



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

First Quarter Financial Statement for the Financial Quarter ended 30 June 2014

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 first quarter ("Q1") ended 30 June 2014. These figures have not been audited.

	Notes	Q1 ended 30.06.14 S\$'000	Restated Q1 ended 30.06.13 S\$'000	Change %
<i>Continuing operations</i>	b		(Note a)	
Revenue	c	233,601	219,346	6.5
Cost of sales		(174,161)	(162,419)	7.2
Gross profit		59,440	56,927	4.4
Other operating income		1,882	1,781	5.7
Distribution costs	d	(21,886)	(18,974)	15.3
Administrative expenses		(26,817)	(28,876)	(7.1)
Exchange loss		(1,160)	(123)	843.1
Other operating expenses		(1,217)	(1,204)	1.1
Profit before finance costs and share of results of associates		10,242	9,531	7.5
Finance costs	e	(2,187)	(2,653)	(17.6)
Share of results of associates	f	4,925	1,749	181.6
Profit before taxation	g	12,980	8,627	50.5
Income tax expense	h	(4,027)	(4,305)	(6.5)
Profit after taxation from continuing operations		8,953	4,322	107.1
<i>Discontinued operations</i>	i			
Profit after taxation from discontinued operations		-	6,885	n/m
Profit after taxation		8,953	11,207	(20.1)
Attributable to:				
Equity holders of the Company				
Continuing operations		5,276	2,450	115.3
Discontinued operations		-	6,885	n/m
		5,276	9,335	(43.5)
Non-controlling interests				
Continuing operations		3,677	1,872	96.4
Discontinued operations		-	-	-
		3,677	1,872	96.4
		8,953	11,207	(20.1)

n/m - not meaningful

- (Note a) During the financial year ended 31 March 2014, the Group early adopted Singapore Financial Reporting Standard 110 *Consolidated Financial Statements* ("FRS 110") and certain other financial reporting standards. Pursuant to FRS 110, the financial statements of GP Batteries International Limited ("GP Batteries") are consolidated. Adoption of FRS 110 was applied retrospectively. The income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity of the Group for Q1 ended 30 June 2013, which were previously presented in the unaudited financial statement for Q1 ended 30 June 2013 without adopting FRS 110, have been restated in this financial statement for Q1 ended 30 June 2014.
- (Note b) The Group's continuing operations comprises electronics and acoustics business, a subsidiary's automotive wire harness business and the battery business conducted through GP Batteries.
- (Note c) The increase in revenue was due mainly from increases in sales of electronics, battery and automotive wire harness products.
- (Note d) Increase in distribution costs was due mainly to GP Batteries' additional investment in advertising and promotion globally for brand building.
- (Note e) Decrease in finance costs was due mainly to decrease in the Group's borrowing.
- (Note f) Increase in share of profit of associates was due mainly to (i) the associates of GP Batteries contributed a profit in aggregate during Q1 this year, compared to a loss in Q1 last year and (ii) other associates contributed more profit except for Meiloon Industrial Co., Ltd.
- (Note g) Profit before taxation was arrived at after crediting (charging) the following:

	Q1 ended 30.06.14 S\$'000	Restated Q1 ended 30.06.13 S\$'000
Interest income included in other operating income	589	525
Depreciation and amortisation	(6,194)	(7,277)
Allowance for and write-off of bad debt, net	(193)	(123)
Allowance for and write-off of inventory obsolescence, net	(705)	(965)
(Loss) Gain on disposal and write-off of property, plant and equipment, net	(34)	312

- (Note h) There was no significant adjustment for under- or over-provision of tax in respect of prior years for Q1 this year except for an over-provision of approximately S\$564,000 (2013: under-provision of approximately S\$539,000).
- (Note i) The Group's discontinued operations refers to the automotive wire harness business conducted through its previously 50% owned joint venture, Shanghai Jintong Automobile Harness Limited ("Jintong"), which was disposed of in May 2013. According to Singapore Financial Reporting Standard 105 *Non-current Assets Held for Sale and Discontinued Operations*, profit after taxation attributable to Jintong is presented under discontinued operations and comprised:

	Q1 ended 30.06.14 S\$'000	Q1 ended 30.06.13 S\$'000
Profit after taxation attributable to Jintong	-	2,676
Gain on disposal of Jintong, net of taxation	-	4,209
	-	6,885

Group statement of comprehensive income for Q1 ended 30 June 2014.

