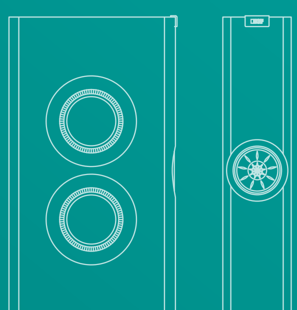
GP Industries Limited
Annual Report 2024 – 2025



Calendar of Financial Events

EVENTS	
Announcement of FY2025 Results:	
Announcement of 1H Results	13 November 2024
Announcement of 2H and FY Results	29 May 2025
Website Publication of Annual Report	14 July 2025
FY2025 Dividend Record and Payment Dates:	
Interim Dividend	**S 1.5 cents per share**
Declaration Date	13 November 2024
Record Date	5:00 pm, 10 December 2024
Payment Date	17 December 2024
Proposed Final Dividend	**S 1.5 cents per share***
Declaration Date	29 May 2025
Record Date	5:00 pm, 8 August 2025
Payment Date	22 August 2025
Shareholders' Meeting:	
2025 AGM Notice Issue Date	14 July 2025
Voting at 2025 AGM Book Close Date	2:30 pm, 26 July 2025
30th Annual General Meeting	29 July 2025

Note:

* The declaration and payment of the FY2025 Final Dividend is subject to the approval of Ordinary Shareholders at the 30th Annual General Meeting.

GP Industries Limited Annual Report 2024-2025

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Corporate Information

BOARD OF DIRECTORS

Executive

Victor LO Chung Wing | Chairman and Chief Executive Officer

LAM Hin Lap | Vice Chairman and Executive Vice President

Brian LI Yiu Cheung | Executive Vice President

Waltery LAW Wang Chak | Chief Financial Officer and Chief Risk Officer

Non-Executive Independent

GOH Boon Seong | Lead Independent Director

Timothy TONG Wai Cheung

Eric YIM Chi Ming

SEAH Han Leong
(appointed on 20 June 2024)

HUNG Cheung Fuk
(appointed on 20 June 2024)

Charlene-Jayne CHANG Wei-Ying
(appointed on 1 February 2025)

AUDIT AND RISK COMMITTEE

GOH Boon Seong | Chairman

Timothy TONG Wai Cheung

Eric YIM Chi Ming

SEAH Han Leong
(appointed on 20 June 2024)

HUNG Cheung Fuk
(appointed on 20 June 2024)

Charlene-Jayne CHANG Wei-Ying
(appointed on 1 February 2025)

NOMINATING COMMITTEE

Eric YIM Chi Ming | Chairman

Victor LO Chung Wing

GOH Boon Seong

LAM Hin Lap

Timothy TONG Wai Cheung

SEAH Han Leong
(appointed on 20 June 2024)

HUNG Cheung Fuk
(appointed on 20 June 2024)

Charlene-Jayne CHANG Wei-Ying
(appointed on 1 February 2025)

REMUNERATION COMMITTEE

Timothy TONG Wai Cheung | Chairman

GOH Boon Seong

Eric YIM Chi Ming

SEAH Han Leong
(appointed on 20 June 2024)

HUNG Cheung Fuk
(appointed on 20 June 2024)

Charlene-Jayne CHANG Wei-Ying
(appointed on 1 February 2025)

SUSTAINABILITY STEERING COMMITTEE

Brian LI Yiu Cheung | Co-chairman

LAM Hin Lap | Co-chairman

Waltery LAW Wang Chak

Charlton KWONG Yiu Cheung

Edward LAM Wai Man

Grace LO Kit Yee

Joseph LEUNG

Edmund LEE Tak Yue (Convener)

COMPANY SECRETARIES

LEE Tiong Hock and SHIM Gek Nii
(appointed on 31 March 2025)

REGISTERED ADDRESS

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Fax: (65) 6395 0860
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Website: www.gp.industries

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
Keppel Bay Tower #14-07
Singapore 098632

AUDITORS

Deloitte & Touche LLP
6 Shenton Way
OUE Downtown 2 #33-00
Singapore 068809

Audit Partner-in-charge

PANJABI Sanjay Gordhan
(appointed on 26 July 2024)

