



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 2019

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 2019. These figures have not been audited.

	Notes	Q2 ended 30.09.19 S\$'000	Q2 ended 30.09.18 S\$'000	Change %	H1 ended 30.09.19 S\$'000	H1 ended 30.09.18 S\$'000	Change %
Revenue		288,454	307,937	(6.3)	562,330	594,962	(5.5)
Cost of sales		(212,008)	(228,848)	(7.4)	(414,525)	(453,213)	(8.5)
Gross profit		76,446	79,089	(3.3)	147,805	141,749	4.3
Other operating income	a	55,762	1,368	3,976.2	58,399	13,392	336.1
Distribution costs *		(30,696)	(33,829)	(9.3)	(63,002)	(65,788)	(4.2)
Administrative expenses		(32,972)	(32,795)	0.5	(63,237)	(64,611)	(2.1)
Allowance for expected credit losses *		(49)	(238)	(79.4)	(119)	(285)	(58.2)
Exchange gain	b	3,155	2,652	19.0	4,345	6,721	(35.4)
Other operating expenses	c	(22,658)	(1,792)	1,164.4	(25,521)	(2,524)	911.1
Profit before finance costs and share of results of associates		48,988	14,455	238.9	58,670	28,654	104.8
Finance costs	d	(6,593)	(6,729)	(2.0)	(13,284)	(12,456)	6.6
Share of results of associates	e	10,634	7,136	49.0	17,426	14,427	20.8
Profit before taxation	f	53,029	14,862	256.8	62,812	30,625	105.1
Income tax expense	g	(15,976)	(4,552)	251.0	(18,183)	(8,504)	113.8
Profit after taxation		37,053	10,310	259.4	44,629	22,121	101.7
Attributable to:							
Equity holders of the Company		33,498	6,853	388.8	38,711	14,042	175.7
Non-controlling interests	h	3,555	3,457	2.8	5,918	8,079	(26.7)
		37,053	10,310	259.4	44,629	22,121	101.7

* Prior period comparative figures have been reclassified to conform to current period's presentation.

(Note a) Other operating income comprised:

	Q2 ended 30.09.19 S\$'000	Q2 ended 30.09.18 S\$'000	H1 ended 30.09.19 S\$'000	H1 ended 30.09.18 S\$'000
Gain (Loss) on disposal of property, plant and equipment and assets classified as held for sale ⁽¹⁾	48,433	(245)	48,450	745
Product development and engineering fee income	(236)	89	5	193
Interest income	957	501	1,643	983
Management fee income from associates	123	119	245	236
Operating lease income	110	121	226	244
Tooling income	114	289	341	322
Government grant	2,724	49	3,207	1,598
Gain from deemed disposal and partial disposal of interest in associates ⁽²⁾	1,623	-	1,623	-
Gain from de-registration of a subsidiary	22	-	22	-
Compensation income ⁽³⁾	-	-	-	7,940
Recovery of bad debts	-	3	-	336
Others	1,892	442	2,637	795
	55,762	1,368	58,399	13,392

⁽¹⁾ Gain for Q2 and H1 ended 30 September 2019 included a S\$48.4 million gain from disposal of land and buildings, which was classified under assets classified as held for sale ("AHFS") as at 31 March 2019 and located in Huizhou, The People's Republic of China ("PRC" or "China"), by GP Electronics (Huizhou) Co., Ltd. ("GPHC"), a wholly owned subsidiary (the "GPHC Property Disposal"). The disposal agreement allows GPHC to continue to use the disposed property without paying any rent for a period of five years from June 2019 to June 2024, and entitles GPHC to an early removal compensation and incentive should it move out before June 2024. As a result, pursuant to the prevailing financial reporting standards, proceeds from disposal included: (i) cash consideration received; and (ii) the fair value of the expected early removal compensation and incentive of S\$7.6 million and the market value of the expected rent-free use of the disposed property of S\$6.4 million, based on an intended removal date of June 2022.

⁽²⁾ During H1 ended 30 September 2019, the Group's interest in STL Technology Co., Ltd ("STL") decreased from 34.27% to 30.08%, as a result of the issue of new shares by STL and the disposal of 100,000 STL shares in connection with the listing of the issued shares of STL on the mainboard of the Taipei Exchange.