	Notes	Q1 ended 30.06.14 S\$'000	Restated Q1 ended 30.06.13 S\$'000
			(Note a)
Profit for the financial period		8,953	11,207
Other comprehensive income (loss):			
Exchange translation surplus recognised in income statement upon disposal of a joint venture		-	(1,409)
Items that may be reclassified subsequently to profit or loss:			
Exchange translation (deficit) surplus	j	(1,850)	7,513
Fair value loss on available-for-sale financial assets		(572)	-
Share of other comprehensive (loss) income of associates	k	(1,075)	4,364
Other comprehensive (loss) income for the financial period, net of tax		(3,497)	10,468
Total comprehensive income for the financial period		5,456	21,675
Attributable to:			
Equity holders of the Company			
Continuing operations		3,224	7,702
Discontinued operations		-	7,146
		3,224	14,848
Non-controlling interests			
Continuing operations		2,232	6,827
Discontinued operations		-	-
		2,232	6,827
		5,456	21,675

(Note j) The net exchange translation deficit for Q1 this year was due mainly to the depreciation of Hong Kong dollar and Renminbi against Singapore dollar. The net exchange translation surplus for Q1 last year was due mainly to the appreciation of Hong Kong dollar and Renminbi against Singapore dollar.

(Note k) Share of other comprehensive loss of associates for Q1 this year comprised exchange translation deficit. Share of other comprehensive income of associates for Q1 last year comprised exchange translation surplus.

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	
		30.06.14 S\$'000	31.03.14 S\$'000	30.06.14 S\$'000	31.03.14 S\$'000
Non-current Assets					
Investment properties	a	5,058	6,678	-	-
Property, plant and equipment		236,680	242,292	229	252
Interest in subsidiaries		-	-	438,180	431,774
Interest in associates		210,244	214,574	29,031	28,932
Available-for-sale financial assets		7,005	7,618	-	-
Financial asset at fair value through profit or loss	b	-	-	-	-
Non-current receivables		-	-	-	-
Deferred tax assets		5,753	5,713	-	-
Deposits and prepayments		193	156	-	-
Intangible assets		15,104	15,240	-	-
		480,037	492,271	467,440	460,958
Current Assets					
Inventories		137,134	134,786	-	-
Receivables and prepayments	c	174,709	169,209	32,062	32,304
Dividend receivable		6,771	-	36,825	51,427
Taxation recoverable		844	1,239	-	-
Amount due from ultimate holding company		444	35	-	-
Bank balances, deposits and cash	d	146,622	157,464	16,596	8,062
		466,524	462,733	85,483	91,793
Assets classified as held for sale	e	3,607	3,688	-	-
		470,131	466,421	85,483	91,793
Current Liabilities					
Trade and other payables		206,402	197,361	22,527	24,847
Obligations under finance leases		294	295	-	-
Income tax payable		5,533	4,235	1,225	1,258
Derivative financial instruments		653	679	-	-
Amount due to ultimate holding company		754	831	145	39
Bank overdrafts, bank loans and other loans	f	185,151	197,743	33,315	26,621
		398,787	401,144	57,212	52,765
Net Current Assets		71,344	65,277	28,271	39,028
Non-current Liabilities					
Bank and other loans	f	45,493	51,022	39,000	43,000
Obligations under finance leases		71	111	-	-
Deferred tax liabilities		4,944	6,208	79	79
Amount due to a subsidiary		-	-	144,219	143,098
		50,508	57,341	183,298	186,177
Net Assets		500,873	500,207	312,413	313,809
Represented by:					
Issued capital		286,307	286,307	286,307	286,307
Treasury shares		(12,701)	(11,770)	(12,701)	(11,770)
Reserves		50,932	46,310	38,807	39,272
Equity attributable to equity holders of the Company		324,538	320,847	312,413	313,809
Non-controlling interests		176,335	179,360	-	-
Total Equity		500,873	500,207	312,413	313,809

