



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

Third Quarter Financial Statement for the Financial Period ended 31 December 2017

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 third quarter ("Q3") and the nine-month ("YTD") period ended 31 December 2017. These figures have not been audited.

	Notes	Q3 ended 31.12.17 S\$'000	Q3 ended 31.12.16 S\$'000	Change %	YTD 31.12.17 S\$'000	YTD 31.12.16 S\$'000	Change %
Revenue		267,805	270,592	(1.0)	837,200	774,441	8.1
Cost of sales		(206,239)	(201,718)	2.2	(637,022)	(581,021)	9.6
Gross profit		61,566	68,874	(10.6)	200,178	193,420	3.5
Other operating income *	a	22,362	5,739	289.6	33,607	12,595	166.8
Distribution costs	b	(23,799)	(33,762)	(29.5)	(79,806)	(84,035)	(5.0)
Administrative expenses		(31,173)	(33,883)	(8.0)	(94,065)	(96,183)	(2.2)
Exchange (loss) gain	c	(2,171)	9,249	n/m	(6,640)	14,506	n/m
Other operating expenses	d	(2,253)	(2,649)	(14.9)	(5,037)	(3,839)	31.2
Profit before finance costs and share of results of associates		24,532	13,568	80.8	48,237	36,464	32.3
Finance costs	e	(4,460)	(3,432)	30.0	(12,023)	(9,520)	26.3
Share of results of associates		9,426	9,658	(2.4)	26,181	23,934	9.4
Profit before taxation	f	29,498	19,794	49.0	62,395	50,878	22.6
Income tax expense	g	(10,377)	(6,742)	53.9	(21,619)	(18,465)	17.1
Profit after taxation		19,121	13,052	46.5	40,776	32,413	25.8
Attributable to:							
Equity holders of the Company		17,695	8,137	117.5	30,231	20,074	50.6
Non-controlling interests	h	1,426	4,915	(71.0)	10,545	12,339	(14.5)
		19,121	13,052	46.5	40,776	32,413	25.8

* Prior period comparative figures of other operating income have been reclassified to conform to current period's presentation.

n/m - not meaningful

- (Note a) Increase in other operating income for Q3 and the YTD period was due mainly to increase in gain on disposal of property, plant and equipment.
- (Note b) Decrease in distribution costs for Q3 was due mainly to lower advertising and promotion expenses and reduction in year-to-date provision for doubtful debts as a result of continuous improvements in the payment performance and ageing profile from The People's Republic of China ("PRC") distribution network of the battery business.
- (Note c) A net exchange loss was reported for both Q3 and the YTD period ended 31 December 2017 due mainly to the appreciation of Singapore dollar and Renminbi against United States Dollar. A net exchange gain was reported for both Q3 and the YTD period ended 31 December 2016 due mainly to the depreciation of Singapore dollar and Renminbi against United States Dollar.
- (Note d) Other operating expenses for Q3 and the YTD period ended 31 December 2017 included transactional costs of approximately S\$1.6 million incurred for the Offer (note h).
- (Note e) Increase in finance costs was due mainly to increase in the Group's gross bank borrowings.
- (Note f) Profit before taxation was arrived at after crediting (charging) the following:

	Q3 ended 31.12.17 S\$'000	Q3 ended 31.12.16 S\$'000	YTD 31.12.17 S\$'000	YTD 31.12.16 S\$'000
Depreciation and amortisation	(6,651)	(6,301)	(19,091)	(17,122)
Write-back of (Allowance for and write-off of) bad debt, net	1,877	(281)	4,180	(360)
Write-back of (Allowance for and write-off of) inventory obsolescence, net	44	(1,295)	(1,013)	(2,649)
Interest income ⁽¹⁾	255	196	878	590
Gain on disposal of property, plant and equipment ⁽¹⁾	17,215	3,165	22,991	6,255
Gain from disposal of intangible assets ⁽¹⁾	-	3	-	289
Write-back of excess restructuring costs ⁽¹⁾	-	4	-	221
Property, plant and equipment written off ⁽²⁾	(77)	(144)	(341)	(427)
Allowance for impairment loss on property, plant and equipment ⁽²⁾	-	-	(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 the YTD period this year except for an over-provision of approximately S\$123,000 (2016: S\$646,000).
- (Note h) During Q3 ended 31 December 2017, the Company increased its shareholdings in GP Batteries International Limited ("GP Batteries") from approximately 64.88% as at 30 September 2017 to 100% as at 31 December 2017, pursuant to a voluntary conditional cash offer for, and the consequential compulsory acquisition of, (the "Offer") all the issued ordinary shares of GP Batteries ("GP Batteries Shares"), other than the GP Batteries Shares already owned by the Company. As a result, the non-controlling interests in GP Batteries decreased during Q3 ended 31 December 2017.

Group statement of comprehensive income for Q3 and the YTD period ended 31 December 2017.

	Notes	Q3 ended 31.12.17 S\$'000	Q3 ended 31.12.16 S\$'000	YTD 31.12.17 S\$'000	YTD 31.12.16 S\$'000
Profit after taxation for the financial period		19,121	13,052	40,776	32,413
Other comprehensive income (loss): Items that may be reclassified subsequently to profit or loss:					
Exchange translation surplus		1,985	7,821	5,059	679
Fair value gain on available-for-sale financial assets		-	95	8	125
Share of other comprehensive (loss) income of associates	i	(793)	6,729	(3,820)	7,892
Other comprehensive income for the financial period, net of tax		1,192	14,645	1,247	8,696
Total comprehensive income for the financial period		20,313	27,697	42,023	41,109
Attributable to:					
Equity holders of the Company		17,986	19,719	28,722	28,845
Non-controlling interests		2,327	7,978	13,301	12,264
		20,313	27,697	42,023	41,109

(Note i) Share of other comprehensive income (loss) of associates comprised exchange translation surplus (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	
		31.12.17 S\$'000	31.03.17 S\$'000	31.12.17 S\$'000	31.03.17 S\$'000
Non-current Assets					
Investment properties	a	-	1,791	-	-
Property, plant and equipment	b	288,962	247,962	126	172
Interest in subsidiaries	c	-	-	414,937	337,206
Interest in associates		249,279	247,725	29,031	29,031
Available-for-sale financial assets		6,039	6,291	-	-
Deferred tax assets		3,131	3,549	-	-
Deposits and prepayments		1,950	6,063	-	-
Intangible assets		17,529	18,542	-	-
		566,890	531,923	444,094	366,409
Current Assets					
Inventories	d	190,845	152,641	-	-
Receivables and prepayments	e	205,369	210,288	11,196	5,999
Dividend receivable		-	1,255	12,779	21,607
Taxation recoverable		2,973	2,358	-	-
Amount due from ultimate holding company		7	3	-	-
Bank balances, deposits and cash	f	222,123	184,699	8,080	27,445
		621,317	551,244	32,055	55,051
Assets classified as held for sale	g	9,427	1,057	-	-
		630,744	552,301	32,055	55,051
Current Liabilities					
Trade and other payables	h	284,287	232,946	3,783	1,873
Obligations under finance leases		46	87	-	-
Income tax payable	i	11,046	5,717	543	767
Amount due to ultimate holding company		1,591	865	164	-
Bank and other loans	j	300,798	203,952	64,046	26,303
Notes	k	13,080	-	-	-
		610,848	443,567	68,536	28,943
Net Current Assets (Liabilities)		19,896	108,734	(36,481)	26,108
Non-current Liabilities					
Bank and other loans	j	129,726	131,692	115,168	95,522
Obligations under finance leases		67	94	-	-
Deferred tax liabilities		4,472	3,835	-	-
		134,265	135,621	115,168	95,522
Net Assets		452,521	505,036	292,445	296,995
Represented by:					
Issued capital		286,307	286,307	286,307	286,307
Treasury shares		(20,585)	(20,585)	(20,585)	(20,585)
Reserves		102,715	76,753	26,723	31,273
Equity attributable to equity holders of the Company		368,437	342,475	292,445	296,995
Non-controlling interests	l	84,084	162,561	-	-
Total Equity		452,521	505,036	292,445	296,995