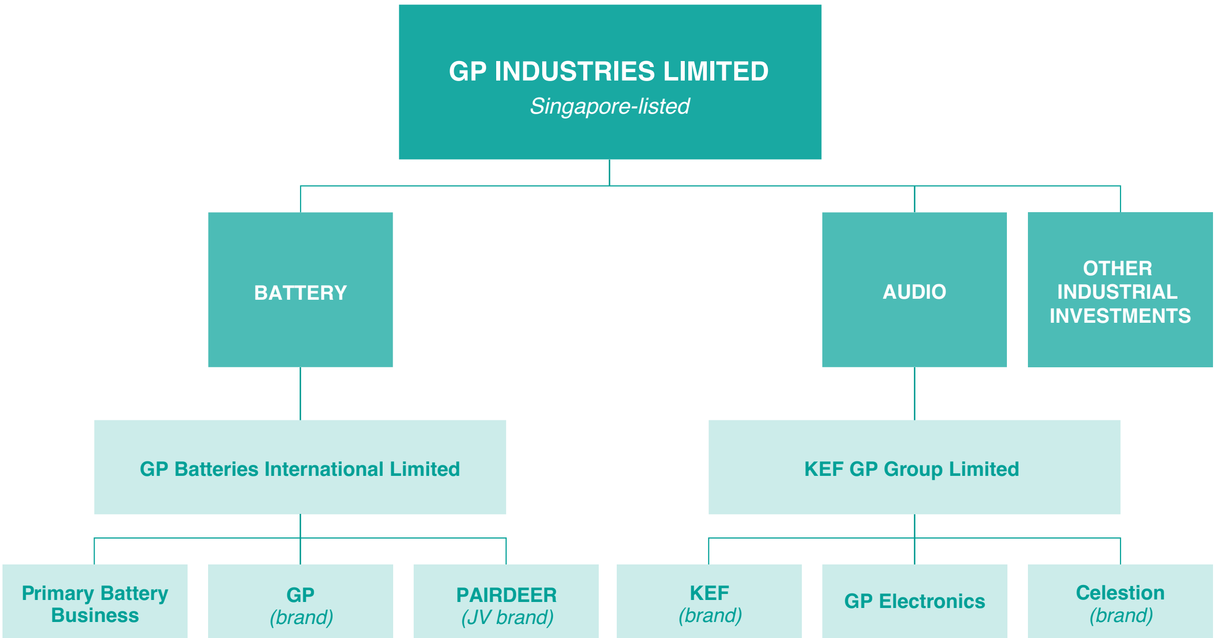
PRINCIPAL BANKERS

United Overseas Bank Limited
Malayan Banking Berhad
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
Bank of East Asia
Bank of China Limited
DBS Bank Ltd

SOLICITORS

Allen & Gledhill LLP
One Marina Boulevard #28-00
Singapore 018989

Group Profile



GP Industries Limited ("GP Industries" or "the Company") is an international manufacturing and marketing group in the battery and audio industries.

The Company has been listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST") since 1995. It is the main industrial investment vehicle of Hong Kong-listed Gold Peak Technology Group Limited which currently owns an 86.18%* interest in the Company.

The businesses of GP Industries are mainly operated under its two major wholly-owned subsidiaries, namely:

(a) GP Batteries International Limited is engaged in the development, manufacturing and marketing of primary consumer batteries and battery related products under the GP brand and PAIRDEER brand. The PAIRDEER brand is operated by the Company's 70%-owned subsidiaries in China with significant domestic market presence.

(b) KEF GP Group Limited specializes in the design, manufacturing and marketing of professional audio products, KEF-branded audio systems, Celestion branded professional loudspeakers and electronic and audio related products.

GP Industries Group has a strong and extensive manufacturing and distribution network spanning over 10 countries. Excluding associates, the Group currently employs a workforce of approximately 5,350 and occupies a total floor area of about 590,500 square metres.

* as at 24 June 2025

FY2025 Financial Highlights

Consolidated Income Statement (S$ million) Year ended 31 March	2025	2024
Revenue	**1,104.7**	1,108.1
Profit (Loss) after taxation	**40.1**	(47.0)
Non-controlling interests	**(15.8)**	(11.7)
Profit (Loss) attributable to equity holders	**24.3**	(58.7)
Profit attributable to equity holders (excluding share of results of XIC Innovation Limited)	**24.3**	17.6
Basic earnings (loss) per share (cents)	**4.90**	(12.14)
Basic earnings per share (cents) (excluding share of results of XIC Innovation Limited)	**4.90**	3.64
Tax-exempt (1-tier) dividend per share (cents)	**3.0**	2.0

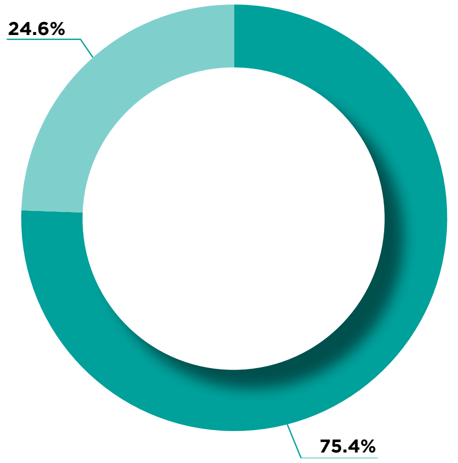
Consolidated Statement of Financial Position (S$ million) As at 31 March	2025	2024
Shareholders' funds	**292.3**	305.3
Total equity	**430.9**	422.9
Total assets	**1,215.4**	1,236.9

Ratios As at 31 March	2025	2024
Current assets : Current liabilities (times)	**1.05**	1.05
Inventory turnover period (months)	**2.16**	1.95
Net bank borrowings : Total equity (times)	**0.63**	0.72

Other Information As at 31 March	2025	2024
Number of employees (approx) - The Company and its subsidiaries	**5,350**	5,400
Total floor area (sq m) (approx) - The Company and its subsidiaries	**590,500**	569,300