- (Note a) Investment properties were last revalued for preparation of the statement of financial position as at 31 March 2014 purpose and were not revalued during the financial quarter ended 30 June 2014. It is the Group's practice to re-assess their fair values at the year end date. The decrease was due mainly to transfer of an investment property to "Assets classified as held for sale" as at 30 June 2014.
- (Note b) Financial asset at fair value through profit or loss was last revalued for preparation of the statement of financial position as at 31 March 2014 purpose and was not revalued during the financial quarter ended 30 June 2014. It is the Group's practice to re-assess its fair value at the year end date.
- (Note c) As at 30 June 2014, trade receivables of the Group, net of allowance for doubtful debt, amounted to S\$139,365,000 (31 March 2014: S\$133,778,000). Receivables and prepayments of the Company comprised mainly amounts due from subsidiaries.
- (Note d) Decrease in the Group's bank balances, deposits and cash was due mainly to repayment of bank loans.
- (Note e) As at 30 June 2014 and 31 March 2014, "Assets classified as held for sale" comprised an investment property and a leasehold building which are expected to be disposed of before 31 March 2015.
- (Note f) Bank overdrafts, bank loans and other loans of the Group comprised:

As at	30.06.14 S\$'000	31.03.14 S\$'000
Amount repayable in one year or less, or on demand:		
Bank overdrafts and bank loans	184,746	197,282
Unsecured loan from an equipment lease company	405	461
	185,151	197,743
Amount repayable after one year:		
Bank loans	44,486	49,902
Unsecured loan from an equipment lease company	1,007	1,120
	45,493	51,022

- (Note g) During the financial quarter ended 30 June 2014, the Company purchased 1,811,000 issued shares via open market purchase and the shares so purchased were kept as treasury shares as at 30 June 2014.

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

As at	30.06.14 S\$'000	31.03.14 S\$'000
Amount repayable in one year or less, or on demand:		
Secured	294	295
Unsecured	185,151	197,743
	185,445	198,038
Amount repayable after one year:		
Secured	71	111
Unsecured	45,493	51,022
	45,564	51,133

Details of any collateral

As at	30.06.14 S\$'000	31.03.14 S\$'000
Net book value of:		
(i) Motor vehicles held under finance leases	68	105
(ii) Furniture, fixtures and equipment held under finance leases	93	106
(iii) Machinery and equipment held under finance leases	422	436

Other comments to paragraph 1(b)(ii)

As at 30 June 2014, bank balances, deposits and cash of the Group amounted to S\$146,622,000 (31 March 2014: S\$157,464,000), resulting in net borrowings of S\$84,387,000 (31 March 2014: S\$91,707,000).

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.

	Q1 ended 30.06.14 S\$'000	<i>Restated</i> Q1 ended 30.06.13 S\$'000
		(Note a)
Operating activities		
Profit before taxation from continuing operations	12,980	8,627
Profit before taxation from discontinued operations	-	9,666
Profit before taxation	12,980	18,293
Adjustments for:		
Share of results of associates	(4,925)	(1,749)
Depreciation of property, plant and equipment	6,194	7,196
Amortisation of intangible assets	-	81
Finance costs	2,187	2,653
Interest income	(589)	(525)
Loss (Gain) on disposal and write-off of property, plant and equipment, net	34	(312)
Allowance for impairment loss on intangible assets	5	5
Gain on bargain purchase arising from purchase of additional interests in associates	(9)	-
Allowance for and write-off of inventory obsolescence, net	705	965
Allowance for and write-off of bad-debt, net	193	123
Gain in fair value of derivative financial instruments	-	(42)
Gain on disposal of a joint venture	-	(6,529)
Profit before taxation attributable to discontinued operations	-	(3,137)
Gain in fair value of investment properties	(117)	-
Loss on disposal of available-for-sale financial assets	-	5
Realised (gain) loss on derivative financial instruments	(2)	7
Unrealised fair value loss on derivative financial instruments	124	-
Allowance for impairment loss on property, plant and equipment	-	68
Operating cash flows before movements in working capital	16,780	17,102
Inventories	(3,951)	(16,179)
Receivables and prepayments	(6,379)	(6,569)
Trade and other payables	10,844	19,069
Amount due to ultimate holding company	(480)	402
Translation of foreign subsidiaries	1,551	1,059
Cash generated from operations	18,365	14,884
Income tax paid	(3,133)	(3,239)
Interest paid	(2,208)	(2,594)
Interest received	438	378
Net cash generated from operating activities	13,462	9,429
Investing activities		
Additional investment in associates	(403)	(165)
Purchase of property, plant and equipment	(3,483)	(5,683)
Proceeds from disposal of a joint venture	-	35,438
Dividend received from a joint venture	-	25,244
Dividends received from associates	997	2,408
Proceeds from disposal of property, plant and equipment	565	130
Proceeds from disposal of an investment property	1,841	-
Deposits paid for purchase of property, plant and equipment	(58)	-
Proceeds from disposal of available-for-sale financial assets	-	371
Net cash (used in) generated from investing activities	(541)	57,743