- (Note a) The investment property, which is located in Huizhou, PRC, has been reclassified to assets classified as held for sale ("AHFS") during the YTD period ended 31 December 2017 (note g).
- (Note b) Increase in the Group's property, plant and equipment was due mainly to the acquisition of land for construction of factory building and acquisition of production facilities by subsidiaries of the battery business in Ningbo, PRC, and the expansion of manufacturing facilities by a subsidiary of the battery business in Malaysia.
- (Note c) During Q3 ended 31 December 2017, the Company (i) increased its shareholdings in GP Batteries from approximately 64.88% as at 30 September 2017 to 100% as at 31 December 2017 pursuant to the Offer; and (ii) acquired the remaining 5% non-controlling interests in GP Electronics (Huizhou) Co., Ltd. ("GPE (Huizhou)").
- (Note d) Increase in the Group's inventories was due mainly to higher raw material prices and the vendor managed inventory maintained for a key customer of the battery business.
- (Note e) Increase in the Company's receivables and prepayments was due mainly to increase in amounts due from subsidiaries.
- (Note f) Increase in the Group's bank balances, deposits and cash was due mainly to proceeds received from disposal of AHFS and deposits received during Q3 ended 31 December 2017 from the proposed disposals of AHFS (note g).
- Decrease in the Company's bank balances, deposits and cash was due mainly to use of cash to partially fund the payment of the cash consideration pursuant to the Offer (note c) and payment of dividend during Q3 ended 31 December 2017.
- (Note g) Increase in AHFS was due mainly to reclassification of certain properties located in Huizhou, PRC and Hsin-Chu, Taiwan from property, plant and equipment and investment property as at 31 March 2017 to AHFS during the financial quarter ended 30 June 2017. During Q3 ended 31 December 2017, the Group has entered into conditional agreements to dispose of the AHFS located in Huizhou, PRC and an agreement to dispose of the AHFS located in Hsin-Chu, Taiwan.
- (Note h) Increase in the Group's trade and other payables was due partly to increase in trade payables due to increase in raw material prices and extended payment terms, and deposits amounted to approximately S\$16.5 million received from disposal of property, plant and equipment and AHFS (note g).
- (Note i) Increase in income tax payable was due mainly to capital appreciation tax payable on the gain from disposal of AHFS located at Dongguan, PRC.
- (Note j) Increase in total borrowings of the Group were due mainly to (i) draw down of a term loan amounted to approximately S\$50.5 million by the Company to partially finance the payment of the cash consideration pursuant to the Offer (note c); and (ii) increase in the total bank loans of the battery business to finance the land acquisition in PRC and the expansion of the manufacturing facilities in Malaysia (note b).
- Increase in the Company's bank and other loans repayable after a year was due mainly to the net effect of (i) the drawdown of approximately S\$50.5 million term loan as above-mentioned, of which approximately S\$42.9 million was repayable after one year as at 31 December 2017; and (ii) repayment of term loans.
- (Note k) Being fixed rate notes with aggregate principal of Renminbi 64.3 million due March 2018 and bearing interest at rates between 4.5% and 5.1% per annum.
- (Note l) Decrease in non-controlling interests was due mainly to the acquisition of non-controlling interests in GP Batteries and GPE (Huizhou) during Q3 ended 31 December 2017 (note c).

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

As at	31.12.17 S\$'000	31.03.17 S\$'000
Amount repayable in one year or less, or on demand:		
Secured	46	87
Unsecured	313,878	203,952
	313,924	204,039
Amount repayable after one year:		
Secured	67	94
Unsecured	129,726	131,692
	129,793	131,786

Details of any collateral

As at	31.12.17 S\$'000	31.03.17 S\$'000
Net book value of property, plant and equipment held under finance leases:		
(i) Motor vehicles	174	140
(ii) Machinery and equipment	-	76

Other comments to paragraph 1(b)(ii)

As at 31 December 2017, bank balances, deposits and cash of the Group amounted to S\$222,123,000 (31 March 2017: S\$184,699,000), resulting in net borrowings of S\$221,594,000 (31 March 2017: S\$151,126,000).

