



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 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 second quarter ("Q2") and half year ("H1") ended 30 September 2017. These figures have not been audited.

	Notes	Q2 ended 30.09.17 S\$'000	Q2 ended 30.09.16 S\$'000	Change %	H1 ended 30.09.17 S\$'000	H1 ended 30.09.16 S\$'000	Change %
Revenue	a	294,594	261,752	12.5	569,395	503,849	13.0
Cost of sales		(225,422)	(195,486)	15.3	(430,783)	(379,303)	13.6
Gross profit		69,172	66,266	4.4	138,612	124,546	11.3
Other operating income *	b	9,038	5,010	80.4	11,245	6,856	64.0
Distribution costs	c	(28,425)	(26,907)	5.6	(56,007)	(50,273)	11.4
Administrative expenses		(31,191)	(32,410)	(3.8)	(62,892)	(62,300)	1.0
Exchange (loss) gain	d	(2,833)	2,536	n/m	(4,469)	5,257	n/m
Other operating expenses	e	(2,019)	(524)	285.3	(2,784)	(1,190)	133.9
Profit before finance costs and share of results of associates		13,742	13,971	(1.6)	23,705	22,896	3.5
Finance costs	f	(3,920)	(3,024)	29.6	(7,563)	(6,088)	24.2
Share of results of associates	g	8,626	7,110	21.3	16,755	14,276	17.4
Profit before taxation	h	18,448	18,057	2.2	32,897	31,084	5.8
Income tax expense	i	(6,105)	(6,916)	(11.7)	(11,242)	(11,723)	(4.1)
Profit after taxation		12,343	11,141	10.8	21,655	19,361	11.8
Attributable to:							
Equity holders of the Company		7,122	6,782	5.0	12,536	11,937	5.0
Non-controlling interests		5,221	4,359	19.8	9,119	7,424	22.8
		12,343	11,141	10.8	21,655	19,361	11.8

* 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 revenue for Q2 and H1 was due mainly to a 16.5% and 16.6% increase in revenue of GP Batteries International Limited ("GP Batteries") respectively.
- (Note b) Increase in other operating income for Q2 and H1 was due mainly to increase in gain on disposal of property, plant and equipment, interest income and GP Batteries' government grant.
- (Note c) Increase in distribution costs for H1 was due partly to increase in revenue and partly to increase in expenditure for the Group's brand building activities.
- (Note d) The exchange loss for Q2 ended 30 September 2017 and H1 ended 30 September 2017 comprised mainly GP Batteries' exchange loss of S\$2.6 million and S\$4.4 million respectively.
- (Note e) Increase in other operating expenses for Q2 and H1 was due mainly to increase in allowance for impairment loss on property, plant and equipment.
- (Note f) Increase in finance costs was due mainly to increase in the Group's gross bank borrowings.
- (Note g) Increase in profit contributed by Linkz Industries Limited, Meiloon Industrial Co., Ltd. and the associates of the electronics business contributed to the increase in share of results of associates for Q2 and H1.
- (Note h) Profit before taxation was arrived at after crediting (charging) the following:

	Q2 ended 30.09.17 S\$'000	Q2 ended 30.09.16 S\$'000	H1 ended 30.09.17 S\$'000	H1 ended 30.09.16 S\$'000
Depreciation and amortisation	(6,470)	(5,349)	(12,440)	(10,821)
Write-back of (Allowance for and write-off of) bad debt, net	2,358	(31)	2,303	(79)
Allowance for and write-off of inventory obsolescence, net	(604)	(710)	(1,057)	(1,354)
Interest income ⁽¹⁾	280	179	623	394
Gain on disposal of property, plant and equipment ⁽¹⁾	5,689	3,007	5,776	3,090
Gain from disposal of intangible assets ⁽¹⁾	-	-	-	286
Write-back of excess restructuring costs ⁽¹⁾	-	217	-	217
Property, plant and equipment written off ⁽²⁾	(5)	(165)	(264)	(283)
Allowance for impairment loss on property, plant and equipment ⁽²⁾	(1,415)	-	(1,415)	-

⁽¹⁾ Reported under other operating income.

⁽²⁾ Reported under other operating expenses.

- (Note i) 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\$309,000 (2016: S\$617,000).

Group statement of comprehensive income for Q2 and H1 ended 30 September 2017.