REVENUE BY BUSINESS SEGMENTS

Year ended 31 March 2025

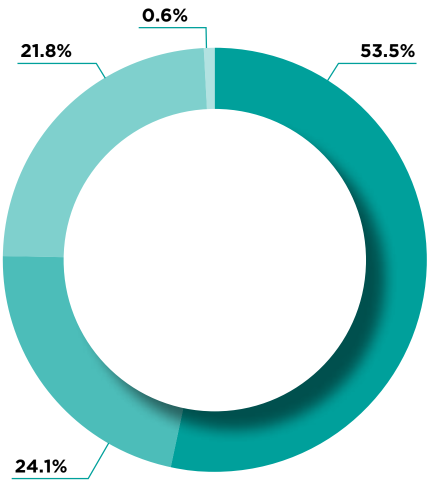


75.4%
Battery

24.6%
Audio

REVENUE BY LOCATIONS

Year ended 31 March 2025



53.5%
Asia

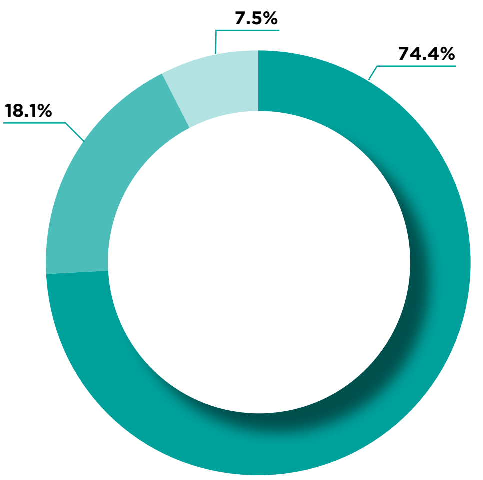
24.1%
Americas

21.8%
Europe

0.6%
Others

CONTRIBUTION BY BUSINESS SEGMENTS

Year ended 31 March 2025



74.4%
Battery

18.1%
Other industrial investments

7.5%
Audio

Chairman's Statement

Navigating Resilience Amid Global Challenges

The financial year ended 31 March 2025 ("FY2025") unfolded against a backdrop of challenging global economic uncertainties. Trade policy and supply chain uncertainty reached levels not seen since the COVID-19 pandemic, while persistent inflationary pressures and geopolitical tensions further complicated the operating environment. The United Nations ("UN") also recently revised its global GDP growth projections down to 2.4% in its World Economic Situation and Prospects Mid-Year Update — a decline from the 2.9% forecast in 2024 — while describing the world economy as "at a precarious moment".

Despite these challenging headwinds, GP Industries demonstrated exceptional resilience, achieving significantly improved profitability with profit before finance costs and share of results of associates increased by nearly 23.9%, while maintaining stable revenue performance. Our strategic investments in a diversified manufacturing foodprint, brand development, and product innovation have proven invaluable in navigating current challenges while positioning us to capture emerging opportunities.

Results Summary

The Group delivered revenue of S$1,104.7 million in FY2025, maintaining stability with a marginal decline of 0.3% compared to the financial year ended 31 March 2024 ("FY2024"). More significantly, our profit before finance costs and share of results of associates increased by 23.9% to S$68.0 million, driven by effective cost management and improved operational efficiency. Gross profit margin expanded by 140 basis points to 29.9%, reflecting enhanced product mix, effective commodity management, and optimal factory utilization.

Profit attributable to equity holders for FY2025 stood at S$24.3 million, translating to basic earnings per share of 4.90 Singapore cents. The Board has proposed a final dividend of 1.5 Singapore cents per share. Combined with our interim dividend of 1.5 Singapore cents, this brings the full-year dividend to 3.0 Singapore cents per share, a 50% increase from FY2024. This represents a payout ratio of 61.2%, demonstrating our confidence in the Group's financial position and future prospects.

Strategic Positioning and Market Response

The evolving global trade landscape has validated our long-standing strategy of geographic diversification. The effective U.S. tariff rate increased substantially in April 2025, though the recent temporary 90-day pause on the 145% China tariff provides some relief while trade negotiations continue. Our diversified manufacturing footprint across Southeast Asia has proven to be a crucial competitive advantage in this environment. Operating eight facilities across the region — two in the U.K., three in Malaysia, two in Vietnam, and one in Thailand — we maintain significant flexibility in our supply chain.

In response to these US trade tariff, we are actively implementing several strategic initiatives: switch production capacity in Southeast Asia to serve the U.S. market; and use our China production primarily for European and Asian markets; streamlining supply chains to meet country of origin requirements while maintaining cost competitiveness; and increasing our sales efforts on emerging Asian markets. Based on recent years' average, products directly exported from China to the U.S. represent only approximately 14% of our Group's global revenue. With these proactive measures in place, we are confident in our ability to manage tariff impacts while maintaining our competitive position and profitability.

Our Battery Business demonstrated strength in this challenging environment, with primary battery sales increasing by 8.6%, driven by market share gains in the Americas (+15.8%) and Asia (+5.6%). Our sales growth in the Americas was driven by our specialty and industrial batteries. While our European battery sales declined by 21.9% amid economic pressures, our comprehensive product portfolio — ranging from value-driven Carbon Zinc batteries to premium Alkaline and specialty batteries — enables us to serve diverse consumer needs across all price segments. The UN's projection of persistent global inflation at 3.6% in 2025 supports our strategic positioning for the current market, as our GP-branded products offer both affordable solutions for price-conscious consumers and high-performance products for demanding applications.

In the Audio Business, KEF achieved notable success through strategic retail partnerships, securing premium placement with leading big-box retailers across nearly 500 U.S. outlets. KEF sales grew by 7.0% overall, with particularly strong performance in the Americas (+12.3%) and Asia (+5.0%). Celestion's 7.2% revenue increase in professional speaker drivers was driven by growth across all major markets — Americas (+10.4%), Europe (+5.6%), and Asia (+7.1%). Third-party ODM ("Original Design Manufacturer") manufacturing in our audio business declined by 13.4%, due to weak demand on certain professional audio segment and we deploy more production capacity to KEF and Celestion brands. The continued growth in distribution network, combined with our expanded network of KEF Music Galleries in major strategic markets — including flagship locations at high-end Aoyama district in Tokyo and in London, alongside multiple experience centers across China — has strengthened KEF's brand visibility and consumer / trade engagement.

Innovation for Tomorrow

KEF continues to push the boundaries of audio excellence, with our patented technologies receiving strong market acceptance. During FY2025, we expanded our wireless music system portfolio, addressing the growing segment of consumers seeking premium audio experience without the complexity of traditional hi-fi systems. Strategic partnerships are accelerating our market expansion — our collaboration with Lotus Technology earned the prestigious EISA Award for Best In-Car OEM Premium Audio System 2024-2025. Our global partnership with Haier Smart Home has significantly expanded from the initial Casarte collaboration, with KEF now co-engineering immersive audio systems across multiple flagship television series. This positions us strategically in the global smart television market, where premium audio-integrated televisions are gaining substantial market share.