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.

	Q3 ended 31.12.17 S\$'000	Q3 ended 31.12.16 S\$'000
Operating activities		
Profit before taxation	29,498	19,794
Adjustments for:		
Share of results of associates	(9,426)	(9,658)
Depreciation of property, plant and equipment	6,569	6,215
Amortisation of intangible assets	82	86
Finance costs	4,460	3,432
Interest income	(255)	(196)
Gain on disposal and write-off of property, plant and equipment, net	(17,138)	(3,021)
(Write-back of) Allowance for and write-off of inventory obsolescence, net	(44)	1,295
(Write-back of) Allowance for and write-off of bad debt, net	(1,195)	281
Allowance for impairment loss on intangible assets	-	4
Dividend income from available-for-sale financial assets	-	(5)
Gain from disposal of intangible assets	-	(3)
Realised gain on derivative financial instruments	(183)	(158)
Unrealised fair value loss on derivative financial instruments	-	132
Unrealised exchange gain	(9)	(5,712)
Operating cash flows before movements in working capital	12,359	12,486
Inventories	(11,416)	1,212
Receivables and prepayments	20,552	8,658
Trade and other payables *	16,383	1,466
Amount due from and to ultimate holding company	1,087	(343)
Cash generated from operations	38,965	23,479
Income tax paid	(3,381)	(4,764)
Finance costs paid	(3,581)	(4,801)
Interest received	255	197
Net cash generated from operating activities	32,258	14,111
Investing activities		
Deposits received for sale of property, plant and equipment / assets classified as held for sale	16,492	-
Proceeds from capital reduction of an associate	3,695	-
Deposits for purchase of property, plant and equipment	(354)	184
Purchase of property, plant and equipment	(7,354)	(16,280)
Dividends received from associates	1,180	2,204
Proceeds from disposal of property, plant and equipment	11,312	4,043
Cash transferred from an escrow account (Note a)	21,720	-
Dividend received from available-for-sale financial assets	-	5
Investment in an associate	-	(4)
Proceeds from disposal of intangible assets	-	3
Acquisition of intangible assets	-	(4)
Net cash generated from (used in) investing activities	46,691	(9,849)

	Q3 ended 31.12.17 S\$'000	Q3 ended 31.12.16 S\$'000
Financing Activities		
Drawdown of long-term bank and other loans	62,731	106,501
Issues of notes	7,091	-
Repayment of long-term bank and other loans	(18,762)	(63,259)
Drawdown of short-term bank loans, net	16,395	21,743
Obligation under finance leases	(32)	(25)
Dividend paid	(6,056)	(6,056)
Dividend paid to non-controlling interests	(186)	(611)
Acquisition of additional interest in subsidiaries (Note b)	(75,449)	-
Unclaimed dividends	-	2
Net cash (used in) generated from financing activities	(14,268)	58,295
Net increase in cash and cash equivalents	64,681	62,557
Cash and cash equivalents at beginning of financial period	156,571	150,808
Effects of exchange rate changes on the balance of cash held in foreign currencies	871	3,175
Cash and cash equivalents at end of financial period	222,123	216,540
Cash and cash equivalents at end of financial period comprised:		
Bank balances, deposits and cash	222,123	216,540

* Prior period comparative figure of trade and other payables has been reclassified to conform to current period's presentation.

(Note a) In connection with the Offer, S\$21,720,000 was kept in an escrow bank account as at 30 September 2017. During Q3 ended 31 December 2017, S\$21,659,000 was paid out from the escrow account to partially fund the payment of the cash consideration pursuant to the Offer.

(Note b) Includes consideration paid pursuant to the Offer amounted to S\$72,197,000.