⁽³⁾ Being compensation income for damages done to a property of a 70% owned subsidiary, Zhongyin (Ningbo) Battery Co Ltd ("ZYNB").

(Note b) A net exchange gain was reported for Q2 and H1 ended 30 September 2019 due mainly to the depreciation of Chinese Renminbi against United States dollar.

(Note c) Other operating expenses comprised:

	Q2 ended 30.09.19 S\$'000	Q2 ended 30.09.18 S\$'000	H1 ended 30.09.19 S\$'000	H1 ended 30.09.18 S\$'000
Property, plant and equipment written-off	58	165	99	182
Bank charges	346	382	775	762
Realised loss (gain) on derivative financial instruments	2,926	(24)	4,094	202
Restructuring charges ⁽⁴⁾	17,475	-	17,475	-
Closure and relocation costs ⁽⁵⁾	1,160	1,166	2,307	1,166
Others	693	103	771	212
	22,658	1,792	25,521	2,524

⁽⁴⁾ Restructuring charges are costs in connection with the relocation of part of GPHC's operations to Thailand and to set up another factory in a new location in PRC.

⁽⁵⁾ Costs for Q2 and H1 ended 30 September 2019 were related to the closure of the rechargeable batteries manufacturing facilities located in Dongguan, PRC and the related relocation of operations to Malaysia. Costs for Q2 and H1 ended 30 September 2018 were related to the closure and relocation of the Group's logistics and distribution center in Shenzhen, PRC.

(Note d) Finance costs for Q2 and H1 ended 30 September 2019 included finance costs of S\$269,000 and S\$503,000 respectively relating to leases, upon adoption of Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 Leases ("SFRS(I) 16") effective 1 April 2019. Please refer to paragraph 5 for details.

(Note e) Except for the associates of the electronic business, contributions from other associates increased for Q2. Increase in share of results of associates for H1 was due to higher profit contributed from Meiloon Industrial Co., Ltd. and the associates of the batteries business.

(Note f) Profit before taxation was arrived at after crediting (charging) the following:

	Q2 ended 30.09.19 S\$'000	Q2 ended 30.09.18 S\$'000	H1 ended 30.09.19 S\$'000	H1 ended 30.09.18 S\$'000
Depreciation and amortisation ⁽⁶⁾	(9,311)	(6,803)	(17,820)	(13,634)
(Allowance for) Reversal of expected credit losses and bad debts recovered, net	(49)	(235)	(119)	51
Write-back of (Allowance for and write-off of) inventory obsolescence, net	275	(319)	(542)	(1,121)

⁽⁶⁾ Depreciation and amortisation for Q2 and H1 ended 30 September 2019 included depreciation of S\$2,823,000 and S\$4,683,000 respectively attributable to right-of-use assets, as a result of adoption of SFRS(I) 16 effective 1 April 2019. Please refer to paragraph 5 for details.

(Note g) Increase in income tax expense for Q2 and H1 was due mainly to taxation expenses relating to the GPHC Property Disposal (note (a)), including withholding tax on dividend declared by GPHC out of its disposal gain.

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\$1,260,000 (2018: S\$2,155,000).

(Note h) Decrease in non-controlling interest for H1 was due mainly to a decrease in profit of ZYNB, the results of which for H1 ended 30 September 2018 included a S\$7,940,000 compensation income.

Group statement of comprehensive income for Q2 and H1 ended 30 September 2019.

	Notes	Q2 ended 30.09.19 S\$'000	Q2 ended 30.09.18 S\$'000	H1 ended 30.09.19 S\$'000	H1 ended 30.09.18 S\$'000
Profit after taxation for the financial period		37,053	10,310	44,629	22,121
Other comprehensive income (loss):					
Exchange translation surplus reclassified to profit or loss upon de-registration of a subsidiary		(22)	-	(22)	-
Items that will not be reclassified subsequently to profit or loss:					
Fair value loss on financial assets at fair value through other comprehensive income		(300)	(634)	(300)	(1,255)
Share of other comprehensive income of associates		-	-	-	1
Items that may be reclassified subsequently to profit or loss:					
Exchange translation deficit		(6,112)	(12,532)	(14,310)	(16,829)
Net change in fair value of cash flow hedges		(42)	(78)	(186)	(78)
Net change in fair value of cash flow hedges reclassified to profit or loss		47	-	81	-
Share of other comprehensive loss of associates	i	(270)	(3,109)	(2,348)	(2,975)
Other comprehensive loss for the financial period, net of tax		(6,699)	(16,353)	(17,085)	(21,136)
Total comprehensive income (loss) for the financial period		30,354	(6,043)	27,544	985
Attributable to:					
Equity holders of the Company		27,828	(6,915)	24,334	(3,868)
Non-controlling interests		2,526	872	3,210	4,853
		30,354	(6,043)	27,544	985

