



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

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## BUSINESS UPDATE ON THE IMPACT OF THE COVID-19 PANDEMIC

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The board of directors (the “**Board**”) of GP Industries Limited (the “**Company**”) and its subsidiaries (the “**Group**”) wishes to update shareholders and potential investors of the Company on the Group’s sales performance and the impact of the COVID-19 pandemic on the Group’s businesses for the three-month period which ended on 30 June 2021 (“**1QFY2022**”).

### **Overview of the Group’s sales performance for 1QFY2022**

Despite great challenges from disruptions in material supply and global logistics caused by the COVID-19 pandemic, the Group’s revenue for 1QFY2022 amounted to S\$301.6 million, a 15.8% increase when compared to the revenue for the three-month period which ended on 30 June 2020.

Revenue of the Batteries Business increased by 7.9%, due mainly to an 8.7% increase in sales of primary batteries. Revenue of the Electronics and Acoustics Business increased substantially by 61.8% which reflected the strong rebound of market demand for acoustics products. KEF’s new products launched during the last financial year were very well received in both the American and European markets and sales of KEF’s products increased by 81.5%. Sales of Celestion professional speaker drivers also increased by 53.0% while sales from contract manufactured professional audio products increased by 36.0%.

On 31 May 2021, the Company announced that it has entered into a conditional agreement to dispose of the Automotive Wire Harness Business and proceeds from the proposed disposal will be used to help strengthen the Group’s cash flows and fund the working capital requirements of the Group’s core businesses. The proposed disposal is expected to be completed by 30 September 2021.

### **Impact of COVID-19 on the Group’s businesses for 1QFY2022**

As new COVID-19 virus variants became more widespread, the number of COVID-19 cases in the world, including some developed countries with high vaccination rates, remained at a high level, which continues to cast uncertainties on the global economic recovery. Despite temporary lockdowns, social distancing and changing travel restrictions imposed by various countries during 1QFY2022, the Group continued to make progress in rationalizing its production facilities while complying with the required safety management measures in various countries.

During 1QFY2022, the Group’s factories in China and Vietnam maintained normal operations. The Group’s factory in Thailand also resumed production during 1QFY2022 and started the manufacturing of contract manufactured professional audio products in June 2021. The Group’s regional sales and marketing offices in various countries in Europe, the Americas, the Asia Pacific and the Greater China regions are all in full operation.

However, the Group’s factories in Malaysia were ordered to reduce production according to the operation level approved by the Malaysian government as various movement control orders were implemented in the country during 1QFY2022. The Group reorganised the production capacity of factories outside Malaysia to accommodate for the reduced production capacity in Malaysia.

The Board anticipates that any potential impact on the Group’s businesses will depend, to a large extent, on future developments of the COVID-19 pandemic and actions taken by government authorities to

contain the pandemic. The Group will stay vigilant and focus on driving revenue, adapting its operations and containing costs while working with government measures to control the spread of the pandemic.

### **Cessation of Voluntary Quarterly Business Performance Updates Announcement**

The Company will cease announcement of voluntary business performance updates for the first and third financial quarter. However, in view of the rapid changes in the business environment, the Company will voluntarily make timely business updates in relation to the Group or the Company to shareholders if and when there is any material development which warrants disclosure in accordance with its obligations under the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**").

In addition to the foregoing, the Board would like to assure shareholders that the Company will comply with its continuing disclosure obligations under the Listing Manual to keep shareholders updated as and when appropriate, should there be any material developments (financial or otherwise) relating to the Group or the Company.

By Order of the Board

**Lee Tiong Hock**  
Company Secretary

13 August 2021