



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 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 second quarter ("Q2") and half year ("H1") ended 30 September 2016. These figures have not been audited.

	Notes	Q2 ended 30.09.16 S\$'000	Q2 ended 30.09.15 S\$'000	Change %	H1 ended 30.09.16 S\$'000	H1 ended 30.09.15 S\$'000	Change %
Revenue		261,752	282,542	(7.4)	503,849	532,946	(5.5)
Cost of sales		(195,486)	(212,757)	(8.1)	(379,303)	(399,917)	(5.2)
Gross profit		66,266	69,785	(5.0)	124,546	133,029	(6.4)
Other operating income	a	2,258	1,761	28.2	3,818	3,456	10.5
Distribution costs	b	(26,907)	(31,085)	(13.4)	(50,273)	(55,006)	(8.6)
Administrative expenses		(32,410)	(34,010)	(4.7)	(62,300)	(63,529)	(1.9)
Exchange gain	c	2,536	10,748	(76.4)	5,257	9,653	(45.5)
Other operating expenses *	d	(524)	(929)	(43.6)	(1,190)	(2,229)	(46.6)
Profit before finance costs, exceptional items and share of results of associates		11,219	16,270	(31.0)	19,858	25,374	(21.7)
Finance costs *		(3,024)	(3,198)	(5.4)	(6,088)	(5,634)	8.1
Exceptional items	e	2,752	4,121	(33.2)	3,038	5,360	(43.3)
Share of results of associates	f	7,110	5,830	22.0	14,276	12,986	9.9
Profit before taxation	g	18,057	23,023	(21.6)	31,084	38,086	(18.4)
Income tax expense	h	(6,916)	(4,505)	53.5	(11,723)	(8,262)	41.9
Profit after taxation		11,141	18,518	(39.8)	19,361	29,824	(35.1)
Attributable to:							
Equity holders of the Company		6,782	11,967	(43.3)	11,937	18,960	(37.0)
Non-controlling interests		4,359	6,551	(33.5)	7,424	10,864	(31.7)
		11,141	18,518	(39.8)	19,361	29,824	(35.1)

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

- (Note a) Increase in other operating income for Q2 and H1 was due mainly to increase in gain on disposal of property, plant and equipment and engineering fee income, net off decrease in interest income.
- (Note b) Decrease in distribution costs for Q2 and H1 was due mainly to GP Batteries International Limited's ("GP Batteries") lower advertising and promotion expenses and the additional doubtful debt provisions of approximately S\$4.0 million during Q2 ended 30 September 2015.
- (Note c) Decrease in exchange gain for Q2 and H1 was due mainly to decreases in exchange gain of S\$7.2 million and S\$4.9 million reported by GP Batteries for the corresponding period respectively.
- (Note d) Decrease in other operating expenses for Q2 and H1 was due partly to losses on derivative financial instruments reported in the respective corresponding period in 2015.
- (Note e) Exceptional items comprised:

	Q2 ended 30.09.16 S\$'000	Q2 ended 30.09.15 S\$'000	H1 ended 30.09.16 S\$'000	H1 ended 30.09.15 S\$'000
Gain from disposal of intangible assets	-	-	286	-
Write-back of excess restructuring costs	217	-	217	-
Write-back of unclaimed warranty cost provision relating to the disposal of a joint venture in 2013	-	57	-	1,296
GP Batteries' gain on disposal of property, plant and equipment	2,535	4,064	2,535	4,064
	2,752	4,121	3,038	5,360

- (Note f) Increase in profit contributed by Linkz Industries Limited ("Linkz") and Meiloon Industrial Co., Ltd. ("Meiloon") contributed to the increase in share of results of associates for Q2.

Increase in profit contributed by Linkz, Meiloon and the associates of GP Batteries contributed to the increase in share of results of associates for H1.

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

	Q2 ended 30.09.16 S\$'000	Q2 ended 30.09.15 S\$'000	H1 ended 30.09.16 S\$'000	H1 ended 30.09.15 S\$'000
Interest income included in other operating income	179	397	394	779
Depreciation and amortisation	(5,349)	(6,565)	(10,821)	(12,892)
Allowance for and write-off of bad debt, net	(31)	(3,928)	(79)	(3,970)
Allowance for and write-off of inventory obsolescence, net	(710)	(1,141)	(1,354)	(1,322)
Gain on disposal and write-off of property, plant and equipment, net ⁽¹⁾	2,842	3,853	2,807	3,728

⁽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 H1 this year except for an over-provision of approximately S\$617,000 (2015: S\$1,201,000).