Celestion marked its centennial year with recognition from the National Association of Music Merchants and plans to leverage its legendary brand heritage by introducing its first consumer audio system in the financial year ending 31 March 2026 (“FY2026”), creating new market opportunities beyond professional applications.

In our Battery Business, we continue to enhance our product portfolio through strategic R&D investments. Our ongoing improvements in Alkaline battery formulations focus on extending performance in high-drain devices, while our specialty battery range continues to evolve to meet the stringent requirements of medical devices, safety systems, and industrial IoT (Internet of Things) applications. We are also pioneering packaging solutions, demonstrating our commitment to environmental responsibility and product excellence.

Financial Strength and Asset Optimization

We significantly strengthened our financial position during FY2025, the gearing ratio improved from 71.8% to 63.3%, reflecting prudent capital management and the successful issuance of US$11 million in perpetual subordinated bonds in September 2024. I would like to acknowledge the confidence shown by our directors, who subscribed for US$4 million of these bonds, demonstrating strong alignment with shareholder interests. We also secured a S$70 million sustainability-linked loan facility, demonstrating lender confidence in our business model and sustainability commitments.

Our asset optimization program progressed well, including the strategic revaluation of industrial properties that generated net rental income of S$627,000 during the year. We continue our efforts to divest non-core assets in China, though the property market conditions are unfavorable at the moment, we will generate rental income before completing disposals. These initiatives not only strengthen our balance sheet but also provide flexibility for future growth investments while maintaining the financial discipline necessary to weather potential economic volatility.

Sustainability Leadership

Sustainability remains at the core of our operations and innovation. In FY2025, four of our plants achieved Zero Waste to Landfill (“ZWTL”) validation — two at Platinum and two at Gold level — underpinning our operational excellence and comprehensive approach to waste management and circular economy principles.

Our sustainability leadership has been widely recognized. GP Batteries and two factories in China were named “EcoPartners” by the Federation of Hong Kong Industries. GP Batteries also earned the “Wastewi$e Certificate” and was recognized as a “Hong Kong Green Organization” from the Environmental Campaign Committee. We continue to increase the use of recycled materials and shift to paper-based packaging, with over 10% recycled content now used in select battery models.

With the Board’s full endorsement, we are committed to achieving net-zero Scopes 1 and 2 carbon emissions by 2050, underpinned by progressive investments in renewable energy across our global manufacturing footprint. In the year ahead, we will translate this ambition into actionable plans by integrating ESG targets into group-wide strategies and performance appraisals.

Looking Ahead

While the current global economic environment remains challenging, we approach the future with measured confidence. Our long-established manufacturing capabilities and footprint, and strong regional connectivity position us unlock new opportunities and weather near-term volatility while capturing long-term growth opportunities.

Significant regional opportunities are in front of us. In Asia, rising middle-class populations and lower per-capita battery consumption present substantial growth potential. In Europe, our best-value positioning continues to resonate with price-conscious consumers seeking quality alternatives. In the Americas, we achieved 15.8% battery growth in FY2025 from the expanding demand for IoT devices and industrial. The battery market presents compelling growth opportunities. The proliferation of IoT devices combined with industrial automation and growing focus on emergency preparedness, positions our comprehensive battery portfolio favorably for sustained growth across multiple high-value segments.

In our Audio businesses, KEF’s strengthened U.S. retail partnerships and expanding global network of experience centers provide a solid foundation for sustained growth. The global loudspeaker market’s projected 14.8% CAGR through 2030, driven by smart home adoption and premium audio demand, aligns perfectly with our wireless music systems strategy. Our expanding partnerships in the rapidly growing smart television segment, combined with Celestion’s centennial heritage and planned entry into consumer audio in FY2026, opens significant new revenue streams beyond traditional markets. The automotive and home entertainment “Sound by KEF” partnerships position us to capture high-growth segments where premium audio is increasingly valued.

We anticipate continued business challenges caused by volatility in geopolitics and the global economy. However, we remain confident in our ability to adapt and thrive. We will continue to focus on investing in technology and product development, further developing our brands and driving operational efficiencies. Our commitment to sustainability and innovation will remain at the core of our business strategy.

Appreciation

Navigating these dynamic times requires dedication, agility, and collective commitment. On behalf of the Board, I extend my sincere gratitude to our management team and employees worldwide for their unwavering commitment and adaptability during the challenging year. My fellow Board members deserve recognition for their wise counsel and steadfast support during this transformative period. To our customers, suppliers, bankers, and shareholders, thank you for your continued confidence, which enables us to innovate, create and expand our capabilities to deliver sustainable value in uncertain times.

Last but not least, on behalf of the Board, I would like to express our heartfelt thanks to Mr Lim Jiew Keng and Ms Grace Lo for serving the Board for 7 years and 3 years, respectively. At the same time, we would like to welcome Mr Seah Han Leong, Mr Hung Cheung Fuk and Ms Charlene-Jayne Chang to join the Board during FY2025.