(Note i) 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	
		30.09.19 S\$'000	31.03.19 S\$'000	30.09.19 S\$'000	31.03.19 S\$'000
Non-current Assets					
Property, plant and equipment		282,492	273,864	273	71
Right-of-use assets	a	29,184	-	214	-
Interest in subsidiaries		-	-	423,960	423,960
Interest in associates		263,222	251,568	29,031	29,031
Financial assets at fair value through other comprehensive income		3,440	3,665	-	-
Non-current receivables	b	7,762	-	27,600	34,800
Deferred tax assets		4,596	3,882	-	-
Deposits and prepayments		3,687	1,451	-	-
Intangible assets		13,271	13,165	-	-
		607,654	547,595	481,078	487,862
Current Assets					
Inventories		181,570	182,301	-	-
Receivables and prepayments	c	260,970	222,405	17,972	18,733
Dividend receivable		-	4,723	9,960	14,216
Taxation recoverable		2,842	3,774	-	-
Derivative financial instruments		-	15	-	-
Bank balances, deposits and cash	d	201,544	247,478	21,093	8,104
		646,926	660,696	49,025	41,053
Assets classified as held for sale	e	7,759	33,917	-	-
		654,685	694,613	49,025	41,053
Current Liabilities					
Trade and other payables	f	249,945	272,735	23,333	6,037
Contract liabilities		1,228	2,733	-	-
Lease liabilities	a	9,282	-	226	-
Obligations under finance leases	a	-	219	-	-
Income tax payable		6,468	7,213	618	674
Derivative financial instruments		-	14	-	-
Bank and other loans	g	349,201	321,424	82,784	95,108
		616,124	604,338	106,961	101,819
Net Current Assets (Liabilities)		38,561	90,275	(57,936)	(60,766)
Non-current Liabilities					
Bank and other loans	g	138,960	177,813	105,810	131,809
Lease liabilities	a	15,087	-	-	-
Obligations under finance leases	a	-	564	-	-
Derivative financial instruments		461	356	461	356
Provision for restructuring	h	17,621	-	-	-
Deferred tax liabilities	i	6,931	3,839	-	-
		179,060	182,572	106,271	132,165
Net Assets		467,155	455,298	316,871	294,931
Represented by:					
Issued capital		286,307	286,307	286,307	286,307
Treasury shares		(20,865)	(20,865)	(20,865)	(20,865)
Reserves		115,255	103,070	51,429	29,489
Equity attributable to equity holders of the Company		380,697	368,512	316,871	294,931
Non-controlling interests		86,458	86,786	-	-
Total Equity		467,155	455,298	316,871	294,931

(Note a) The Group adopted SFRS(I) 16 effective 1 April 2019. Please refer to paragraph 5 for details. The amount also included the right-of-use asset attributable to the rent-free use of the disposed property arising from the GPHC Property Disposal (note a of paragraph 1(a)).

(Note b) Non-current receivables of the Group was the expected early removal compensation and incentive, included in determining the GPHC Property Disposal gain (note a of paragraph 1(a)), carried at amortised cost.

The Company granted a S\$60.0 million interest bearing loan to a subsidiary, which is receivable over a period of three years, during the financial quarter ended 30 June 2018. Non-current receivables of the Company represents the amount of the loan receivable from the subsidiary after one year from the date of the statement of financial position.

(Note c) 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 2019 compared to that for the financial quarter ended 31 March 2019.

(Note d) Decrease in the Group's bank balances, deposits and cash was due partly to bank loan repayment and partly to increase in working capital requirement.

Increase in the Company's bank balances, deposits and cash was due mainly to dividend income and funds received from a subsidiary (note f).

