April 2017, which is the Group's date of transition to SFRS(I)s.

(a) Application of SFRS(I) 1

The application of SFRS(I) 1 did not result in any adjustments to the comparative financial statements set out in this results announcement.

(b) Adoption of SFRS(I)

The adoption of SFRS(I)s, amendments to SFRS(I)s and SFRS(I)s interpretations did not have a material financial impact on the Group and the Company except for the adoption of SFRS(I) 9 *Financial Instruments* as discussed below.

The Group has elected to apply the short-term exemption under SFRS(I) 1, which exempt the Group from applying SFRS(I) 9 to comparative information. The effect of adoption of SFRS(I) 9 on the Group is as follows:

- (i) The Group has elected to measure its investment in quoted equity shares at fair value through other comprehensive income ("FVTOCI") under SFRS(I) 9. Accordingly, the reserve surplus of S\$4,642,000, which was presented as available-for-sale financial assets reserve surplus as at 31 March 2018 prior to the adoption of SFRS(I) 9, and subsequent fair value gains or losses will not be reclassified to profit or loss upon disposal of the investment.
- (ii) The Group has elected to measure its investment in unquoted equity shares carried at cost less impairment at FVTOCI under SFRS(I) 9 and the Group will measure these investments at fair value at the end of subsequent reporting periods with fair value gains or losses to be recognised as other comprehensive income and accumulated in the fair value reserve.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per share ("EPS")	Q2 ended 30.09.18 Singapore cents	Q2 ended 30.09.17 Singapore cents	H1 ended 30.09.18 Singapore cents	H1 ended 30.09.17 Singapore cents
Basic EPS	1.41	1.47	2.90	2.59
Diluted EPS	1.41	1.47	2.90	2.59

Basic EPS is computed based on the weighted average number of shares in issue during the financial period. The weighted average number of ordinary shares represents the number of ordinary shares in issue at the beginning of the financial period, adjusted for new ordinary shares issued during the financial period multiplied by a time-weighted factor. The adjustments to the weighted average number of shares for computing diluted EPS are as follows:

	Q2 ended 30.09.18	Q2 ended 30.09.17	H1 ended 30.09.18	H1 ended 30.09.17
Weighted average number of ordinary shares used in calculating basic EPS	484,469,182	484,469,182	484,469,182	484,469,182
Adjustment for dilutive potential ordinary shares	-	-	-	-
Weighted average number of ordinary shares used in calculating diluted EPS	484,469,182	484,469,182	484,469,182	484,469,182

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
 (a) **current financial period reported on; and**
 (b) **immediately preceding financial year.**

As at	Group		Company	
	30.09.18 Singapore cents	31.03.18 Singapore cents	30.09.18 Singapore cents	31.03.18 Singapore cents
Net asset value per ordinary share based on 484,469,182 issued shares excluding treasury shares as at 30 September 2018 (31 March 2018: 484,469,182)	75.18	77.76	60.18	62.67

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
 (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of Results

The Group's revenue for the 6-month period ended on 30 September 2018 ("H1FY2019") was S\$595.0 million, an increase of 4.5% over the revenue reported for the 6-month period ended 30 September 2017 ("H1FY2018"). The increase was mainly attributable to a 6.4% revenue growth reported by the *Batteries Business*.

The Chinese Renminbi ("Renminbi") weakened against the US dollar and some raw material prices declined during the financial quarter ended on 30 September 2018 ("Q2FY2019"). This contributed to improve the Group's gross profit margin, from 21.8% for the first financial quarter ended on 30 June 2018 ("Q1FY2019"), to 25.7% for Q2FY2019. However, the Group's gross profit margin for H1FY2019 was 23.8%, compared to 24.3% for H1FY2018. The lower gross profit margin for H1FY2019 was due to the lower gross profit margin of Q1FY2019 attributable to a stronger Renminbi and the high prices of some raw material. The US dollar strengthened against the Renminbi since the latter part of Q1FY2019 and contributed to a net exchange gain of S\$6.7 million for H1FY2019, compared with a net exchange loss of S\$4.5 million for H1FY2018.

During H1FY2019, the Group reported lower income tax expense, due partly to a write-back of taxation expense by certain subsidiary and associate operating in China.

Profit after taxation attributable to equity holders for H1FY2019 increased by 12.0% to S\$14.0 million when compared to the S\$12.5 million reported for H1FY2018.

Based on the weighted average of 484,469,182 shares in issue (H1FY2018: 484,469,182 shares), basic earnings per share for H1FY2019 was 2.90 Singapore cents as compared to 2.59 Singapore cents for H1FY2018.