Group statement of comprehensive income for Q2 and H1 ended 30 September 2016.

	Notes	Q2 ended 30.09.16 S\$'000	Q2 ended 30.09.15 S\$'000	H1 ended 30.09.16 S\$'000	H1 ended 30.09.15 S\$'000
Profit after taxation for the financial period		11,141	18,518	19,361	29,824
Other comprehensive income (loss): Items that may be reclassified subsequently to profit or loss:					
Exchange translation surplus (deficit)		1,695	6,854	(7,142)	(784)
Fair value (loss) gain on available-for-sale financial assets		(173)	(534)	30	(959)
Share of other comprehensive income (loss) of associates	i	2,717	3,233	1,163	(50)
Other comprehensive income (loss) for the financial period, net of tax		4,239	9,553	(5,949)	(1,793)
Total comprehensive income for the financial period		15,380	28,071	13,412	28,031
Attributable to:					
Equity holders of the Company		10,226	19,592	9,126	19,249
Non-controlling interests		5,154	8,479	4,286	8,782
		15,380	28,071	13,412	28,031

(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	
		30.09.16 S\$'000	31.03.16 S\$'000	30.09.16 S\$'000	31.03.16 S\$'000
Non-current Assets					
Investment properties		1,669	1,672	-	-
Property, plant and equipment		234,930	237,507	202	232
Interest in subsidiaries		-	-	324,368	323,964
Interest in associates		236,806	226,787	29,031	29,031
Available-for-sale financial assets		5,891	5,777	-	-
Deferred tax assets		3,733	3,729	-	-
Deposits and prepayments		3,957	3,648	-	-
Intangible assets		18,320	17,960	-	-
		505,306	497,080	353,601	353,227
Current Assets					
Inventories		153,469	156,923	-	-
Receivables and prepayments	a	202,310	173,568	4,068	5,791
Dividend receivable		2,113	6,821	17,145	19,360
Taxation recoverable		1,288	872	-	-
Amount due from ultimate holding company		16	43	-	-
Bank balances, deposits and cash		150,808	163,065	3,796	1,830
		510,004	501,292	25,009	26,981
Current Liabilities					
Trade and other payables	b	225,708	198,472	2,777	2,534
Obligations under finance leases		121	113	-	-
Income tax payable	c	7,086	4,826	540	532
Derivative financial instruments		200	497	-	-
Amount due to ultimate holding company		1,220	814	149	33
Bank and other loans		187,049	184,634	38,620	38,410
		421,384	389,356	42,086	41,509
Net Current Assets (Liabilities)		88,620	111,936	(17,077)	(14,528)
Non-current Liabilities					
Bank and other loans	d	91,019	103,942	45,100	44,000
Obligations under finance leases		53	79	-	-
Deferred tax liabilities		2,935	2,922	-	-
		94,007	106,943	45,100	44,000
Net Assets		499,919	502,073	291,424	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		73,137	71,753	25,702	28,906
Equity attributable to equity holders of the Company		338,859	337,546	291,424	294,699
Non-controlling interests		161,060	164,527	-	-
Total Equity		499,919	502,073	291,424	294,699

- (Note a) 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 2016 compared to that for the financial quarter ended 31 March 2016.
- (Note b) Increase in the Group's trade and other payables was due mainly to increase in trade payables as a result of higher revenue for Q2 ended 30 September 2016 compared to that for the financial quarter ended 31 March 2016.
- (Note c) Increase in the Group's income tax payable was due mainly to taxation expenses provided by the subsidiaries on profit for H1 ended 30 September 2016, net of amounts paid.
- (Note d) Decrease in the Group's bank and other loans repayable after one year was due mainly to repayment.
- (Note e) During H1 ended 30 September 2016, the Company purchased 115,500 issued shares via open market purchase and the shares so purchased were kept as treasury shares as at 30 September 2016.