(Note e) Decrease in AHFS was due mainly to the completion of the GPHC Property Disposal.

(Note f) Increase in the Company's trade and other payables was due mainly to advance received from a subsidiary.

(Note g) The Group's total bank and other loans repayable decreased by S\$11.1 million, mainly as a net result of the decrease in bank loans of the Company, and bank loans raised by ZYNB in funding its capital expenditure.

Decrease in the Company's total bank and other loans was due mainly to repayment funded by dividend income and funds received from a subsidiary (note f).

(Note h) Provision for restructuring are costs in connection with the relocation of part of GPHC's operations to Thailand and to set up another factory in a new location in PRC.

(Note i) Increase in deferred tax liabilities was due mainly to tax expense relating to the early removal compensation and incentive included in determining the GPHC Property Disposal gain (note a of paragraph 1(a)).

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

As at	30.09.19 S\$'000	31.03.19 S\$'000
Amount repayable in one year or less, or on demand:		
Secured ⁽¹⁾	815	219
Unsecured	349,168	321,424
	349,983	321,643
Amount repayable after one year:		
Secured ⁽²⁾	2,203	564
Unsecured	138,906	177,813
	141,109	178,377

⁽¹⁾ Amount at 30 September 2019 included lease liabilities of S\$782,000 which were secured against leased assets as a result of adoption of SFRS(I) 16 with effect from 1 April 2019. Please refer to paragraph 5 for details.

⁽²⁾ Amount at 30 September 2019 included lease liabilities of S\$2,149,000 which were secured against leased assets as a result of adoption of SFRS(I) 16 with effect from 1 April 2019. Please refer to paragraph 5 for details.

Details of any collateral

As at	30.09.19 S\$'000	31.03.19 S\$'000
Net book value of property, plant and equipment held under secured borrowings:		
(i) Motor vehicles	708	561
(i) Machinery and equipment	2,717	414

Other comments to paragraph 1(b)(ii)

As at 30 September 2019, bank balances, deposits and cash of the Group amounted to S\$201,544,000 (31 March 2019: S\$247,478,000), resulting in net borrowings of S\$289,548,000 (31 March 2019: S\$252,542,000).

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 30.09.19 S\$'000	Q2 ended 30.09.18 S\$'000
Operating activities		
Profit before taxation	53,029	14,862
Adjustments for:		
Share of results of associates	(10,634)	(7,136)
Depreciation of property, plant and equipment	6,404	6,720
Depreciation of right-of-use assets	2,823	-
Amortisation of intangible assets	84	83
Finance costs	6,593	6,729
Interest income	(957)	(501)
(Gain) loss on disposal and write-off of property, plant and equipment / assets classified as held for sale, net	(48,375)	410
Restructuring charges	17,475	-
(Write-back of) Allowance for and write-off of inventory obsolescence, net	(275)	319
Allowance for expected credit losses	49	238
Utilisation of prepaid rent	265	271
Gain from deemed disposal and partial disposal of interest in associates	(1,623)	-
Gain from de-registration of a subsidiary	(22)	-
Realised loss (gain) on derivative financial instruments	2,926	(24)
Unrealised fair value gain on derivative financial instruments	-	(171)
Unrealised exchange gain	(1,711)	(2,394)
Operating cash flows before movements in working capital	26,051	19,406
Inventories	5,742	1,408
Receivables and prepayments	(6,887)	(22,773)
Trade and other payables, and contract liabilities	10,640	8,049
Cash generated from operations	35,546	6,090
Income tax paid	(10,564)	(2,423)
Finance costs paid	(6,308)	(6,542)
Interest received	667	500
Net cash generated from (used in) operating activities	19,341	(2,375)
Investing activities		
Purchase of property, plant and equipment	(25,524)	(5,795)
Deposits for purchase of property, plant and equipment	(663)	25
Dividends received from associates	3,706	3,883
Proceeds from disposal of property, plant and equipment / assets classified as held for sale	527	(153)
Deposits received for assets classified as held for sale	-	26,859
Uplift of time deposits	-	12,064
Net cash (used in) generated from investing activities	(21,954)	36,883