Victor LO Chung Wing
Chairman and Chief Executive Officer
24 June 2025

Management Discussion & Analysis

Key Highlights for FY2025

- Revenue: S$1,104.7 million (-0.3% YoY)
- Gross profit margin: 29.9% (improved 140 basis points)
- Profit before finance costs and share of results of associates: S$68.0 million (+23.9%)
- Profit attributable to equity holders: S$24.3 million
- Full-year dividend: 3.0 Singapore cents per share (61.2% payout ratio, +50%)
- The Group's net assets increased to S$430.9 million (from S$422.9 million)
- Gearing ratio improved to 63.3% (from 71.8%)

Overview

The Group's operating earnings improved significantly in the financial year ended 31 March 2025 ("FY2025"), generating revenue of S$1,104.7 million, a marginal decline of 0.3% compared to FY2024, despite challenging global economic conditions. The stable revenue performance was driven by strong performances in key business segments, with Primary Battery Business increasing by 8.6% and Branded Acoustics Business growing by 7.0%. This growth effectively offset the expected revenue impact from the January 2024 distribution in specie of the Nickel Metal Hydride Rechargeable Battery Manufacturing Business ("DIS"). Geographically, sales increased in the Americas and Asia while decreasing in Europe.

The Group's gross profit margin improved significantly by 140 basis points from 28.5% in financial year ended 31 March 2024 ("FY2024") to 29.9% in FY2025, attributed to enhanced product mix, stricter cost control measures, and optimal timing of commodities purchases. Distribution costs increased by S$1.6 million or 1.1% to S$146.7 million, primarily due to higher advertising and promotion expenses to strengthen brand awareness in the Battery Business. Administrative expenses remained stable year-over-year, reflecting the Group's continued focus on operational efficiency enhancement and expense control.

Other Operating Items

Other operating income in FY2025 amounted to S$26.4 million. Key components included government grants of S$7.1 million (FY2024: S$5.6 million), product development and engineering fee income of S$3.0 million (FY2024: S$3.2 million), a one-off gain on de-registration of a dormant Malaysia battery subsidiary of S$2.0 million, fair value gain on the unquoted equity shares of GP Energy Tech Limited at fair value through profit or loss of S$3.6 million, interest income of S$2.0 million (FY2024: S$2.7 million), and exchange gain of S$2.7 million (FY2024: S$1.6 million).

Other operating expenses in FY2025 stood at S$11.1 million, primarily comprising restructuring charges of S$4.3 million for internal restructuring and property, plant, and equipment write-off of S$3.8 million related to aging machinery and equipment of a factory in Ningbo, China. The Group's profit before finance costs and share of results of associates increased by 23.9% to S$68.0 million, primarily due to the improvement in gross profit margin. No losses were recorded in profit or loss from XIC Innovation Limited ("XIC Innovation") in FY2025, compared to a total attributable loss (including impairment loss) of S$76.4 million in FY2024.

Shareholder Returns

Profit attributable to equity holders for FY2025 stood at S$24.3 million, translating to basic earnings per share of 4.90 Singapore cents (based on a weighted average of 483,595,729 shares in issue). The Board has proposed a final dividend of 1.5 Singapore cents per share. Combined with the interim dividend of 1.5 Singapore cents, this results in a full-year dividend of 3.0 Singapore cents per share, a 50% increase from FY2024's 2.0 Singapore cents. This represents a payout ratio of 61.2%, demonstrating the Group's commitment to rewarding shareholders while maintaining funds for future growth opportunities.

Battery Business

Performance Overview

The Battery Business recorded revenue of S$833.3 million in FY2025. Product performance varied by category, with primary batteries sales increased by 8.6%, driven by higher demand for cylindrical battery and coin button cell products, while rechargeable batteries sales decreased by approximately 66.6%, as FY2025 only included trading of GP-brand rechargeable products. Nickel Metal Hydride Rechargeable Battery Manufacturing Business was excluded following the DIS in January 2024, which contributed S$58.5 million in revenue during FY2024.

Geographically, sales patterns reflected our differentiated market strategies: the Americas recorded strong growth of 15.8%, driven by primary batteries for IoT ("Internet of Things") and industrial applications; Asia increased by 5.6%, supported by both consumer and specialty batteries; while Europe decreased by 21.9%, impacted by economic headwinds affecting consumer spending. Notably, GP-branded consumer batteries are only available in Asian and European markets, while our Americas presence concentrates on specialty and industrial battery applications.

The gross profit margin of the Battery Business improved from 24.2% in FY2024 to 25.0% in FY2025, driven by lower commodity costs, improved product mix, and better factory utilization. The improved gross profit margin of the Battery Business significantly contributed to the increased profit from this segment in FY2025.

Other Operating Items

In FY2025, the Group recognized a one-off gain of S$2.0 million on the de-registration of a dormant Malaysia battery subsidiary. Comparatively, for FY2024, other operating items included the reversal of a S$7.8 million impairment loss related to AZ Limited, the recognition of a S$8.3 million cumulative translation deficit upon completion of the DIS, and the share of a S$4.0 million land disposal gain from Changzhou Lithium Batteries Limited.

Operational Sustainability Excellence

The Group's commitment to sustainable manufacturing achieved a landmark milestone when our Malaysian battery facilities in Tampoi and Senai became the first in Malaysia to receive UL's Zero Waste to Landfill ("ZWTL") Platinum validation in December 2023, requiring 100% waste diversion from landfill. This represents the highest achievement in UL's ZWTL program and demonstrates the feasibility of zero-waste manufacturing at industrial scale.

Our journey to Platinum validation showcases continuous improvement in environmental performance. Starting with Silver validation in 2019 (90-94% diversion), progressing to Gold (95-99% diversion), and ultimately achieving Platinum status (100% diversion), these facilities have implemented comprehensive waste management strategies including enhanced recycling programs, battery scrap reduction initiatives, and robust waste segregation systems. Employee engagement through awareness campaigns has been crucial in fostering a culture of environmental responsibility throughout our operations.

This achievement is part of our broader sustainability strategy across our manufacturing network. Currently, four of our facilities have achieved ZWTL validation: two Platinum-validated plants in Malaysia (Tampoi and Senai), and two Gold-validated facilities in China and Vietnam. These validated facilities represent a significant portion of our global battery production capacity, demonstrating that sustainable practices can be implemented without compromising productivity or quality standards. The operational learnings from these facilities are being applied or shared across our entire manufacturing network, positioning the Group as an industry leader in sustainable battery manufacturing.