	Notes	Q2 ended 30.09.17 S\$'000	Q2 ended 30.09.16 S\$'000	H1 ended 30.09.17 S\$'000	H1 ended 30.09.16 S\$'000
Profit after taxation for the financial period		12,343	11,141	21,655	19,361
Other comprehensive income (loss): Items that may be reclassified subsequently to profit or loss:					
Exchange translation surplus (deficit)		2,054	1,695	3,074	(7,142)
Fair value gain (loss) on available-for-sale financial assets		8	(173)	8	30
Share of other comprehensive (loss) income of associates	j	(399)	2,717	(3,027)	1,163
Other comprehensive income (loss) for the financial period, net of tax		1,663	4,239	55	(5,949)
Total comprehensive income for the financial period		14,006	15,380	21,710	13,412
Attributable to:					
Equity holders of the Company		7,240	10,226	10,736	9,126
Non-controlling interests		6,766	5,154	10,974	4,286
		14,006	15,380	21,710	13,412

(Note j) 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	
		30.09.17 S\$'000	31.03.17 S\$'000	30.09.17 S\$'000	31.03.17 S\$'000
Non-current Assets					
Investment properties	a	-	1,791	-	-
Property, plant and equipment	b	287,705	247,962	142	172
Interest in subsidiaries		-	-	337,206	337,206
Interest in associates		243,938	247,725	29,031	29,031
Available-for-sale financial assets		6,133	6,291	-	-
Deferred tax assets		3,027	3,549	-	-
Deposits and prepayments		1,633	6,063	-	-
Intangible assets		17,888	18,542	-	-
		560,324	531,923	366,379	366,409
Current Assets					
Inventories	c	181,633	152,641	-	-
Receivables and prepayments	d	230,907	210,288	10,220	5,999
Dividend receivable		-	1,255	16,123	21,607
Taxation recoverable		3,063	2,358	-	-
Amount due from ultimate holding company		16	3	-	-
Bank balances, deposits and cash	e	179,271	184,699	39,276	27,445
		594,890	551,244	65,619	55,051
Assets classified as held for sale	f	9,824	1,057	-	-
		604,714	552,301	65,619	55,051
Current Liabilities					
Trade and other payables	g	260,964	232,946	1,932	1,873
Obligations under finance leases		50	87	-	-
Income tax payable		5,944	5,717	543	767
Amount due to ultimate holding company		524	865	119	-
Bank overdrafts, bank loans and other loans	h	280,151	203,952	47,546	26,303
Notes	i	5,989	-	-	-
		553,622	443,567	50,140	28,943
Net Current Assets		51,092	108,734	15,479	26,108
Non-current Liabilities					
Bank and other loans	h, j	93,300	131,692	79,948	95,522
Obligations under finance leases		72	94	-	-
Deferred tax liabilities		4,169	3,835	-	-
		97,541	135,621	79,948	95,522
Net Assets		513,875	505,036	301,910	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		80,222	76,753	36,188	31,273
Equity attributable to equity holders of the Company		345,944	342,475	301,910	296,995
Non-controlling interests		167,931	162,561	-	-
Total Equity		513,875	505,036	301,910	296,995

- (Note a) The investment property, which is located in Huizhou, The People's Republic of China ("PRC"), has been reclassified to assets classified as held for sale ("AHFS") during H1 ended 30 September 2017 (note f).
- (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 GP Batteries in Ningbo, PRC, and the expansion of manufacturing facilities by a subsidiary of GP Batteries in Malaysia.
- (Note c) Increase in the Group's inventories was due mainly to increase in inventories of GP Batteries as a result of increase in turnover.
- (Note d) Increase in the Group's receivables and prepayments was due mainly to increase in trade receivables of GP Batteries as revenue for Q2 ended 30 September 2017 was higher than that for the financial quarter ended 31 March 2017.

Increase in the Company's receivables and prepayments was due mainly to increase in amounts due from subsidiaries.

- (Note e) On 10 August 2017, it was announced that subject to and contingent upon the fulfilment of certain pre-condition (the "Pre-Condition"), the Company intended to make a voluntary conditional cash offer (the "Offer") for all the issued ordinary shares of GP Batteries ("GP Batteries Shares"), other than the GP Batteries Shares already owned or agreed to be acquired by the Company as at the date of the Offer.

In connection with the Offer, the Company placed cash amounted to approximately S\$21,720,000 under an escrow account (the "Escrow Account").