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	Total equity
	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 01.10.17	286,307	(20,585)	3,132	16,453	22,617	(107,276)	550	1,467	596	142,683	345,944	167,931	513,875
Total comprehensive income (loss)													
Profit for the financial period	-	-	-	-	-	-	-	-	-	17,695	17,695	1,426	19,121
Other comprehensive income (loss):													
Exchange translation surplus	-	-	-	-	-	1,144	-	-	-	-	1,144	841	1,985
Share of other comprehensive (loss) income of associates	-	-	-	-	-	(853)	-	-	-	-	(853)	60	(793)
Other comprehensive income for the financial period	-	-	-	-	-	291	-	-	-	-	291	901	1,192
Total comprehensive income for the financial period	-	-	-	-	-	291	-	-	-	17,695	17,986	2,327	20,313
Transactions with owners, recognised directly in equity													
Contributions by and distributions to owners:													
Dividends paid	-	-	-	-	-	-	-	-	-	(6,056)	(6,056)	(186)	(6,242)
Changes in ownership interests in subsidiaries:													
Acquisition of additional interest in subsidiaries	-	-	-	-	10,563	-	-	-	-	-	10,563	(85,988)	(75,425)
Total transactions with owners	-	-	-	-	10,563	-	-	-	-	(6,056)	4,507	(86,174)	(81,667)
Transfer to reserve	-	-	-	114	-	-	-	-	-	(114)	-	-	-
Balance at 31.12.17	286,307	(20,585)	3,132	16,567	33,180	(106,985)	550	1,467	596	154,208	368,437	84,084	452,521

	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 01.10.16	286,307	(20,585)	3,132	15,425	22,422	(107,247)	371	1,467	596	136,971	338,859	161,060	499,919
Total comprehensive income (loss)													
Profit for the financial period	-	-	-	-	-	-	-	-	-	8,137	8,137	4,915	13,052
Other comprehensive income (loss):													
Exchange translation surplus	-	-	-	-	-	4,658	-	-	-	-	4,658	3,163	7,821
Fair value gain on available-for-sale financial assets	-	-	-	-	-	-	62	-	-	-	62	33	95
Share of other comprehensive income (loss) of associates	-	-	-	-	-	6,862	-	-	-	-	6,862	(133)	6,729
Other comprehensive income for the financial period	-	-	-	-	-	11,520	62	-	-	-	11,582	3,063	14,645
Total comprehensive income for the financial period	-	-	-	-	-	11,520	62	-	-	8,137	19,719	7,978	27,697
Transactions with owners, recognised directly in equity													
Contributions by and distributions to owners:													
Dividends paid	-	-	-	-	-	-	-	-	-	(6,056)	(6,056)	(611)	(6,667)
Unclaimed dividends	-	-	-	-	-	-	-	-	-	2	2	-	2
Total transactions with owners	-	-	-	-	-	-	-	-	-	(6,054)	(6,054)	(611)	(6,665)
Transfer to reserve	-	-	-	554	-	-	-	-	-	(554)	-	-	-
Capitalisation of profits by a subsidiary	-	-	-	-	2	-	-	-	-	(2)	-	-	-
Balance at 31.12.16	286,307	(20,585)	3,132	15,979	22,424	(95,727)	433	1,467	596	138,498	352,524	168,427	520,951

	Issued capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Retained profits S\$'000	Total equity S\$'000
Company					
Balance at 01.10.17	286,307	(20,585)	614	35,574	301,910
Loss and total comprehensive loss for the financial period	-	-	-	(3,409)	(3,409)
Transactions with owners, recognised directly in equity					
Dividend paid	-	-	-	(6,056)	(6,056)
Balance at 31.12.17	286,307	(20,585)	614	26,109	292,445
Balance at 01.10.16	286,307	(20,585)	614	25,088	291,424
Profit and total comprehensive income for the financial period	-	-	-	583	583
Transactions with owners, recognised directly in equity					
Dividend paid	-	-	-	(6,056)	(6,056)
Unclaimed dividends	-	-	-	2	2
Total transactions with owners	-	-	-	(6,054)	(6,054)
Balance at 31.12.16	286,307	(20,585)	614	19,617	285,953

- 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 September 2017 to 31 December 2017.

