



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

Third Quarter Financial Statement for the Financial Period ended 31 December 2016

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 2016. These figures have not been audited.

	Notes	Q3 ended 31.12.16 S\$'000	Q3 ended 31.12.15 S\$'000	Change %	YTD 31.12.16 S\$'000	YTD 31.12.15 S\$'000	Change %
Revenue		270,592	271,792	(0.4)	774,441	804,738	(3.8)
Cost of sales		(201,718)	(199,298)	1.2	(581,021)	(599,215)	(3.0)
Gross profit		68,874	72,494	(5.0)	193,420	205,523	(5.9)
Other operating income	a	2,639	2,264	16.6	6,457	5,720	12.9
Distribution costs	b	(33,762)	(26,884)	25.6	(84,035)	(81,890)	2.6
Administrative expenses		(33,883)	(33,981)	(0.3)	(96,183)	(97,510)	(1.4)
Exchange gain	c	9,249	1,149	705.0	14,506	10,802	34.3
Other operating expenses *	d	(2,649)	(946)	180.0	(3,839)	(3,175)	20.9
Profit before finance costs, exceptional items and share of results of associates		10,468	14,096	(25.7)	30,326	39,470	(23.2)
Finance costs *		(3,432)	(3,235)	6.1	(9,520)	(8,869)	7.3
Exceptional items	e	3,100	60	n/m	6,138	5,420	13.2
Share of results of associates	f	9,658	8,152	18.5	23,934	21,138	13.2
Profit before taxation	g	19,794	19,073	3.8	50,878	57,159	(11.0)
Income tax expense	h	(6,742)	(7,178)	(6.1)	(18,465)	(15,440)	19.6
Profit after taxation		13,052	11,895	9.7	32,413	41,719	(22.3)
Attributable to:							
Equity holders of the Company		8,137	8,072	0.8	20,074	27,032	(25.7)
Non-controlling interests		4,915	3,823	28.6	12,339	14,687	(16.0)
		13,052	11,895	9.7	32,413	41,719	(22.3)

* Prior period comparative figures of other operating expenses and finance costs have been reclassified to conform to current period's presentation.

n/m - not meaningful

- (Note a) Increase in other operating income for Q3 was due partly to increase in government grant reported by GP Batteries International Limited ("GP Batteries"), net of decrease in interest income.

Increase in other operating income for the YTD period was due partly to increase in gain on disposal of property, plant and equipment and realised gain from derivative financial instruments, net of decrease in interest income.

- (Note b) Increase in distribution costs for Q3 was due mainly to increase in expenditure for the Group's brand building activities and increase in GP Batteries' advertising and promotion expenses.
- (Note c) Increase in exchange gain for Q3 and the YTD period was due mainly to increase in exchange gain of S\$7.6 million and S\$2.7 million reported by GP Batteries for the corresponding period respectively.
- (Note d) Increase in other operating expenses for Q3 and the YTD period was due mainly to a payment of US\$1.45 million by GP Batteries in Q3 ended 31 December 2016 pursuant to a customer's quality dispute on Lithium rechargeable batteries that were delivered back in 2014 and 2015, net of decrease in losses on derivative financial instruments.
- (Note e) Exceptional items comprised:

	Q3 ended 31.12.16 S\$'000	Q3 ended 31.12.15 S\$'000	YTD 31.12.16 S\$'000	YTD 31.12.15 S\$'000
Gain on disposal of property, plant and equipment	3,093	-	3,093	-
Gain from disposal of intangible assets	3	-	289	-
Write-back of excess restructuring costs	4	-	221	-
Write-back of unclaimed warranty cost provision relating to the disposal of a joint venture in 2013	-	14	-	1,310
GP Batteries' gain on disposal of property, plant and equipment	-	46	2,535	4,110
	3,100	60	6,138	5,420

- (Note f) Increase in profit contributed by Linkz Industries Limited ("Linkz") and the associates of GP Batteries contributed to the increase in share of results of associates for Q3.