	Q1 ended 30.06.14 S\$'000	<i>Restated</i> Q1 ended 30.06.13 S\$'000
Financing activities		(Note a)
Repayment of long-term bank and other loans	(10,748)	(10,521)
Repayment of short-term bank loans, net	(7,621)	(8,446)
Capital contribution by non-controlling interests	282	-
Acquisition of non-controlling interests in subsidiaries	(998)	-
Obligations under finance leases	(54)	(159)
Dividend paid to non-controlling interests	(3,143)	(1,880)
Purchase of treasury shares	(931)	(1,072)
Net cash used in financing activities	(23,213)	(22,078)
Net (decrease) increase in cash and cash equivalents	(10,292)	45,094
Cash and cash equivalents at beginning of financial period	157,464	124,917
Effects of exchange rate changes on the balance of cash held in foreign currencies	(1,621)	1,245
Cash and cash equivalents at end of financial period	145,551	171,256
Cash and cash equivalents at end of financial period comprised:		
Bank balances, deposits and cash	146,622	172,229
Less: Bank overdrafts	(1,071)	(973)
	145,551	171,256

(Note a) Please refer to Note a of paragraph 1(a) on page 2 for 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	Retained profits S\$'000	Total S\$'000		
Group												
Balance at 01.04.14	286,307	(11,770)	3,132	13,903	8,252	(99,772)	713	1,855	118,227	320,847	179,360	500,207
Total comprehensive income (loss)												
Profit for the financial period	-	-	-	-	-	-	-	-	5,276	5,276	3,677	8,953
Other comprehensive loss:												
Exchange translation deficit	-	-	-	-	-	(679)	-	-	-	(679)	(1,171)	(1,850)
Fair value loss on available-for-sale financial assets	-	-	-	-	-	-	(306)	-	-	(306)	(266)	(572)
Share of other comprehensive loss of associates	-	-	-	-	-	(1,067)	-	-	-	(1,067)	(8)	(1,075)
Other comprehensive loss for the financial period	-	-	-	-	-	(1,746)	(306)	-	-	(2,052)	(1,445)	(3,497)
Total comprehensive income (loss) for the financial period	-	-	-	-	-	(1,746)	(306)	-	5,276	3,224	2,232	5,456
Transactions with owners, recognised directly in equity												
Contributions by and distributions to owners:												
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	282	282
Purchase of treasury shares	-	(931)	-	-	-	-	-	-	-	(931)	-	(931)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(3,143)	(3,143)
Total contributions by and distributions to owners	-	(931)	-	-	-	-	-	-	-	(931)	(2,861)	(3,792)
Changes in ownership interests in subsidiaries:												
Effects of changes in shareholdings on non-controlling interests	-	-	-	-	1,398	-	-	-	-	1,398	(2,396)	(998)
Total transactions with owners	-	(931)	-	-	1,398	-	-	-	-	467	(5,257)	(4,790)
Balance at 30.06.14	286,307	(12,701)	3,132	13,903	9,650	(101,518)	407	1,855	123,503	324,538	176,335	500,873