There were no shares that may be issued on conversion of any outstanding convertibles as at 31 December 2017 and 2016.

As at	31.12.17	31.12.16
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	31.12.17	31.03.17
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 31 December 2017, 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 31 December 2017, 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.**

Other than the adoption of certain revisions to various existing Financial Reporting Standards ("FRS"), the new FRS and Interpretations of FRS ("INT FRS") that are mandatory on the Group for its financial year commenced on 1 April 2017, the Group has adopted the same accounting policies and methods of computation for the current financial period as those adopted for the audited financial statements for the financial year ended 31 March 2017.

- 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.**

The adoption of the various revised FRS, new FRS and INT FRS effective for the Company's financial year commenced on 1 April 2017 does not have a material financial effect on the Group and the Company.

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")	Q3 ended 31.12.17 Singapore cents	Q3 ended 31.12.16 Singapore cents	YTD 31.12.17 Singapore cents	YTD 31.12.16 Singapore cents
Basic EPS	3.65	1.68	6.24	4.14
Diluted EPS	3.65	1.68	6.24	4.14

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:

	Q3 ended 31.12.17	Q3 ended 31.12.16	YTD 31.12.17	YTD 31.12.16
Weighted average number of ordinary shares used in calculating basic EPS	484,469,182	484,469,182	484,469,182	484,482,829
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	484,482,829

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	
	31.12.17 Singapore cents	31.03.17 Singapore cents	31.12.17 Singapore cents	31.03.17 Singapore cents
Net asset value per ordinary share based on 484,469,182 issued shares excluding treasury shares as at 31 December 2017 (31 March 2017: 484,469,182)	76.05	70.69	60.36	61.30

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 nine-month period ended 31 December 2017 ("Q3YTDFY2018") was S\$837.2 million, an increase of 8.1% over the revenue reported for the corresponding period ended 31 December 2016 ("Q3YTDFY2017"). The increase was mainly attributable to a 10.5% revenue growth reported by the *Battery Business*, previously referred to as GP Batteries International Limited ("GP Batteries") before its 100% acquisition by the Company during the financial quarter ended 31 December 2017, and a 3.1% revenue increase reported by the *Electronics and Acoustics Business*.

Despite the 8.1% increase in revenue, gross profit only increased by 3.5% to S\$200.2 million, due to cost increase, mainly contributed from the appreciation of the Renminbi and increased metal and component prices. Distribution costs decreased by 5.0%, as the Group selectively slowed down some of its investments in brand building activities for the *Battery Business* and a S\$3.6 million decrease in doubtful debt provision reported by the *Battery Business* due to continuous improvements in the payment performance and ageing profile from its distribution network in China. During Q3YTDFY2018, the Group reported a net exchange loss of S\$6.6 million as compared to a net exchange gain of S\$14.5 million reported in Q3YTDFY2017. The Group also reported higher other operating income of S\$33.6 million for Q3YTDFY2018 when compared to the S\$12.6 million reported in Q3YTDFY2017, mainly from the gain on disposal of property, plant and equipment reported by the *Battery Business*.

During the financial quarter ended 31 December 2017, the Group increased its shareholdings in GP Batteries from approximately 64.88% as at 30 September 2017 to 100% as at 31 December 2017, pursuant to a voluntary conditional cash offer for, and the consequential compulsory acquisition of, all the issued ordinary shares of GP Batteries, other than those already owned by the Group. GP Batteries was de-listed from the Singapore Exchange Securities Trading Limited with effect from 27 December 2017. Related transactional costs, amounted to approximately S\$1.6 million, were recorded as other operating expenses of the Group.