Increase in profit contributed by Linkz, Meiloon Industrial Co., Ltd. and the associates of GP Batteries contributed to the increase in share of results of associates for the YTD period.

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

	Q3 ended 31.12.16 S\$'000	Q3 ended 31.12.15 S\$'000	YTD 31.12.16 S\$'000	YTD 31.12.15 S\$'000
Interest income included in other operating income	196	664	590	1,443
Depreciation and amortisation	(6,301)	(5,174)	(17,122)	(18,066)
Allowance for and write-off of bad debt, net	(281)	(295)	(360)	(4,265)
Allowance for and write-off of inventory obsolescence, net	(1,295)	(742)	(2,649)	(2,064)
Gain (Loss) on disposal and write-off of property, plant and equipment, net ⁽¹⁾	3,021	(187)	5,828	3,541

⁽¹⁾ Inclusive of gains on disposal of property, plant and equipment which are included under exceptional items.

(Note h) 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\$646,000 (2015: S\$1,346,000).

Group statement of comprehensive income for Q3 and the YTD period ended 31 December 2016.

	Notes	Q3 ended 31.12.16 S\$'000	Q3 ended 31.12.15 S\$'000	YTD 31.12.16 S\$'000	YTD 31.12.15 S\$'000
Profit after taxation for the financial period		13,052	11,895	32,413	41,719
Other comprehensive income (loss): Items that may be reclassified subsequently to profit or loss:					
Exchange translation surplus (deficit)		7,821	(6,833)	679	(7,617)
Fair value gain (loss) on available-for-sale financial assets		95	331	125	(628)
Share of other comprehensive income (loss) of associates	i	6,729	(2,028)	7,892	(2,078)
Other comprehensive income (loss) for the financial period, net of tax		14,645	(8,530)	8,696	(10,323)
Total comprehensive income for the financial period		27,697	3,365	41,109	31,396
Attributable to:					
Equity holders of the Company		19,719	3,148	28,845	22,397
Non-controlling interests		7,978	217	12,264	8,999
		27,697	3,365	41,109	31,396

(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	
		31.12.16 S\$'000	31.03.16 S\$'000	31.12.16 S\$'000	31.03.16 S\$'000
Non-current Assets					
Investment properties		1,740	1,672	-	-
Property, plant and equipment		252,384	237,507	186	232
Interest in subsidiaries		-	-	325,990	323,964
Interest in associates	a	253,309	226,787	29,031	29,031
Available-for-sale financial assets		6,339	5,777	-	-
Deferred tax assets		4,090	3,729	-	-
Deposits and prepayments		1,226	3,648	-	-
Intangible assets		19,310	17,960	-	-
		538,398	497,080	355,207	353,227
Current Assets					
Inventories		159,412	156,923	-	-
Receivables and prepayments	b	202,906	173,568	5,906	5,791
Dividend receivable		-	6,821	16,340	19,360
Taxation recoverable		1,209	872	-	-
Amount due from ultimate holding company		15	43	-	-
Bank balances, deposits and cash	c	216,540	163,065	37,257	1,830
		580,082	501,292	59,503	26,981
Assets classified as held for sale	d	1,150	-	-	-
		581,232	501,292	59,503	26,981
Current Liabilities					
Trade and other payables	e	238,194	198,472	3,301	2,534
Obligations under finance leases		93	113	-	-
Income tax payable	f	7,042	4,826	490	532
Derivative financial instruments		-	497	-	-
Amount due to ultimate holding company		907	814	248	33
Bank and other loans	g	218,751	184,634	40,398	38,410
		464,987	389,356	44,437	41,509
Net Current Assets (Liabilities)		116,245	111,936	15,066	(14,528)
Non-current Liabilities					
Bank and other loans	h	130,233	103,942	84,320	44,000
Obligations under finance leases		47	79	-	-
Deferred tax liabilities		3,412	2,922	-	-
		133,692	106,943	84,320	44,000
Net Assets		520,951	502,073	285,953	294,699
Represented by:					
Issued capital		286,307	286,307	286,307	286,307
Treasury shares		(20,585)	(20,514)	(20,585)	(20,514)
Reserves		86,802	71,753	20,231	28,906
Equity attributable to equity holders of the Company	i	352,524	337,546	285,953	294,699
Non-controlling interests		168,427	164,527	-	-
Total Equity		520,951	502,073	285,953	294,699