	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	Retained profits S\$'000	Total S\$'000		
Group												
Balance at 01.04.13												
As previously reported	286,307	(6,932)	1,470	4,026	1,785	(103,244)	-	2,424	160,456	346,292	1,084	347,376
Effects of adoption of FRS 110	-	-	1,682	10,100	187	(774)	-	-	(10,241)	954	188,679	189,633
As restated (Note a)	286,307	(6,932)	3,152	14,126	1,972	(104,018)	-	2,424	150,215	347,246	189,763	537,009
Total comprehensive income (loss)												
Profit for the financial period	-	-	-	-	-	-	-	-	9,335	9,335	1,872	11,207
Other comprehensive income (loss):												
Exchange translation surplus	-	-	-	-	-	3,264	-	-	-	3,264	4,249	7,513
Exchange translation surplus recognised in income statement upon disposal of a joint venture	-	-	-	-	-	(1,409)	-	-	-	(1,409)	-	(1,409)
Share of other comprehensive income of associates	-	-	-	-	-	3,658	-	-	-	3,658	706	4,364
Other comprehensive income for the financial period	-	-	-	-	-	5,513	-	-	-	5,513	4,955	10,468
Total comprehensive income for the financial period	-	-	-	-	-	5,513	-	-	9,335	14,848	6,827	21,675
Transactions with owners, recognised directly in equity												
Contributions by and distributions to owners:												
Purchase of treasury shares	-	(1,072)	-	-	-	-	-	-	-	(1,072)	-	(1,072)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,880)	(1,880)
Transfer from reserve upon cancellation of share options	-	-	-	-	-	-	-	(6)	6	-	-	-
Total transactions with owners	-	(1,072)	-	-	-	-	-	(6)	6	(1,072)	(1,880)	(2,952)
Transfer from reserves	-	-	(55)	(807)	-	-	-	-	862	-	-	-
Balance at 30.06.13	286,307	(8,004)	3,097	13,319	1,972	(98,505)	-	2,418	160,418	361,022	194,710	555,732

(Note a) Please refer to Note a of paragraph 1(a) on page 2 for details.

	Issued capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Share-based payment reserve S\$'000	Retained profits S\$'000	Total equity S\$'000
Company						
Balance at 01.04.14	286,307	(11,770)	614	388	38,270	313,809
Loss and total comprehensive loss for the financial period	-	-	-	-	(465)	(465)
Transactions with owners, recognised directly in equity						
Purchase of treasury shares	-	(931)	-	-	-	(931)
Balance at 30.06.14	286,307	(12,701)	614	388	37,805	312,413
Balance at 01.04.13	286,307	(6,932)	614	398	50,030	330,417
Profit and total comprehensive income for the financial period	-	-	-	-	916	916
Transactions with owners, recognised directly in equity						
Purchase of treasury shares	-	(1,072)	-	-	-	(1,072)
Transfer from reserve upon cancellation of share options	-	-	-	(6)	6	-
Balance at 30.06.13	286,307	(8,004)	614	392	50,952	330,261

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 31 March 2014 to 30 June 2014.

The total number of shares that may be issued on exercise of all outstanding share options granted under the Company's Share Option Scheme 1999 are as follows:

Grant No.	Expiry date	Exercise price	As at 30.06.14	As at 30.06.13
4	14 September 2013	S\$0.880	-	2,490,000
5	4 July 2014	S\$1.030	2,821,000	2,851,000
			2,821,000	5,341,000

As at 30 June 2014, the Company held 23,856,000 of its issued shares as treasury shares (30 June 2013: 14,619,000).

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	30.06.14	31.03.14
Total number of issued shares	521,358,482	521,358,482
Less: treasury shares	(23,856,000)	(22,045,000)
Total number of issued shares excluding treasury shares	497,502,482	499,313,482

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 June 2014, 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 beginning on 1 April 2014, 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 2014.

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 2014 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")	Q1 ended 30.06.14 Singapore cents	Q1 ended 30.06.13 Singapore cents
Basic EPS:		
From continuing operations	1.06	0.48
From discontinued operations	-	1.36
Total	1.06	1.84
Diluted EPS:		
From continuing operations	1.06	0.48
From discontinued operations	-	1.36
Total	1.06	1.84

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:

	Q1 ended 30.06.14	Q1 ended 30.06.13
Weighted average number of ordinary shares used in calculating basic EPS	498,990,944	508,235,536
Adjustment for dilutive potential ordinary shares	-	-
Weighted average number of ordinary shares used in calculating diluted EPS	498,990,944	508,235,536

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	
	30.06.14 Singapore cents	31.03.14 Singapore cents	30.06.14 Singapore cents	31.03.14 Singapore cents
Net asset value per ordinary share based on 497,502,482 issued shares excluding treasury shares as at 30 June 2014 (31 March 2014: 499,313,482)	65.23	64.26	62.80	62.85

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 first quarter ended 30 June ("Q1") 2014 increased by 7%, mainly from increases in sales of electronics, battery and automotive wire harness products.