We also apply our same sustainable practices across our value chain through continuous communication and collaboration with our stakeholders, ensuring the high sustainability standard of our products. For instance, GP Energy Tech International Pte. Limited ("GP Energy Tech"), our major supplier of GP Recyko rechargeable batteries, also achieved ZWTL validation for its factories in China (Platinum) and Malaysia (Gold), respectively. We shall further strengthen our supply chain to deliver sustainable and quality products to our consumers.

Market Conditions and Competitive Landscape

The rapid expansion of IoT and smart home technologies presents significant growth opportunities for our battery portfolio, particularly coin cells and specialty batteries. This expansion is driving unprecedented demand for compact, long-lasting power solutions across diverse applications, including smart locks, sensors, wearables, and connected health devices.

Americas

The Americas market represents a strategic growth area for our specialty battery portfolio, with revenue increasing by 15.8% in FY2025. Unlike our consumer battery strategy focused on Asia and Europe, our Americas presence targets high-value industrial and IoT applications where technical specifications and reliability command premium pricing. The region's


GP RECYKO
New generation rechargeables
Buy 200 batteries or just ONE?
Waste Less.
Save Big!
Rethink. Recharge. Recyko.

robust demand for coin cells and specialty batteries is driven by the expanding IoT ecosystem, medical devices, and industrial automation. Our established relationships with OEM ("Original Equipment Manufacturer") customers and distributors, combined with our reputation for quality and consistency, position us well to capture continued growth in these specialized segments where competition is less price-sensitive than in consumer markets.

Europe

The Russia-Ukraine war continues to significantly impact the European economy, contributing to a slower recovery from COVID-19, an energy and cost-of-living crisis, and supply chain disruptions. Inflation spiked due to rising energy prices, prompting interest rate hikes by the European Central Bank. Although inflation is moderating, the economic outlook remains uncertain, with the risk of recession and sluggish growth looming.

Such conditions present challenges and opportunities for GP's consumer battery business. While the cost-of-living crisis is undoubtedly impacting discretionary spending, our comprehensive product portfolio, ranging from value-driven Carbon Zinc batteries to premium Alkaline and specialty batteries, enables us to serve diverse consumer needs across all price segments. Given its strong brand recognition, consistent quality, and competitive pricing compared to global premium brands, GP's consumer batteries are well-positioned to meet the needs of both value-conscious consumers and those seeking high-performance solutions.

Asia

The Asia-Pacific region continues to lead global growth in IoT and smart home adoption. China, Japan, and South Korea are at the forefront of this transformation, driven by rapid urbanization, rising disposable incomes, and strong consumer enthusiasm for connected technologies. The region's IoT device base is creating substantial demand for coin cells and specialty batteries across applications ranging from smart health monitors to home automation systems.

This technological revolution presents compelling opportunities for GP's battery portfolio. Our long-established manufacturing and distribution presence across key Asian markets provides significant competitive advantages in serving this rapidly expanding demand. As Asian consumers increasingly adopt smart home ecosystems, the need for reliable, affordable battery solutions is projected to increase substantially. GP's comprehensive range, from affordable Carbon Zinc to premium Alkaline, resonates particularly well with the region's diverse consumer base. Our extensive retail partnerships ensure product availability across both traditional and e-commerce channels where smart device purchases increasingly occur.

Audio Business

Brand Performance

The Audio Business recorded revenue of S$271.4 million in FY2025, stable compared to FY2024.

While the market segment is seeing double-digit decline, KEF achieved an overall sales increase of 7.0%, with sales in the Americas increased by 12.3% and sales in Asia increased by 5.0%, while sales in Europe declined by 0.2%.