On 22 September 2017, the Pre-Condition to the Offer was fulfilled and the Company's firm intention to make the Offer was announced. The formal offer document dated 6 October 2017 containing the terms and conditions of the Offer (the "Offer Document") was despatched to the shareholders of GP Batteries on the same date. The Offer is conditional upon the 90 per cent. Acceptance Condition (as defined in the Offer Document) being satisfied.

Accordingly, as at 30 September 2017, bank balances, deposits and cash of the Group and the Company included cash of approximately S\$21,720,000 kept in the Escrow Account, which is reserved for payments to the shareholders of GP Batteries upon the Offer becoming unconditional in all respects.

The 90 per cent. Acceptance Condition was satisfied on 31 October 2017 and the Offer was declared unconditional in all respects on the same date.

- (Note f) As at 30 September 2017 and 31 March 2017, AHFS comprised assets of certain subsidiaries of GP Batteries. Increase in AHFS was due to the reclassification of three properties, which are located in Huizhou, PRC and Hsin-Chu, Taiwan, from property, plant and equipment and investment property to AHFS during H1 ended 30 September 2017.
- (Note g) Increase in the Group's trade and other payables was mainly a result of increase in trade payables as revenue for Q2 ended 30 September 2017 was higher than that for the financial quarter ended 31 March 2017.
- (Note h) Increase in the Group's and Company's bank overdrafts, bank loans and other loans repayable within a year was due mainly to increase in short-term borrowings.

Increase in total borrowings of the Group were due mainly to increase in the total bank loans of GP Batteries to finance the land acquisition in PRC, and the expansion of the manufacturing facilities in Malaysia (note b).

(Note i) This represents Renminbi 29.3 million fixed rate note (“FRN”) due March 2018 issued by GP Batteries. The FRN is unsecured and bears interest at a fixed rate of 4.5% per annum.

(Note j) Decrease in the Group’s and Company’s bank and other loans repayable after one year was due mainly to repayment.

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

As at	30.09.17 S\$’000	31.03.17 S\$’000
Amount repayable in one year or less, or on demand:		
Secured	50	87
Unsecured	286,140	203,952
	286,190	204,039
Amount repayable after one year:		
Secured	72	94
Unsecured	93,300	131,692
	93,372	131,786

Details of any collateral

As at	30.09.17 S\$’000	31.03.17 S\$’000
Net book value of property, plant and equipment held under finance leases:		
(i) Motor vehicles	201	140
(i) Machinery and equipment	-	76

Other comments to paragraph 1(b)(ii)

As at 30 September 2017, bank balances, deposits and cash of the Group amounted to S\$179,271,000 (31 March 2017: S\$184,699,000), resulting in net borrowings of S\$200,291,000 (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.

	Q2 ended 30.09.17 S\$'000	Q2 ended 30.09.16 S\$'000
Operating activities		
Profit before taxation	18,448	18,057
Adjustments for:		
Share of results of associates	(8,626)	(7,110)
Depreciation of property, plant and equipment	6,387	5,266
Amortisation of intangible assets	83	83
Finance costs	3,920	3,024
Interest income	(280)	(179)
Gain on disposal and write-off of property, plant and equipment, net	(5,684)	(2,842)
Allowance for impairment loss on property, plant and equipment	1,415	-
Allowance for and write-off of inventory obsolescence, net	604	710
(Write-back of) Allowance for and write-off of bad-debt, net	(2,358)	31
Allowance for impairment loss on intangible assets	-	4
Realised gain on derivative financial instruments	(68)	(49)
Unrealised fair value loss on derivative financial instruments	-	34
Unrealised exchange loss	132	202
Operating cash flows before movements in working capital	13,973	17,231
Inventories	(15,758)	(3,519)
Receivables and prepayments	(12,552)	(16,064)
Trade and other payables *	19,152	19,779
Amount due from and to ultimate holding company	(433)	560
Cash generated from operations	4,382	17,987
Income tax paid	(3,818)	(4,063)
Finance costs paid	(4,894)	(2,736)
Interest received	280	179
Net cash (used in) generated from operating activities	(4,050)	11,367
Investing activities		
Deposits for purchase of property, plant and equipment	1,031	1,276
Purchase of property, plant and equipment	(21,093)	(7,759)
Dividends received from associates	7,617	5,813
Proceeds from disposal of property, plant and equipment	2,219	4,406
Cash transferred to Escrow Account (Note a)	(21,720)	-
Net cash (used in) generated from investing activities	(31,946)	3,736