- (Note a) Increase in the Group's interest in associates was due mainly to exchange translation surplus and profits of the associates for the YTD period ended 31 December 2016.
- (Note b) Increase in the Group's receivables and prepayments was due mainly to increase in trade receivables as a result of higher revenue for Q3 ended 31 December 2016 compared to that for the financial quarter ended 31 March 2016.
- (Note c) Increase in the Company's bank balances, deposits and cash was due mainly to the unutilised proceeds from new bank loans with a three year tenure drawn down by the Company during Q3 ended 31 December 2016, after repayment of some of its existing borrowings.

Increase in the Group's bank balances, deposits and cash was due mainly to (i) increase in the Company's cash; and (ii) drawdown of bank loans by GP Batteries to prepare for payments of capital expenditure.
- (Note d) As at 31 December 2016, "Assets classified as held for sale" comprised a property which will be disposed of pursuant to a sale and purchase agreement entered into during Q3 ended 31 December 2016, as announced by GP Batteries on 28 December 2016.
- (Note e) Increase in the Group's trade and other payables included a S\$31.1 million increase attribute to GP Batteries as a result of (i) increase in trade payables as a result of higher revenue for Q3 ended 31 December 2016 compared to that for the financial quarter ended 31 March 2016; and (ii) increase in other payables due to increase in distribution expenses such as advertising and promotion expenses and capital expenditure incurred for the purchase of property, plant and equipment.
- (Note f) Increase in the Group's income tax payable was due mainly to taxation expenses provided by the subsidiaries on profit for the YTD period ended 31 December 2016, net of amounts paid.
- (Note g) Increase in the Group's bank and other loans payable within a year was due mainly to drawdown of bank loans by GP Batteries to finance the capital expenditure for the expansion of the facilities in Malaysia and Vietnam.
- (Note h) Increase in bank and other loans repayable after one year was due mainly to drawdown of new bank loans.
- (Note i) During the YTD period ended 31 December 2016, the Company purchased 115,500 issued shares via open market purchase and the shares so purchased were kept as treasury shares as at 31 December 2016.

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

As at	31.12.16 S\$'000	31.03.16 S\$'000
Amount repayable in one year or less, or on demand:		
Secured	93	113
Unsecured	218,751	184,634
	218,844	184,747
Amount repayable after one year:		
Secured	47	79
Unsecured	130,233	103,942
	130,280	104,021

Details of any collateral

As at	31.12.16 S\$'000	31.03.16 S\$'000
Net book value of property, plant and equipment held under finance leases:		
(i) Motor vehicles	160	234
(ii) Machinery and equipment	38	-
(iii) Furniture, fixtures and equipment	-	1

Other comments to paragraph 1(b)(ii)

As at 31 December 2016, bank balances, deposits and cash of the Group amounted to S\$216,540,000 (31 March 2016: S\$163,065,000), resulting in net borrowings of S\$132,584,000 (31 March 2016: S\$125,703,000).