Business Review

Batteries Business - The revenue of the *Batteries Business* for H1FY2019 was S\$461.1 million, a 6.4% increase over the revenue for H1FY2018. Sales of primary batteries increased by 11.4% while sales of rechargeable batteries decreased by 13.8%. In geographical terms, sales in the Americas, Europe and Asia increased by 2.1%, 5.3% and 8.5% respectively.

Gross profit margin for Q2FY2019 improved from that of Q1FY2019 due to lower material costs and the lower Renminbi exchange rate against the US dollar.

Electronics and Acoustics Business - Revenue from the *Electronics and Acoustics Business* in H1FY2019 decreased by 1.6% compared to H1FY2018. Sales of electronics products decreased by 7.3% while sales of acoustics products grew by 5.3%. Sales of acoustics products increased by 11.2% in the US market, 1.8% in the Asian markets, and 4.8% in the European market. The associated companies which manufacture parts and components contributed more profit in aggregate due to higher revenue.

Automotive Wire Harness Business - Sales of the *Automotive Wire Harness Business* in H1FY2019 decreased by 2.5% when compared to H1FY2018. Sales to the US increased by 14.8% due to increased demand for new products while sales to China decreased by 22.8% due partly to delays in production of new car models and partly to reduced demand from automotive manufacturers.

Other Industrial Investments - This business segment includes the Group's investments in Meiloon Industrial Co., Ltd. ("Meiloon") and Linkz Industries Limited ("Linkz"). In H1FY2019, Linkz reported revenue growth but profit contribution decreased due partly to the profit shared by the non-controlling interests of a subsidiary which was listed on the Stock Exchange of Hong Kong Limited in February 2018, and partly to exchange losses and increase in finance cost. Revenue of Meiloon decreased and contributed less profit.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The trade disputes between the US and China cast significant uncertainties on business outlook. Based on the announced US import tariff scheme, slightly less than 10.0% of the Group's businesses, comprising battery products and automotive wire harnesses, are subjected to additional tariffs imposed by the US. The Group is working with its customers in the US on the best response to the increased import cost. The Group is also rapidly expanding the capacity of its manufacturing facilities in Malaysia and Vietnam to take up more of the Group's US export businesses so as to minimize the impact on the Group's businesses from the US import tariffs on products made in China.

Volatile currency exchange rates may also affect the Group's results. A weakened Renminbi is generally favourable to the Group's export-oriented businesses from China. Volatility in certain raw material prices and the global shortage of some electronic components are expected to continue to cause instability in the Group's profit margin.

As announced on 29 October 2018, the proposed disposals of properties in Huizhou, China by the subsidiaries of the *Batteries Business* were terminated. The Group is working on re-launching the sale of these properties.

The Group will continue to enhance the competitiveness of its businesses by investing in technology, new product development, further automating its factories and continue to build the Group's brands and distribution networks in key markets.

11. Dividend**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Interim
Dividend Type Dividend Amount per Share	Cash 1.25 Singapore cents per ordinary share tax-exempt (1-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Interim
Dividend Type Dividend Amount per Share	Cash 1.25 Singapore cents per ordinary share tax-exempt (1-tier)

(c) Date payable

To be announced later.

(d) Books closure date

To be announced later.

(e) Other comments relating to Dividend

The Directors are pleased to recommend an interim tax-exempt (1-tier) dividend of 1.25 Singapore cents per share amounting to approximately S\$6.1 million (2017: interim tax-exempt (1-tier) dividend of 1.25 Singapore cents per share amounting to approximately S\$6.1 million) for its financial year ending 31 March 2019. The dividend will be paid in cash and the dividend was not included as liabilities as at 30 September 2018.

The dividend payment date and the notice of closure of the Register of Members and Transfer Books of the Company for the purpose of determining the entitlement to the dividend will be announced at a later date.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. Interested person transactions

Pursuant to the shareholders' mandate on interested person transactions approved by the shareholders at the Annual General Meeting held on 30 July 2018, the interested person transactions entered into by the Group during the financial period ended 30 September 2018 are as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 during the financial period under review (excluding transactions less than S\$100,000)	
	H1 ended 30.09.18 S\$'000	H1 ended 30.09.17 S\$'000	H1 ended 30.09.18 S\$'000	H1 ended 30.09.17 S\$'000
Sales:				
Light Engine Ltd	-	-	30	79
Huizhou Light Engine Limited	-	-	26	-
Gold Peak Industries (Holdings) Limited	-	-	4	37

14. Negative confirmation by the Board pursuant to Rule 705(5) of the Listing Manual

We, Victor Lo Chung Wing and Leung Pak Chuen, being two directors of GP Industries Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the unaudited financial statements for the financial period ended 30 September 2018 to be false or misleading in any material aspect.

15. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Victor Lo Chung Wing
Chairman and Chief Executive Officer

Leung Pak Chuen
Executive Vice Chairman

5 November 2018