Profit before share of results of associates for Q1 this year was S\$8.1 million, a 17% increase over the S\$6.9 million reported for the same period last year. The associates also contributed S\$3.2 million higher profit in aggregate. As a result, profit before taxation increased by more than 50% to S\$13.0 million for Q1 this year over the S\$8.6 million reported for the same period last year.

Total profit after taxation from continuing operations attributable to equity holders of the Company for Q1 this year amounted to S\$5.3 million, compared to S\$2.4 million for Q1 last year, an increase of 115%.

During Q1 last year, profit after taxation attributable to discontinued operations under Shanghai Jintong Automobile Harness Limited ("Jintong"), a previously 50% owned joint venture, amounted to S\$6.9 million, which included an exceptional profit of S\$4.2 million from the disposal of Jintong.

Based on the weighted average number of 498,990,944 shares in issue (2013: 508,235,536 shares), basic earnings per share for Q1 this year was 1.06 Singapore cents, compared to 1.84 Singapore cents for the same period last year, which included an earnings per share of 1.36 Singapore cents from discontinued operations.

Business Review

Electronics and Acoustics Business - Revenue from the electronics and acoustics business decreased by 1% during Q1 this year when compared to Q1 last year. While sales of electronics products increased by 6%, it was offset by a 12% decline in sales of acoustics products. By region, sales of acoustics products to the Americas increased by 5%, while sales to Asia declined by 19% and sales to Europe declined by 16%. Despite an increase in profit contribution from associated companies, total profit contribution from the electronics and acoustics business decreased by 12% when compared to Q1 last year.

Automotive Wire Harness Business - The Group's export oriented automotive wire harness business reported a growth of over 90% in revenue, albeit from a relatively small base, when compared to Q1 last year. The growth was from increased demand for wire harnesses for automotive video equipment mandated by new safety regulations in the US. The continuing operations of the automotive wire harness business also reported a 95% growth in profit contribution over Q1 last year.

Battery Business - The revenue of GP Batteries for Q1 this year was S\$174 million, 6% higher than the revenue reported in the same period last year. While sales of primary batteries increased by 15%, sales of rechargeable batteries decreased by 16%. Gross profit margin remained stable at 23.5%.

The associated companies of GP Batteries contributed a profit of S\$0.1 million during Q1 this year, compared to a loss of S\$1.6 million last year. The improvement was due mainly to the cessation of loss-making operations of the Vectrix group of companies.

For Q1 this year, GP Batteries reported a profit attributable to its shareholders of S\$2.3 million, compared to S\$0.1 million for Q1 last year.

Other industrial investments - This segment includes the Group's investments in Meiloon Industrial Co., Ltd., Linkz Industries Limited and CIH Limited. This segment overall contributed a profit of approximately S\$620,000 for Q1 this year, compared to a loss of approximately S\$150,000 for Q1 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.

Weak consumer demand in Europe and uncertainties in a few countries in Eastern Europe and Latin America may impact some of the Group's businesses. The Group's businesses in the US and Asia, however, are expected to remain stable.

The Group will continue to invest in product innovation and further develop its brands and global distribution network. It is also expanding the production capacity for its electronics and acoustics business as well as some segments of the battery business. It will continue to automate its factories to improve productivity and to counter the cost pressure which arise from steadily increasing manufacturing costs in China.

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 30 June 2014.

13. Interested person transactions

Pursuant to the shareholders' mandate on interested person transactions approved by the shareholders at the Annual General Meeting held on 31 July 2013, the interested person transactions entered into by the Group during the financial period ended 30 June 2014 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)	
	Q1 ended 30.06.14 S\$'000	Q1 ended 30.06.13 S\$'000	Q1 ended 30.06.14 S\$'000	Q1 ended 30.06.13 S\$'000
Licence fee expense: KH Technology Corporation	202	232	-	-
Sales: Light Engine Ltd	-	-	91	495
Rental expenses and building management fee: Gold Peak Industries (Holdings) Limited	148	141	-	-
Peak Power Investment Limited	29	26	-	-

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

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 results for the financial period ended 30 June 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Victor Lo Chung Wing
Chairman

Leung Pak Chuen
Executive Vice Chairman

13 August 2014