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 31.12.16 S\$'000	Q3 ended 31.12.15 S\$'000
Operating activities		
Profit before taxation	19,794	19,073
Adjustments for:		
Share of results of associates	(9,658)	(8,152)
Depreciation of property, plant and equipment	6,215	5,092
Amortisation of intangible assets	86	82
Finance costs *	3,432	3,235
Interest income	(196)	(664)
(Gain) Loss on disposal and write-off of property, plant and equipment, net	(3,021)	187
Gain from disposal of intangible assets	(3)	-
Write-back of excess restructuring costs	(4)	-
Write-back of unclaimed warranty cost provision relating to the disposal of a joint venture in 2013	-	(14)
Allowance for impairment loss on intangible assets	4	5
Allowance for and write-off of inventory obsolescence, net	1,295	742
Allowance for and write-off of bad-debt, net	281	295
Dividend income from available-for-sale financial assets	(5)	-
Realised (gain) loss on derivative financial instruments	(158)	142
Unrealised fair value loss on derivative financial instruments	132	66
Unrealised exchange (gain) loss	(5,712)	491
Operating cash flows before movements in working capital	12,482	20,580
Inventories	1,212	(7,244)
Receivables and prepayments *	8,658	15,888
Trade and other payables	1,470	(9,272)
Amount due to ultimate holding company	(343)	(2,676)
Cash generated from operations	23,479	17,276
Income tax paid	(4,764)	(5,030)
Finance costs paid	(4,801)	(2,941)
Interest received	197	656
Net cash generated from operating activities	14,111	9,961
Investing activities		
Purchase of property, plant and equipment	(16,280)	(6,291)
Deposits for purchase of property, plant and equipment	184	(2,558)
Dividends received from associates	2,204	2,100
Proceeds from disposal of property, plant and equipment	4,043	409
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)	(72)
Instalments received from disposal of a subsidiary in the financial year ended 31 March 2015	-	507
Purchase of available-for-sale financial assets	-	(712)
Net cash used in investing activities	(9,849)	(6,617)

	Q3 ended 31.12.16 S\$'000	Q3 ended 31.12.15 S\$'000
Financing activities		
Drawdown of long-term bank and other loans	106,501	12,600
Repayment of long-term bank and other loans	(63,259)	(14,392)
Drawdown of short-term bank loans, net	21,743	6,259
Obligations under finance leases	(25)	(37)
Dividend paid	(6,056)	(7,759)
Dividend paid to non-controlling interests	(611)	(1,724)
Unclaimed dividends	2	2
Purchase of treasury shares	-	(336)
A subsidiary's purchase of its own shares from non-controlling interests	-	(1,920)
Net cash generated from (used in) financing activities	58,295	(7,307)
Net increase (decrease) in cash and cash equivalents	62,557	(3,963)
Cash and cash equivalents at beginning of financial period	150,808	168,502
Effects of exchange rate changes on the balance of cash held in foreign currencies	3,175	(495)
Cash and cash equivalents at end of financial period	216,540	164,044
Cash and cash equivalents at end of financial period comprised:		
Bank balances, deposits and cash	216,540	164,279
Less: Bank overdrafts	-	(235)
	216,540	164,044

* Prior period comparative figures of finance costs and receivables and prepayments have been reclassified to conform to current period's presentation.

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	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
<u>Total comprehensive income (loss)</u>													
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
<u>Transactions with owners, recognised directly in equity</u>													
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

	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 01.10.15	286,307	(20,065)	3,132	14,767	21,159	(79,880)	48	1,467	596	137,639	365,170	174,797	539,967
Total comprehensive income (loss)													
Profit for the financial period	-	-	-	-	-	-	-	-	-	8,072	8,072	3,823	11,895
Other comprehensive income (loss):													
Exchange translation deficit	-	-	-	-	-	(3,608)	-	-	-	-	(3,608)	(3,225)	(6,833)
Fair value gain on available-for-sale financial assets	-	-	-	-	-	-	212	-	-	-	212	119	331
Share of other comprehensive loss of associates	-	-	-	-	-	(1,528)	-	-	-	-	(1,528)	(500)	(2,028)
Other comprehensive income (loss) for the financial period	-	-	-	-	-	(5,136)	212	-	-	-	(4,924)	(3,606)	(8,530)
Total comprehensive income (loss) for the financial period	-	-	-	-	-	(5,136)	212	-	-	8,072	3,148	217	3,365
Transactions with owners, recognised directly in equity													
Contributions by and distributions to owners:													
Purchase of treasury shares	-	(336)	-	-	-	-	-	-	-	-	(336)	-	(336)
Dividends paid	-	-	-	-	-	-	-	-	-	(7,759)	(7,759)	(1,724)	(9,483)
Unclaimed dividends	-	-	-	-	-	-	-	-	-	2	2	-	2
Total contributions by and distributions to owners	-	(336)	-	-	-	-	-	-	-	(7,757)	(8,093)	(1,724)	(9,817)
Changes in ownership interests in subsidiaries:													
Deemed acquisition of additional interest in a subsidiary	-	-	-	-	918	-	-	-	-	-	918	(2,838)	(1,920)
Total transactions with owners	-	(336)	-	-	918	-	-	-	-	(7,757)	(7,175)	(4,562)	(11,737)
Transfer to reserve	-	-	-	178	-	-	-	-	-	(178)	-	-	-
Balance at 31.12.15	286,307	(20,401)	3,132	14,945	22,077	(85,016)	260	1,467	596	137,776	361,143	170,452	531,595