	Q2 ended 30.09.19 S\$'000	Q2 ended 30.09.18 S\$'000
Financing activities		
Repayment of long-term bank and other loans	(28,019)	(27,643)
Drawdown of long-term bank and other loans	-	48,702
Drawdown (Repayment) of short-term bank loans, net	8,435	(47,079)
Payment of lease liabilities	(2,105)	-
Dividend paid	(10,891)	(8,478)
Redemption of notes	-	(13,368)
Obligation under finance leases	-	(52)
Dividend paid to non-controlling interests	-	(1,592)
Net cash used in financing activities	(32,580)	(49,510)
Net decrease in cash and cash equivalents	(35,193)	(15,002)
Cash and cash equivalents at beginning of financial period	239,202	236,036
Effects of exchange rate changes on the balance of cash held in foreign currencies	(2,465)	(4,112)
Cash and cash equivalents at end of financial period	201,544	216,922
Cash and cash equivalents at end of financial period comprised:		
Bank balances, deposits and cash	201,544	217,185
Less: Bank overdrafts	-	(263)
	201,544	216,922

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 01.07.19	286,307	(20,865)	5,868	21,523	31,365	(123,919)	(2,174)	1,696	596	(466)	163,759	363,690	83,932	447,622
Total comprehensive income (loss)														
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	33,498	33,498	3,555	37,053
Other comprehensive (loss) income for the financial period	-	-	-	-	-	(5,375)	(300)	-	-	5	-	(5,670)	(1,029)	(6,699)
Total comprehensive (loss) income for the financial period	-	-	-	-	-	(5,375)	(300)	-	-	5	33,498	27,828	2,526	30,354
Share of change in net assets of associates other than other comprehensive income	-	-	-	-	-	-	-	70	-	-	-	70	-	70
Transactions with owners, recognised directly in equity														
Contributions by and distributions to owners:														
Dividend paid	-	-	-	-	-	-	-	-	-	-	(10,891)	(10,891)	-	(10,891)
Total transactions with owners	-	-	-	-	-	-	-	-	-	-	(10,891)	(10,891)	-	(10,891)
Transfer to reserve	-	-	-	21	-	-	-	-	-	-	(21)	-	-	-
Balance at 30.09.19	286,307	(20,865)	5,868	21,544	31,365	(129,294)	(2,474)	1,766	596	(461)	186,345	380,697	86,458	467,155

	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	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)	3,352	1,467	596	-	156,990	378,700	81,505	460,205
Total comprehensive income (loss)														
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)
Transactions with owners, recognised directly in equity														
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)	2,718	1,467	596	(78)	155,365	363,305	80,785	444,090

	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 01.07.19	286,307	(20,865)	614	(466)	32,685	298,275
<u>Total comprehensive income (loss)</u>						
Profit for the financial period	-	-	-	-	29,482	29,482
Other comprehensive income for the financial period	-	-	-	5	-	5
Total comprehensive income for the financial period	-	-	-	5	29,482	29,487
<u>Transactions with owners, recognised directly in equity</u>						
Dividend paid	-	-	-	-	(10,891)	(10,891)
Balance at 30.09.19	286,307	(20,865)	614	(461)	51,276	316,871
Balance at 01.07.18	286,307	(20,585)	614	-	37,787	304,123
<u>Total comprehensive income (loss)</u>						
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)
<u>Transactions with owners, recognised directly in equity</u>						
Dividend paid	-	-	-	-	(8,478)	(8,478)
Balance at 30.09.18	286,307	(20,585)	614	(78)	25,300	291,558

- 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 2019 to 30 September 2019.

There were no shares that may be issued on conversion of any outstanding convertibles as at 30 September 2019 and 2018.

As at	30.09.19	30.09.18
Treasury shares held	37,311,800	36,889,300
Subsidiary holdings held	-	-
	37,311,800	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	7.71%	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	30.09.19	31.03.19
Total number of issued shares	521,358,482	521,358,482
Less: treasury shares	(37,311,800)	(37,311,800)
Total number of issued shares excluding treasury shares	484,046,682	484,046,682

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 2019, 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 2019, 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.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 March 2019.

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 new/revised SFRS(I) and SFRS(I) Interpretations effective for the Company's financial year commenced on 1 April 2019 does not have a material financial effect on the Group and the Company except as discussed below:

Adoption of SFRS(I) 16

Adoption of SFRS(I) 16 resulted in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under SFRS(I) 16, a lessee recognises a liability to make a lease payment (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). In the profit or loss, depreciation of right-of-use assets and finance costs attributable to lease liabilities are recognised.