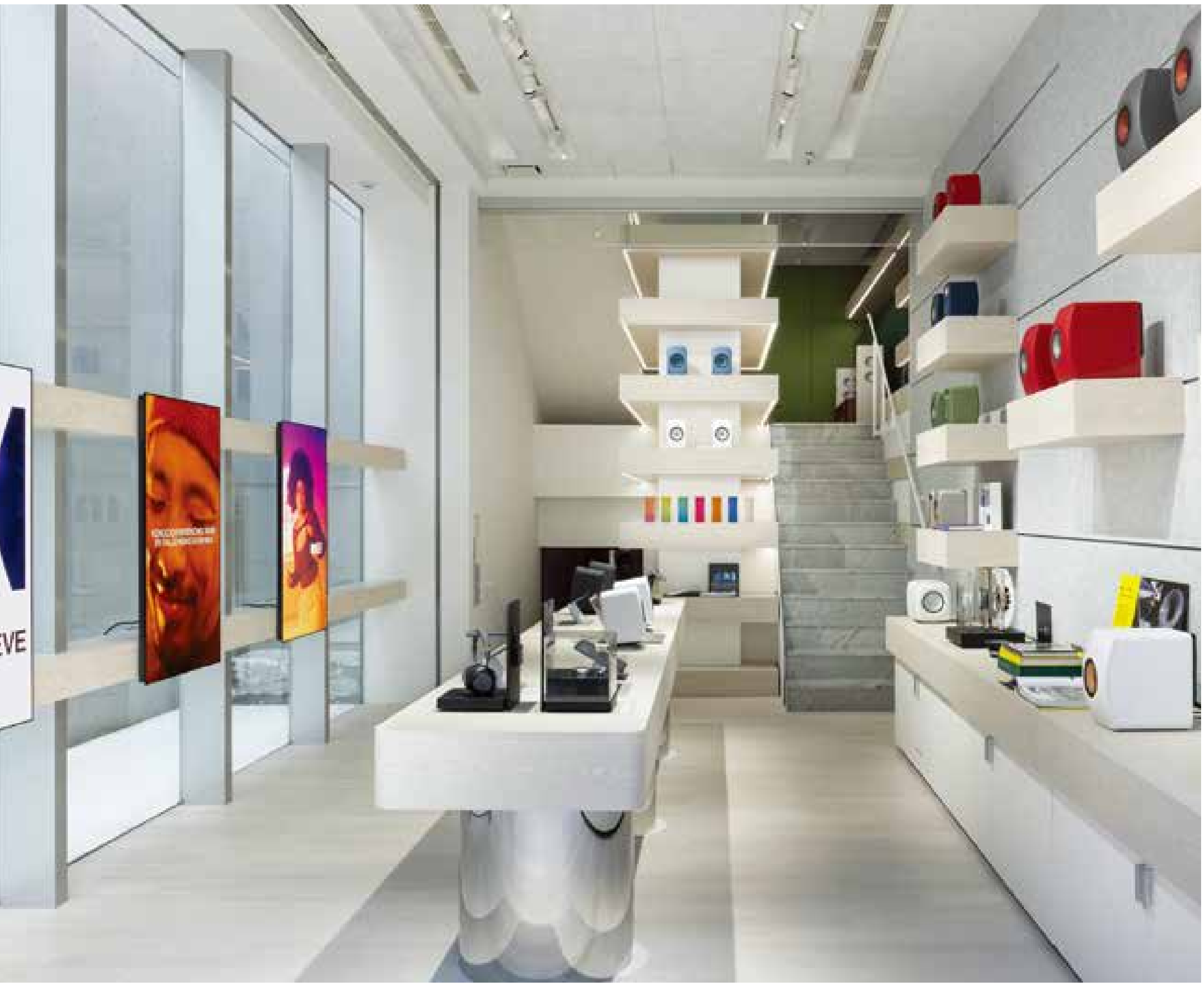
Celestion's professional speaker driver business grew by 7.2%, with sales in the Americas increased by 10.4%, sales in Europe increased by 5.6%, and sales in Asia increased by 7.1%. This performance was bolstered by the brand's centennial year momentum, as Celestion celebrated its 100th anniversary in 2024 with the launch of the commemorative Celestion 100 retro guitar speaker, inspired by the original designs that powered rock and roll legends including The Beatles and Queen. The guitar speaker category demonstrated particular strength with 21% growth as the market stabilized post-COVID, contributing significantly to Celestion's overall performance.

The Professional Audio Manufacturing business' 13.4% decline in external customer revenue reflects our deliberate strategic decision to discontinue third-party ODM ("Original Design Manufacturer") manufacturing contracts in favor of dedicating production capacity to our higher-margin KEF and Celestion brands. This shift, while reducing top-line revenue, enhances overall Group profitability and operational focus. Notably, our commitment to operational excellence was recognized when our electronics and acoustics factories in Huizhou, China, and Nakhon Pathom, Thailand, jointly received a "Quality at Source Award" from Fender, a major long-term customer of the Group.

Market Conditions and Competitive Landscape

The global loudspeaker market demonstrates robust growth potential. This expansion is driven by the convergence of smart home technology adoption, rising disposable incomes in emerging markets, and increasing consumer demand for premium audio experiences across multiple touchpoints, from home entertainment to automotive applications. The proliferation of streaming services and high-resolution audio content further accelerates market growth, as consumers seek hardware that delivers superior sound quality.

The market is experiencing a fundamental shift toward wireless and smart speaker solutions, with the standard loudspeaker segment maintaining dominance, while smart speakers are projected to grow. This evolution aligns perfectly with KEF's strategic focus on wireless music systems and connected audio solutions. North America remains the largest market, where KEF has established strong retail presence, while Asia Pacific is expected to be the fastest-growing region, validating our expansion strategy through new experience centers in Tokyo, London, Chengdu, and Beijing.



Consumer preferences are increasingly sophisticated, with growing demand for high-fidelity audio systems that combine superior acoustic performance with seamless connectivity and aesthetic design. This trend is particularly pronounced in the premium segment, where KEF competes, as consumers view high-end audio systems as lifestyle investments rather than mere electronics purchases. The automotive audio segment presents exceptional growth opportunities, with luxury vehicle manufacturers increasingly partnering with premium audio brands to differentiate their offerings, a trend evidenced by our successful collaboration with Lotus Technology.

In the professional audio segment, the market's resilience is evidenced by strong performance in key segments despite broader market challenges. The guitar speaker category, a cornerstone of Celestion's business, demonstrated robust recovery with 21% growth as live music venues reopened and musicians resumed touring post-pandemic. This resurgence in live performance, combined with sustained home recording demand established during COVID-19, creates a favorable environment for both professional and prosumer audio equipment. Our manufacturing flexibility across the U.K., Thailand, and China positions us optimally to serve these recovering markets while navigating evolving trade dynamics.

Strategic Initiatives

The Group is executing a multi-faceted growth strategy to strengthen KEF's position as a global premium audio leader and expand Celestion's reach beyond professional markets. Central to this strategy is the rapid expansion of KEF brand experience centers, which serve as immersive touchpoints for consumers to discover our acoustic innovations. Following the successful launch of our flagship KEF Music Gallery in Tokyo's high-end Aoyama district in 2023, we accelerated our retail presence in FY2025 with the opening of KEF Music Studio Chengdu and our global flagship KEF Music Gallery London. More experience centers across China further solidify our presence in key strategic markets where affluent consumers seek premium audio experiences.