	Issued capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Retained profits S\$'000	Total equity S\$'000
Company					
Balance at 01.10.16	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
Balance at 01.10.15	286,307	(20,065)	614	26,306	293,162
Profit and total comprehensive income for the financial period	-	-	-	8,739	8,739
Transactions with owners, recognised directly in equity					
Purchase of treasury shares	-	(336)	-	-	(336)
Dividend paid	-	-	-	(7,759)	(7,759)
Unclaimed dividends	-	-	-	2	2
Total transactions with owners	-	(336)	-	(7,757)	(8,093)
Balance at 31.12.15	286,307	(20,401)	614	27,288	293,808

- 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.**

There was no change in the Company's issued capital during the period from 30 September 2016 to 31 December 2016.

There were no shares that may be issued on conversion of any outstanding convertibles as at 31 December 2016 and 2015.

As at 31 December 2016, the Company held 36,889,300 of its issued shares as treasury shares (31 December 2015: 36,593,800).

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	31.12.16	31.03.16
Total number of issued shares	521,358,482	521,358,482
Less: treasury shares	(36,889,300)	(36,773,800)
Total number of issued shares excluding treasury shares	484,469,182	484,584,682

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

As at 31 December 2016, there were no sales, transfers, disposal, cancellation and/or use of treasury shares.

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 2016, 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 2016.

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 2016 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 31.12.16 Singapore cents	Q3 ended 31.12.15 Singapore cents	YTD 31.12.16 Singapore cents	YTD 31.12.15 Singapore cents
Basic EPS	1.68	1.66	4.14	5.56
Diluted EPS	1.68	1.66	4.14	5.56

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 31.12.16	Q3 ended 31.12.15	YTD 31.12.16	YTD 31.12.15
Weighted average number of ordinary shares used in calculating basic EPS	484,469,182	484,951,982	484,482,829	485,813,226
Adjustment for dilutive potential ordinary shares	-	-	-	-
Weighted average number of ordinary shares used in calculating diluted EPS	484,469,182	484,951,982	484,482,829	485,813,226

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	
	31.12.16 Singapore cents	31.03.16 Singapore cents	31.12.16 Singapore cents	31.03.16 Singapore cents
Net asset value per ordinary share based on 484,469,182 issued shares excluding treasury shares as at 31 December 2016 (31 March 2016: 484,584,682)	72.77	69.66	59.02	60.81

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 on 31 December 2016 ("Q3YTD") was S\$774.4 million, 3.8% below the revenue reported for the same period in 2015.

During Q3YTD, the Group recorded exceptional gains of S\$6.1 million from the disposal of assets and write-back of excess restructuring costs, as compared to gains of S\$5.4 million for the corresponding period last year from disposal of assets and write-back of unclaimed warranty cost provision.

For Q3YTD, profit after taxation attributable to equity holders decreased by 25.7% to S\$20.1 million, as compared to S\$27.0 million reported for the same period last year.

Based on the weighted average of 484,482,829 shares in issue (2015: 485,813,226 shares), basic earnings per share for Q3YTD were 4.14 Singapore cents, as compared to 5.56 Singapore cents for the same period last year.