For Q3YTDFY2018, profit before taxation increased by 22.6% to S\$62.4 million when compared to the S\$50.9 million reported in Q3YTDFY2017. Profit after taxation attributable to equity holders for Q3YTDFY2018 increased by 50.6% to S\$30.2 million when compared to the S\$20.1 million reported for Q3YTDFY2017.

Based on the weighted average of 484,469,182 shares in issue (Q3YTDFY2017: 484,482,829 shares), basic earnings per share for Q3YTDFY2018 was 6.24 Singapore cents as compared to 4.14 Singapore cents for Q3YTDFY2017.

Business Review

Battery Business - The revenue of the *Battery Business* for Q3YTDFY2018 was S\$627.7 million, a 10.5% increase over the revenue for Q3YTDFY2017. Sales of primary batteries and rechargeable batteries increased by 11.7% and 8.4% respectively. However, steep increase in material costs, weaker United States Dollar and stronger Renminbi have significant adverse impact on gross profit margin for the period under review. In geographical terms, sales increased across all regions. Sales in the Americas, Asia and Europe for Q3YTDFY2018 increased by 27.7%, 5.5% and 10.9% respectively over Q3YTDFY2017.

Electronics and Acoustics Business - Revenue from the *Electronics and Acoustics Business* in Q3YTDFY2018 grew by 3.1% when compared to Q3YTDFY2017. Sales of electronics products decreased by 6.8% when compared to Q3YTDFY2017, affected mainly by the phasing out of some old products and soft sales in Europe. Sales of acoustics products continued to grow and reported an increase of 19.4%. Sales to the US market increased by 24.6%, to the Asian markets increased by 24.7% and to the European market increased by 8.2%. However, the appreciation of the Renminbi, rapid increase in the price of some components and the Group's active investments in brand building activities affected margins and costs.

Automotive Wire Harness Business - Sales of the *Automotive Wire Harness Business* decreased by 5.4% in Q3YTDFY2018 when compared to Q3YTDFY2017. Sales to China increased by 36.5% while sales to the US decreased by 23.5% as some wire harnesses supplied to a key US customer approached the end of their production cycle. The appreciating Renminbi also affected manufacturing costs in this business.

Other Industrial Investments - This business segment includes the Group's investments in Meiloon Industrial Co., Ltd. ("Meiloon") and Linkz Industries Limited ("Linkz"). In Q3YTDFY2018, both Meiloon and Linkz reported revenue growth and contributed more profit before taxation.

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.

Consumer demand for the Group's products in the US is expected to gradually strengthen and demand in China is expected to remain stable. Consumer demand in Europe is expected to gradually return to growth from the current low level. However, appreciation of Renminbi and increases in the price of certain metals and components are expected to affect the profit margin for some of the Group's businesses.

The Group will continue to enhance the competitiveness of its businesses by investing in technology, new product development, further automating the Group's factories and will continue building 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? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

(e) Other comments relating to Dividend

Not applicable.

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

No dividend has been declared/recommended for the financial quarter ended 31 December 2017.

13. Interested person transactions

Pursuant to the shareholders' mandate on interested person transactions approved by the shareholders at the Annual General Meeting held on 28 July 2017, the interested person transactions entered into by the Group during the financial period ended 31 December 2017 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)	
	YTD 31.12.17 S\$'000	YTD 31.12.16 S\$'000	YTD 31.12.17 S\$'000	YTD 31.12.16 S\$'000
Sales:				
Light Engine Ltd	-	-	113	113
Gold Peak Industries (Holdings) Limited	-	-	37	6
Acquisition of GP Batteries Shares pursuant to the Offer ⁽¹⁾:				
Victor Lo Chung Wing	390	-	-	-
Paul Lo Chung Wai	156	-	-	-
Grace Lo Kit Yee	98	-	-	-

⁽¹⁾ During Q3 ended 31 December 2017, pursuant to the Offer, the Company acquired GP Batteries Shares at the offer price of S\$1.30 per GP Batteries Share from the shareholders of GP Batteries, including Mr Victor Lo Chung Wing, an interested person, and his associates.

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 31 December 2017 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

8 February 2018