	Q2 ended 30.09.17 S\$'000	Q2 ended 30.09.16 S\$'000
Financing activities		
Drawdown of long-term bank and other loans	3,053	4,094
Issue of notes	5,989	-
Repayment of long-term bank and other loans	(20,561)	(12,465)
Drawdown (Repayment) of short-term bank loans, net	40,676	(4,344)
Obligations under finance leases	(52)	(53)
Dividend paid	(7,267)	(7,752)
Dividend paid to non-controlling interests	(1,550)	(574)
Capital reduction paid to non-controlling interests	-	(885)
Acquisition of additional interest in a subsidiary	-	(9)
Purchase of treasury shares	-	(12)
Net cash generated from (used in) financing activities	20,288	(22,000)
Net decrease in cash and cash equivalents	(15,708)	(6,897)
Cash and cash equivalents at beginning of financial period	171,560	158,595
Effects of exchange rate changes on the balance of cash held in foreign currencies	719	(890)
Cash and cash equivalents at end of financial period	156,571	150,808
Cash and cash equivalents at end of financial period comprised:		
Bank balances, deposits and cash	179,271	150,808
Less: Cash held in Escrow Account (Note a)	(21,720)	-
Less: Bank overdrafts	(980)	-
	156,571	150,808

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

(Note a) Please refer to note (e) of paragraph 1(b)(i) (statement of financial position) for further details.

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 01.07.17	286,307	(20,585)	3,132	16,453	22,617	(107,389)	545	1,467	596	142,828	345,971	162,715	508,686
Total comprehensive income (loss)													
Profit for the financial period	-	-	-	-	-	-	-	-	-	7,122	7,122	5,221	12,343
Other comprehensive income (loss):													
Exchange translation surplus	-	-	-	-	-	711	-	-	-	-	711	1,343	2,054
Fair value gain on available-for-sale financial assets	-	-	-	-	-	-	5	-	-	-	5	3	8
Share of other comprehensive (loss) income of associates	-	-	-	-	-	(598)	-	-	-	-	(598)	199	(399)
Other comprehensive income for the financial period	-	-	-	-	-	113	5	-	-	-	118	1,545	1,663
Total comprehensive income for the financial period	-	-	-	-	-	113	5	-	-	7,122	7,240	6,766	14,006
Transactions with owners, recognised directly in equity													
Contributions by and distributions to owners:													
Dividends paid	-	-	-	-	-	-	-	-	-	(7,267)	(7,267)	(1,550)	(8,817)
Total transactions with owners	-	-	-	-	-	-	-	-	-	(7,267)	(7,267)	(1,550)	(8,817)
Balance at 30.09.17	286,307	(20,585)	3,132	16,453	22,617	(107,276)	550	1,467	596	142,683	345,944	167,931	513,875

	Attributable to equity holders of the Company											Non-controlling interests S\$'000	Total equity S\$'000
	Issued capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Legal reserve S\$'000	Capital reserve on consolidation S\$'000	Exchange translation reserve S\$'000	Available-for-sale financial assets reserve S\$'000	Share-based payment reserve S\$'000	Property revaluation reserve S\$'000	Retained profits S\$'000	Total S\$'000		
Group													
Balance at 01.07.16	286,307	(20,573)	3,132	15,427	22,414	(110,803)	483	1,467	596	137,939	336,389	157,379	493,768
Total comprehensive income (loss)													
Profit for the financial period	-	-	-	-	-	-	-	-	-	6,782	6,782	4,359	11,141
Other comprehensive income (loss):													
Exchange translation surplus	-	-	-	-	-	919	-	-	-	-	919	776	1,695
Fair value loss on available-for-sale financial assets	-	-	-	-	-	-	(112)	-	-	-	(112)	(61)	(173)
Share of other comprehensive income of associates	-	-	-	-	-	2,637	-	-	-	-	2,637	80	2,717
Other comprehensive income (loss) for the financial period	-	-	-	-	-	3,556	(112)	-	-	-	3,444	795	4,239
Total comprehensive income (loss) for the financial period	-	-	-	-	-	3,556	(112)	-	-	6,782	10,226	5,154	15,380
Transactions with owners, recognised directly in equity													
Contributions by and distributions to owners:													
Purchase of treasury shares	-	(12)	-	-	-	-	-	-	-	-	(12)	-	(12)
Dividends paid	-	-	-	-	-	-	-	-	-	(7,752)	(7,752)	(574)	(8,326)
Total contributions by and distributions to owners	-	(12)	-	-	-	-	-	-	-	(7,752)	(7,764)	(574)	(8,338)
Changes in ownership interests in subsidiaries:													
Acquisition of additional interest in a subsidiary	-	-	-	-	8	-	-	-	-	-	8	(14)	(6)
Capital reduction to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(885)	(885)
Total changes in ownership interests in subsidiaries	-	-	-	-	8	-	-	-	-	-	8	(899)	(891)
Total transactions with owners	-	(12)	-	-	8	-	-	-	-	(7,752)	(7,756)	(1,473)	(9,229)
Transfer from reserve	-	-	-	(2)	-	-	-	-	-	2	-	-	-
Balance at 30.09.16	286,307	(20,585)	3,132	15,425	22,422	(107,247)	371	1,467	596	136,971	338,859	161,060	499,919