Business Review

Electronics and Acoustics Business - Revenue from the electronics and acoustics business in Q3YTD decreased by 3.0% when compared to the same period last year. The decrease was due mainly to a 4.0% decrease in sales of acoustics products and the closure of a subsidiary in component manufacturing. Comparing sales during Q3YTD to the same period last year, sales of electronics products remained stable. Sales of acoustics products to the US and Asia decreased by 5.0% and 5.5% respectively while sales to Europe remained stable. The associates contributed less profit before taxation in aggregate due mainly to soft market demand. Profit contribution before exceptional items and taxation from the electronics and acoustics business decreased by 29.7% in Q3YTD when compared to the same period last year.

Automotive Wire Harness Business - Overall sales of the automotive wire harness business grew by 6.0% during Q3YTD when compared to the same period last year. Sales to China increased by 29.0% while sales to the US decreased by 1.8%. Profit contribution before exceptional items and taxation from the automotive wire harness business remained stable for Q3YTD when compared to the same period last year.

Battery Business - The revenue of GP Batteries International Limited ("GP Batteries") for Q3YTD was S\$568.1 million, 4.6% lower than that for the comparative period last year. Global demands for primary batteries and Nickel Metal Hydride batteries were slow growing and price competition was very keen. Sales of primary batteries and rechargeable batteries decreased by 2.8% and 14.2% respectively. The drop in the revenue of rechargeable batteries was due mainly to the discontinuation of a contract with a major customer of the Taiwan plant, which has ceased production.

In geographical terms, sales in the Americas decreased by 31.6% while sales in Europe increased by 32.8%. The decrease in sales in the Americas and increase in sales in Europe were largely due to the relocation of the procurement office of a major customer from the US to Europe.

During Q3YTD, GP Batteries reported foreign exchange gains of S\$12.6 million, as compared to the S\$9.9 million reported in the same period last year.

Profit contribution from GP Batteries' associates increased to S\$5.8 million for Q3YTD from S\$3.7 million for the same period last year. The performance of AZ Limited, an associate in Russia, and T.G. Battery Co (Hong Kong) Limited have improved.

For Q3YTD, GP Batteries reported a profit after taxation attributable to its equity holders of S\$7.5 million, as compared to S\$13.2 million for the comparative period last year.

Other Industrial Investments - This business segment includes the Group's investments in Meiloon Industrial Co., Ltd. ("Meiloon") and Linkz Industries Limited ("Linkz"). Both Meiloon and Linkz reported improved performance and contributed more profit before taxation. Profit contribution from this business segment increased by 33.1% during Q3YTD when compared to the corresponding period last year.

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 in Europe is expected to remain weak and this challenging market environment is further aggravated by the weak Euro and Pound Sterling. Markets in the US and China are expected to be stable.

For the battery business, there is conceivably significant unsold capacity for primary and Nickel Metal Hydride batteries within the industry and competition will continue to be keen. GP Batteries' strategy of merging smaller factories into bigger ones is expected to enhance cost competitiveness after the consolidation. The production facilities for primary button batteries in Shanghai will be relocated to Ningbo and GP Batteries will incur some closure costs as a result in the fourth quarter of this financial year. As the new factories in Malaysia and Vietnam come on stream, they will also start to contribute to revenue growth.

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 to continue building the Group's brands and global distribution networks.

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 2016.

13. Interested person transactions

Pursuant to the shareholders' mandate on interested person transactions approved by the shareholders at the Annual General Meeting held on 29 July 2016, the interested person transactions entered into by the Group during the financial period ended 31 December 2016 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 31.12.16 S\$'000	YTD 31.12.15 S\$'000	YTD 31.12.16 S\$'000	YTD 31.12.15 S\$'000
Licence fee expense: KEF Celestion Corporation	-	216	-	-
Sales: Light Engine Ltd	-	-	113	98
Gold Peak Industries (Holdings) Limited	-	-	6	89
Acquisition of KEF, Celestion and GP brands: Gold Peak Industries (Holdings) Limited	-	6,511	-	-

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 2016 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

9 February 2017