The Group adopted SFRS(I) 16 on 1 April 2019 and applied the modified retrospective approach with no restatement of comparative information and the practical expedient for recognition exemptions for short-term leases and leases of low-value items.

The adoption of SFRS(I) 16 resulted in the following key effects on the financial position of the Group and the Company as at 1 April 2019:

	Group S\$'000	Company S\$'000
	Increase (decrease)	Increase (decrease)
<u>Assets</u>		
Property, plant and equipment	(3,481)	-
Right-of-use assets	20,078	398
Interest in associates	(15)	-
Receivables and prepayments	(109)	-
<u>Liabilities</u>		
Trade and other payables	27	-
Lease liabilities	18,626	415
Obligations under finance leases	(783)	-
<u>Equity</u>		
Retained profits	(1,397)	(17)

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 30.09.19 Singapore cents	Q2 ended 30.09.18 Singapore cents	H1 ended 30.09.19 Singapore cents	H1 ended 30.09.18 Singapore cents
Basic EPS	6.92	1.41	8.00	2.90
Diluted EPS	6.92	1.41	8.00	2.90

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 30.09.19	Q2 ended 30.09.18	H1 ended 30.09.19	H1 ended 30.09.18
Weighted average number of ordinary shares used in calculating basic EPS	484,046,682	484,469,182	484,046,682	484,469,182
Adjustment for dilutive potential ordinary shares	-	-	-	-
Weighted average number of ordinary shares used in calculating diluted EPS	484,046,682	484,469,182	484,046,682	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	
	30.09.19 Singapore cents	31.03.19 Singapore cents	30.09.19 Singapore cents	31.03.19 Singapore cents
Net asset value per ordinary share based on 484,046,682 issued shares excluding treasury shares as at 30 September 2019 (31 March 2019: 484,046,682)	78.65	76.13	65.46	60.93

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 six months ending 30 September 2019 ("H1FY2020") was S\$562.3 million, a 5.5% decline compared to the revenue for the corresponding period ending 30 September 2018 ("H1FY2019").

Despite a decrease in revenue, gross profit for H1FY2020 increased by 4.3% to S\$147.8 million as gross profit margin improved from 23.8% in H1FY2019 to 26.3% in H1FY2020. This increase was mainly due to improved gross profit margin, as result of a more favorable Renminbi against US dollar exchange rate, lower price for some raw materials and Management focusing on cost efficiency improvements and on better quality businesses.

The Group's other operating income increased by S\$45.0 million in H1FY2020, mainly attributable to a gain from disposal of land and buildings by a wholly owned subsidiary, GP Electronics (Huizhou) Co., Ltd. ("GPHC") of S\$48.4 million. Other operating expenses increased in H1FY2020 by S\$23.0 million, due mainly to a provision for restructuring costs of S\$17.5 million for relocation of the operations of GPHC and a S\$4.1 million realised loss on derivative financial instruments due to depreciation of Renminbi.

Profit before taxation increased by S\$32.2 million, from S\$30.6 million in H1FY2019 to S\$62.8 million in H1FY2020. Taxation expenses for H1FY2020 increased by S\$9.7 million to S\$18.2 million due mainly to taxation expense on GPHC's property disposal gain. As a result, the Group's profit after taxation attributable to equity holders for H1FY2020 was S\$38.7 million, an increase of S\$24.7 million from S\$14.0 million in H1FY2019.

Based on the weighted average of 484,046,682 shares in issue, basic earnings per share for H1FY2020 was 8.00 Singapore cents, a 175.9% increase from the 2.90 Singapore cents for H1FY2019.

Business Review

Batteries Business - The revenue of the *Batteries Business* for H1FY2020 was S\$429.3 million, a 6.9% decline compared to the revenue recorded in H1FY2019. Sales of primary batteries decreased by 9.7% while sales of rechargeable batteries increased by 9.0%. In geographical terms, sales in Asia and Americas decreased by 11.9% and 10.7% respectively while sales in Europe increased by 6.5%.

The associates of the *Batteries Business* contributed more profit in aggregate.