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

As at	30.09.16 S\$'000	31.03.16 S\$'000
Amount repayable in one year or less, or on demand:		
Secured	121	113
Unsecured	187,049	184,634
	187,170	184,747
Amount repayable after one year:		
Secured	53	79
Unsecured	91,019	103,942
	91,072	104,021

Details of any collateral

As at	30.09.16 S\$'000	31.03.16 S\$'000
Net book value of property, plant and equipment held under finance leases:		
(i) Motor vehicles	185	234
(i) Machinery and equipment	41	-
(iii) Furniture, fixtures and equipment	-	1

Other comments to paragraph 1(b)(ii)

As at 30 September 2016, bank balances, deposits and cash of the Group amounted to S\$150,808,000 (31 March 2016: S\$163,065,000), resulting in net borrowings of S\$127,434,000 (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.

	Q2 ended 30.09.16 S\$'000	Q2 ended 30.09.15 S\$'000
Operating activities		
Profit before taxation	18,057	23,023
Adjustments for:		
Share of results of associates	(7,110)	(5,830)
Depreciation of property, plant and equipment	5,266	6,498
Amortisation of intangible assets	83	67
Finance costs *	3,024	3,198
Interest income	(179)	(397)
Gain on disposal and write-off of property, plant and equipment, net	(2,842)	(3,853)
Write-back of excess restructuring costs	(217)	-
Write-back of unclaimed warranty cost provision relating to the disposal of a joint venture in 2013	-	(57)
Allowance for impairment loss on intangible assets	4	4
Allowance for and write-off of inventory obsolescence, net	710	1,141
Allowance for and write-off of bad-debt, net	31	3,928
Realised (gain) loss on derivative financial instruments	(49)	184
Unrealised fair value loss on derivative financial instruments	34	160
Unrealised exchange loss (gain)	202	(5,260)
Operating cash flows before movements in working capital	17,014	22,806
Inventories	(3,519)	(7,817)
Receivables and prepayments *	(16,064)	(18,507)
Trade and other payables	19,996	9,747
Amount due to ultimate holding company	560	2,471
Cash generated from operations	17,987	8,700
Income tax paid	(4,063)	(3,070)
Interest paid	(2,736)	(2,031)
Interest received	179	385
Net cash generated from operating activities	11,367	3,984
Investing activities		
Deposits for purchase of property, plant and equipment	1,276	200
Purchase of property, plant and equipment	(7,759)	(9,690)
Dividends received from associates	5,813	4,245
Proceeds from disposal of property, plant and equipment	4,406	3,393
Acquisition of intangible assets	-	(6,439)
Instalments received from disposal of a subsidiary in the financial year ended 31 March 2015	-	499
Uplift of fixed deposit with original maturity period over three months	-	326
Net cash generated from (used in) investing activities	3,736	(7,466)

	Q2 ended 30.09.16 S\$'000	Q2 ended 30.09.15 S\$'000
Financing activities		
Drawdown of long-term bank and other loans	4,094	92,076
Repayment of long-term bank and other loans	(12,465)	(5,947)
Repayment of short-term bank loans, net	(4,344)	(47,174)
Capital reduction paid to non-controlling interests	(885)	-
Acquisition of additional interest in a subsidiary	(9)	-
Obligations under finance leases	(53)	(46)
Dividend paid	(7,752)	(8,745)
Dividend paid to non-controlling interests	(574)	(1,543)
Purchase of treasury shares	(12)	(529)
A subsidiary's purchase of its own shares from non-controlling interests	-	(3,187)
Net cash (used in) generated from financing activities	(22,000)	24,905
Net (decrease) increase in cash and cash equivalents	(6,897)	21,423
Cash and cash equivalents at beginning of financial period	158,595	144,272
Effects of exchange rate changes on the balance of cash held in foreign currencies	(890)	2,807
Cash and cash equivalents at end of financial period	150,808	168,502
Cash and cash equivalents at end of financial period comprised:		
Bank balances, deposits and cash	150,808	169,893
Less: Bank overdrafts	-	(1,391)
	150,808	168,502

* 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 01.07.16	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