	Issued capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Retained profits S\$'000	Total equity S\$'000
Company					
Balance at 01.07.17	286,307	(20,585)	614	34,504	300,840
Profit and total comprehensive income for the financial period	-	-	-	8,337	8,337
Transactions with owners, recognised directly in equity					
Dividend paid	-	-	-	(7,267)	(7,267)
Balance at 30.09.17	286,307	(20,585)	614	35,574	301,910
Balance at 01.07.16	286,307	(20,573)	614	32,421	298,769
Profit and total comprehensive income for the financial period	-	-	-	419	419
Transactions with owners, recognised directly in equity					
Purchase of treasury shares	-	(12)	-	-	(12)
Dividend paid	-	-	-	(7,752)	(7,752)
Total transactions with owners	-	(12)	-	(7,752)	(7,764)
Balance at 30.09.16	286,307	(20,585)	614	25,088	291,424

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 2017 to 30 September 2017.

There were no shares that may be issued on conversion of any outstanding convertibles as at 30 September 2017 and 2016.

As at	30.09.17	30.09.16
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	30.09.17	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 30 September 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 30 September 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")	Q2 ended 30.09.17 Singapore cents	Q2 ended 30.09.16 Singapore cents	H1 ended 30.09.17 Singapore cents	H1 ended 30.09.16 Singapore cents
Basic EPS	1.47	1.40	2.59	2.46
Diluted EPS	1.47	1.40	2.59	2.46

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 30.09.17	Q2 ended 30.09.16	H1 ended 30.09.17	H1 ended 30.09.16
Weighted average number of ordinary shares used in calculating basic EPS	484,469,182	484,484,073	484,469,182	484,489,691
Adjustment for dilutive potential ordinary shares	-	-	-	-
Weighted average number of ordinary shares used in calculating diluted EPS	484,469,182	484,484,073	484,469,182	484,489,691

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	
	30.09.17 Singapore cents	31.03.17 Singapore cents	30.09.17 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 30 September 2017 (31 March 2017: 484,469,182)	71.41	70.69	62.32	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 six-month period ended 30 September 2017 ("H1FY2018") was S\$569.4 million, an increase of 13.0% over the revenue reported for the corresponding period ended 30 September 2016 ("H1FY2017"). The increase was mainly attributable to a 16.6% revenue growth of GP Batteries International Limited ("GP Batteries") and a 4.9% revenue increase reported by the *Electronics and Acoustics Business*.

Gross profit increased by 11.3% to S\$138.6 million, despite a 13.0% increase in revenue, due mainly to appreciation of the Renminbi and increases in metal and component prices. Distribution costs increased by 11.4% mainly from the Group's increased investments in brand building activities. During H1FY2018, the Group reported a net exchange loss of S\$4.5 million as compared to a net exchange gain of S\$5.3 million for H1FY2017. The Group also reported higher other operating income of S\$11.2 million for H1FY2018 when compared to the S\$6.9 million reported in H1FY2017, mainly from a higher gain from disposal of property, plant and equipment and a government grant received by GP Batteries.

For H1FY2018, profit before taxation increased by 5.8% to S\$32.9 million when compared to the S\$31.1 million reported in H1FY2017. Profit after taxation attributable to equity holders for H1FY2018 increased by 5.0% to S\$12.5 million when compared to the S\$11.9 million reported for H1FY2017.