During H1FY2020, the Group's interest in STL Technology Co., Ltd ("STL") decreased from 34.27% to 30.08%, as a result of new shares issued by STL and the disposal of 100,000 old STL shares in connection with the public listing of STL shares on the mainboard of the Taipei Exchange. The listing of STL shares contributed to a gain of S\$1.6 million for the Group.

Electronics and Acoustics Business - The revenue of the *Electronics and Acoustics Business* for H1FY2020 was S\$113.6 million, a 1.5% increase compared to the revenue for H1FY2019. Sales of electronics products decreased by 0.6% while sales of acoustics products grew by 3.7%. Sales of acoustics products to Europe increased by 4.9%, sales to Asia increased by 12.4% while sales to the Americas declined by 5.1% when compared to H1FY2019. The associated companies which manufacture parts and components contributed less profit during this period.

During H1FY2020, GPHC reported a property disposal gain of S\$48.4 million and a provision for restructuring costs of S\$17.5 million in connection with the relocation of part of its operations to Thailand and to set up another factory in a new location in China.

Automotive Wire Harness Business - The revenue of the *Automotive Wire Harness Business* for H1FY2020 was S\$19.4 million, a decline of 11.3% when compared to the revenue for H1FY2019. Sales to the Americas decreased by 3.8% while sales to China decreased by 25.6%. The decline was due mainly to softening of the passenger car market in the US and in China.

Other Industrial Investments - This business segment includes the Group's investments in Meiloon Industrial Co., Ltd. ("Meiloon") and Linkz Industries Limited ("Linkz"). In H1FY2020, Linkz recorded declines in revenue and profit contribution, while profit contribution from Meiloon increased as revenue increased.

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.

Amidst the US-China trade dispute and geo-political uncertainties, the Group will continue to enhance the competitiveness of its businesses by investing in technology and new product development, further automating its factories and continuing to build the Group's brands and distribution networks in key markets. The *Batteries Business* is expanding the capacity for manufacturing of miniature rechargeable Lithium batteries to capture market opportunities which arise from increasing popularity of IOT (internet of things) and wearable electronic devices.

As part of the strategy, the Group continues to expand its manufacturing facilities outside China to diversify the Group's manufacturing base and to leverage on the competitive advantages of other Asian countries. The additional manufacturing facilities set up by the *Batteries Business* in Malaysia and Vietnam are near completion and are expected to start operation in the coming quarters. The formation of a 51% owned subsidiary in Thailand for manufacturing electronics and acoustics products is progressing as planned and is expected to start operation in the coming quarters.

Both our batteries business and audio business have experienced softened demand in many key markets during recent months. Developments regarding Brexit may also bring some uncertainties. The outcome of the US-China trade negotiations is still uncertain.

Volatility in certain raw material prices and the exchange rates of key trading currencies may also affect the Group's results while a weakened Renminbi against US dollar helps to offset some of the negative impacts of the US-China trade dispute and increases in raw material prices.

11. Dividend

(a) Current Financial Period Reported On

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

Name of Dividend	Interim	Interim Special
Dividend Type Dividend Amount per Share	Cash 1.25 Singapore cents per ordinary share tax-exempt (1-tier)	Cash 0.55 Singapore cent 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 and a special tax-exempt (1-tier) dividend of 0.55 Singapore cent per share amounting to approximately S\$8.7 million in aggregate (2018: 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 2020. The dividend will be paid in cash and the dividend was not included as liabilities as at 30 September 2019.

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 and the reason(s) for the decision.

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 2019, the interested person transactions entered into by the Group during the financial period ended 30 September 2019 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 30.09.19 S\$'000	H1 ended 30.09.18 S\$'000	H1 ended 30.09.19 S\$'000	H1 ended 30.09.18 S\$'000
Sales:				
Huizhou Light Engine Limited	-	-	59	26
Light Engine Ltd	-	-	-	30
Gold Peak Industries (Holdings) Limited	-	-	-	4
Subcontracting service income:				
Time Interconnect Technology (Huizhou) Limited	-	-	13	-

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

We, Victor Lo Chung Wing and Brian Li Yiu Cheung, 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 2019 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

Brian Li Yiu Cheung
Executive Vice President

12 November 2019