	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 01.07.15	286,307	(19,536)	3,132	14,149	19,595	(87,842)	385	1,467	596	135,035	353,288	172,612	525,900
Total comprehensive income (loss)													
Profit for the financial period	-	-	-	-	-	-	-	-	-	11,967	11,967	6,551	18,518
Other comprehensive income (loss):													
Exchange translation surplus	-	-	-	-	-	3,819	-	-	-	-	3,819	3,035	6,854
Fair value loss on available-for-sale financial assets	-	-	-	-	-	-	(337)	-	-	-	(337)	(197)	(534)
Share of other comprehensive income (loss) of associates	-	-	-	-	-	4,143	-	-	-	-	4,143	(910)	3,233
Other comprehensive income (loss) for the financial period	-	-	-	-	-	7,962	(337)	-	-	-	7,625	1,928	9,553
Total comprehensive income (loss) for the financial period	-	-	-	-	-	7,962	(337)	-	-	11,967	19,592	8,479	28,071
Transactions with owners, recognised directly in equity													
Contributions by and distributions to owners:													
Purchase of treasury shares	-	(529)	-	-	-	-	-	-	-	-	(529)	-	(529)
Dividends paid	-	-	-	-	-	-	-	-	-	(8,745)	(8,745)	(1,543)	(10,288)
Total contributions by and distributions to owners	-	(529)	-	-	-	-	-	-	-	(8,745)	(9,274)	(1,543)	(10,817)
Changes in ownership interests in subsidiaries:													
Deemed acquisition of additional interest in a subsidiary	-	-	-	-	1,564	-	-	-	-	-	1,564	(4,751)	(3,187)
Total transactions with owners	-	(529)	-	-	1,564	-	-	-	-	(8,745)	(7,710)	(6,294)	(14,004)
Transfer to reserve	-	-	-	618	-	-	-	-	-	(618)	-	-	-
Balance at 30.09.15	286,307	(20,065)	3,132	14,767	21,159	(79,880)	48	1,467	596	137,639	365,170	174,797	539,967

	Issued capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Retained profits S\$'000	Total equity S\$'000
Company					
Balance at 01.07.16	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
Balance at 01.07.15	286,307	(19,536)	614	31,703	299,088
Profit and total comprehensive income for the financial period	-	-	-	3,348	3,348
Transactions with owners, recognised directly in equity					
Purchase of treasury shares	-	(529)	-	-	(529)
Dividend paid	-	-	-	(8,745)	(8,745)
Total transactions with owners	-	(529)	-	(8,745)	(9,274)
Balance at 30.09.15	286,307	(20,065)	614	26,306	293,162

- 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 June 2016 to 30 September 2016.

There were no shares that may be issued on conversion of any outstanding convertibles as at 30 September 2016 and 2015.

As at 30 September 2016, the Company held 36,889,300 of its issued shares as treasury shares (30 September 2015: 36,097,200).

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	30.09.16	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 30 September 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")	Q2 ended 30.09.16 Singapore cents	Q2 ended 30.09.15 Singapore cents	H1 ended 30.09.16 Singapore cents	H1 ended 30.09.15 Singapore cents
Basic EPS	1.40	2.46	2.46	3.90
Diluted EPS	1.40	2.46	2.46	3.90

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 30.09.16	Q2 ended 30.09.15	H1 ended 30.09.16	H1 ended 30.09.15
Weighted average number of ordinary shares used in calculating basic EPS	484,484,073	485,676,996	484,489,691	486,246,198
Adjustment for dilutive potential ordinary shares	-	-	-	-
Weighted average number of ordinary shares used in calculating diluted EPS	484,484,073	485,676,996	484,489,691	486,246,198

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	
	30.09.16 Singapore cents	31.03.16 Singapore cents	30.09.16 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 30 September 2016 (31 March 2016: 484,584,682)	69.94	69.66	60.15	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 six-month period ended on 30 September 2016 ("H1FY2017") was S\$503.8 million, a decrease of 5.5% when compared to the revenue reported for the same period in 2015 ("H1FY2016").

During H1FY2017, the Group recorded exceptional gains of S\$3.0 million from the disposal of assets and write-back of excess restructuring costs, compared to gains of S\$5.4 million for H1FY2016 from disposal of assets and write-back of unclaimed warranty cost provision.