Based on the weighted average of 484,469,182 shares in issue (H1FY2017: 484,489,691 shares), basic earnings per share for H1FY2018 was 2.59 Singapore cents as compared to 2.46 Singapore cents for H1FY2017.

Business Review

Electronics and Acoustics Business - Revenue from the *Electronics and Acoustics Business* in H1FY2018 grew by 4.9% when compared to H1FY2017. Sales of electronics products decreased by 4.3% when compared to H1FY2017, affected 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 22.6%, with sales to the US market increased by 22.1%, to the Asian markets by 39.4% and to the European market by 4.1%. However, the appreciation of the Renminbi, rapid increase in the price of certain 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 6.5% in H1FY2018 when compared to H1FY2017. Sales to China increased by 46.5% while sales to the US decreased by 27.0% as some wire harnesses supplied to a key US customer approached the end of their production cycle. The appreciating Renminbi also affected the margins in this business.

Battery Business - The revenue of GP Batteries for H1FY2018 was S\$433.2 million, a 16.6% increase over the revenue for H1FY2017. Sales of both primary batteries and rechargeable batteries increased by 17.1%. Gross profit margin maintained at 22.0% for H1FY2018, when compared to that for H1FY2017.

In geographical terms, sales increased across all regions. Sales in the Americas, Asia and Europe for H1FY2018 increased by 41.0%, 8.1% and 23.5% respectively over H1FY2017.

During H1FY2018, GP Batteries reported a net exchange loss of S\$4.4 million, compared to a net exchange gain of S\$3.9 million in H1FY2017.

For H1FY2018, GP Batteries reported a profit after taxation attributable to its equity holders of S\$9.1 million, compared to S\$3.8 million for H1FY2017.

Other Industrial Investments - This business segment includes the Group's investments in Meiloon Industrial Co., Ltd. ("Meiloon") and Linkz Industries Limited ("Linkz"). In H1FY2018, 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 is expected to gradually strengthen in the US and demand in China is expected to remain stable. Consumer demand in Europe is expected to gradually regain some growth from the current lower 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.

GP Batteries' new production capacity in Malaysia is contributing to its business 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 distribution networks in key markets.

On 10 August 2017, the Group announced that, subject to and contingent upon the fulfilment of certain pre-condition (the "Pre-Condition"), the Group intended to make a voluntary conditional cash offer (the "Offer") for all the issued ordinary shares of GP Batteries ("GP Batteries Shares"), other than the GP Batteries Shares already owned or agreed to be acquired by the Group as at the date of the Offer.

On 22 September 2017, the Pre-Condition to the Offer was fulfilled and the Group's firm intention to make the Offer was announced. The formal offer document dated 6 October 2017 containing the terms and conditions of the Offer (the "Offer Document") was despatched to the shareholders of GP Batteries on the same date. The Offer is conditional upon the 90 per cent. Acceptance Condition (as defined in the Offer Document) being satisfied.

On 31 October 2017, the 90 per cent. Acceptance Condition was satisfied and the Offer was declared unconditional in all respects on the same date. This has resulted in an increase in the Group's equity interest in GP Batteries to approximately 90.37%, compared with approximately 64.88% as at 30 September 2017.

On 6 November 2017, it was further announced that the Group is entitled to, and will in due course, exercise its right of compulsory acquisition under Section 215(1) of the Companies Act, Chapter 50 of Singapore to compulsorily acquire all the GP Batteries Shares held by GP Batteries shareholders who have not accepted the Offer.

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

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

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

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

(c) Date payable

To be announced later.

(d) Books closure date

To be announced later.

(e) Other comments relating to Dividend

The Directors are pleased to recommend an interim tax-exempt (1-tier) dividend of 1.25 Singapore cents per share amounting to approximately S\$6.1 million (2016: 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 2018. The dividend will be paid in cash and the dividend was not included as liabilities as at 30 September 2017.

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

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

Not applicable.

13. Interested person transactions

Pursuant to the shareholders' mandate on interested person transactions approved by the shareholders at the Annual General Meeting held on 28 July 2017, the interested person transactions entered into by the Group during the financial period ended 30 September 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)	
	H1 ended 30.09.17 S\$'000	H1 ended 30.09.16 S\$'000	H1 ended 30.09.17 S\$'000	H1 ended 30.09.16 S\$'000
Sales:				
Light Engine Ltd	-	-	79	87
Gold Peak Industries (Holdings) Limited	-	-	37	5

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

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

10 November 2017