For H1FY2017, profit after taxation attributable to equity holders decreased by 37.0% to S\$11.9 million, compared to S\$19.0 million reported for H1FY2016.

Based on the weighted average of 484,489,691 shares in issue (H1FY2016: 486,246,198 shares), basic earnings per share for H1FY2017 was 2.46 Singapore cents, compared to 3.90 Singapore cents for H1FY2016.

Business Review

Electronics and Acoustics Business - Revenue from the electronics and acoustics business in H1FY2017 remained stable when compared to that in H1FY2016. Sales of electronics products increased by 3.5% while sales of acoustics products decreased by 2.0%. Sales of acoustics products to the US increased by 2.0% while sales to Europe and Asia declined by 1.1% and 3.9% respectively. The associates contributed less profit before taxation due mainly to soft market demand. Profit contribution before exceptional items and taxation from the electronics and acoustics business in H1FY2017 decreased by 7.2% when compared to the level reported in H1FY2016.

Automotive Wire Harness Business - Overall sales of the automotive wire harness business grew by 8.4% during H1FY2017 when compared to H1FY2016. Sales to the US increased by 2.9% and sales to China increased by 24.9%. Profit contribution before exceptional items and taxation from the automotive wire harness business for H1FY2017 increased by 1.8% over the level reported in H1FY2016.

Battery Business - The revenue of GP Batteries International Limited ("GP Batteries") for H1FY2017 was S\$371.4 million, 7.7% lower than H1FY2016. Global demands for primary batteries and rechargeable Nickel Metal Hydride batteries were very slow growing and price competition was very keen. Sales of primary and rechargeable batteries decreased by 5.4% and 17.5% respectively. The decrease in sales of rechargeable batteries was due mainly to the discontinuation of a contract with a major customer of the Taiwan plant. In geographical terms, sales in the Americas and Asia decreased by 38.0% and 8.5% respectively while sales in Europe increased by 31.6%. 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 H1FY2017, GP Batteries reported foreign exchange gains of S\$3.9 million, compared to the S\$8.8 million reported in H1FY2016.

Profit contribution from GP Batteries' associates increased from S\$2.4 million for H1FY2016 to S\$2.9 million for H1FY2017. The performance of AZ Limited, the associate in Russia, has recovered significantly whilst the performance of the STL Group has decreased.

For H1FY2017, GP Batteries reported a profit after taxation attributable to its equity holders of S\$3.8 million, compared to S\$12.6 million for H1FY2016.

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 contributed more profit before taxation during H1FY2017 when compared to H1FY2016. Profit contribution from this business segment increased by 44.1%.

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 Asia are also slowing down although some of the Group's businesses in the US are expected to remain stable. The market for primary batteries and rechargeable Nickel Metal Hydride batteries is expected to continue with slow growth, and price competition is expected to remain very keen.

Development of GP Batteries' additional new factories in Malaysia and Vietnam is on schedule and is expected to bring in additional revenue during the coming six to twelve months. At the same time, GP Batteries is downsizing some of the smaller plants, such as the ones in Taiwan and Shanghai, consolidating those production facilities with the bigger plants in Ningbo, Guangdong and Malaysia. Some of the more labour intensive manufacturing may be moved to Vietnam. GP Batteries is incurring closure cost during the current financial year but overall cost competitiveness is expected to improve when the consolidation is completed.

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.

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 1.6 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 (2015: interim tax-exempt (1-tier) dividend of 1.6 Singapore cents per share amounting to approximately S\$7.8 million) for its financial year ending 31 March 2017. The dividend will be paid in cash and the dividend was not included as liabilities as at 30 September 2016.

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 29 July 2016, the interested person transactions entered into by the Group during the financial period ended 30 September 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)	
	H1 ended 30.09.16 S\$'000	H1 ended 30.09.15 S\$'000	H1 ended 30.09.16 S\$'000	H1 ended 30.09.15 S\$'000
Licence fee expense: KEF Celestion Corporation	-	213	-	-
Sales: Light Engine Ltd	-	-	87	35
Gold Peak Industries (Holdings) Limited	-	-	5	54
Acquisition of KEF, Celestion and GP brands: Gold Peak Industries (Holdings) Limited	-	6,439	-	-

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 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

11 November 2016