Strategic brand partnerships are driving significant value creation and market expansion. Our collaboration with Haier Smart Home's luxury brand Casarte introduces KEF's acoustic excellence to high-end television systems under the "SOUND BY KEF" label, with international rollout planned across multiple TV models. The partnership with Lotus Technology has yielded exceptional results, with the Lotus Eletre featuring KEF Reference Audio System winning the prestigious EISA Award for Best In-Car OEM Premium Audio System 2024-2025, displacing a European combination that held the title for three consecutive years. This collaboration extends to Lotus's innovative Theory 1 concept car, where KEF co-designed revolutionary binaural audio headrests, demonstrating our capability to pioneer next-generation automotive audio experiences.

Distribution expansion remains a key priority, with KEF achieving strong brand status in the U.S. home speaker market through premium placement with leading big-box retailers across nearly 500 outlets. Our strengthened partnerships with major U.S. retailers provide unparalleled access to American consumers. In parallel, Celestion is preparing to leverage its centennial heritage by launching its first consumer audio system in the financial year ending 31 March 2026 ("FY2026"), creating a new growth vector that capitalizes on the brand's legendary reputation among audio enthusiasts while opening doors to the broader consumer market.

Innovation continues to drive market differentiation across our audio brands. Celestion's centennial year was marked not only by heritage celebrations but also by significant technological advancement with the commissioning of a new U.K. production line dedicated to manufacturing the TSQ range of large-format premium professional audio speakers. The flagship TSQ 24-inch woofer has generated significant market interest, demonstrating Celestion's ability to leverage its century of expertise to meet evolving professional audio demands. This U.K. manufacturing expansion also provides strategic tariff flexibility, complementing our Thailand production capabilities to ensure uninterrupted service to global markets regardless of trade policy changes.

Profitability

Bolstered by an optimized product mix and an increased proportion of higher-margin branded acoustics products, the Audio Business saw its gross profit margin increase significantly by 300 basis points, reaching 45.0% compared to FY2024. The increase in profitability in FY2025 was attributed to both enhanced product mix and revenue growth.

Other Industrial Investments

This business segment primarily comprises the Group's investments in Meiloon Industrial Co., Ltd. ("Meiloon"), Shinwa Industries (H.K.) Limited, and Wisefull Technology Limited ("Wisefull"). The contribution before taxation increased significantly from S$3.2 million in FY2024 (excluding XIC Innovation losses) to S$7.7 million in FY2025, driven by improved performance from Meiloon and Wisefull.

XIC Group Status

XIC Innovation and its subsidiaries ("XIC Group") operate in the LED technology sector, comprising smart LED lighting for horticulture applications under Light Engine Technologies Limited and LED screen business under Lighthouse Technologies Limited. While the LED screen business continues operating steadily and shipping products to customers, the smart LED lighting division has been severely impacted by the military conflicts in Europe, which caused government-funded smart greenhouse projects to be delayed, downscaled, or cancelled. This market disruption, combined with high interest costs, led to financial distress of XIC innovation in FY2024.

The Group engaged an independent external valuer to assess the fair value of the Company's 39.13% direct equity interest in XIC Innovation as at 31 March 2024 of S$46.2 million, which is classified as financial assets at fair value through other comprehensive income ("OCI"). As at the date of the Company's FY2025 Annual Report, some of the subsidiaries of XIC Group, ("Winding-up Entities"), received winding-up order from the High Court of Hong Kong, SAR. As at 31 March 2025, the independent external valuer has adopted the liquidation-based valuation for the Winding-up Entities and their subsidiaries and for the remaining XIC Group other than the Winding-up Entities ("Remaining Group"), the asset-based approach, which considers an orderly transaction would take place under current market conditions and reflecting a market participant's ability to derive economic benefits from the assets' highest and best use, has been adopted for the Remaining Group.

Based on the independent XIC Valuation Report, the carrying amount of the Company's interest in XIC Innovation as at 31 March 2025 was fully impaired, resulting in a fair value loss of S$46.2 million recognized in the Group's OCI during FY2025. This follows a S$76.4 million total attributable loss (including impairment loss) recorded in FY2024, bringing cumulative losses from this investment to approximately S$122.6 million.

Capital Resource and Liquidity of the Group

Capital Base Strengthening Initiatives

During FY2025, the Group strengthened its capital base through several key initiatives: the issuance of perpetual subordinated bonds amounting to US$11.0 million (S$14.1 million), with certain directors (including a director who has subsequently resigned as a director during the financial year) subscribing for US$4.0 million demonstrating their confidence in the Group's prospects; the transfer of industrial properties to investment properties with a carrying amount of S$72.1 million and a revaluation gain net of deferred tax of S$24.0 million recognized in OCI, generating net rental income of S$627,000 during the year; and profit attributable to equity holders of S$24.3 million. These measures delivered a combined positive impact of S$62.4 million on the Group's net assets.

Financial Position

After accounting for the S$46.2 million fair value loss from XIC Innovation in OCI, the Group's net assets as at 31 March 2025 increased to S$430.9 million from S$422.9 million in the previous year. As at 31 March 2025, the Group's net current assets stood at S$31.2 million, compared to S$28.2 million as at 31 March 2024. The gearing ratio improved to 63.3% from 71.8% in the previous year, reflecting strengthened financial stability. The current ratio remained stable at 1.05, indicating a maintained liquidity position. In FY2025, the Group also secured a 3-year sustainability-linked loan facility of S$70.0 million with Malayan Banking Berhad ("Maybank"), enhancing financial flexibility.

Outlook

While global economic conditions remain challenging, the Group has demonstrated remarkable resilience. Our diversified manufacturing footprint across Southeast Asia positions us to weather current trade disruptions more effectively than competitors that are heavily reliant on single-country production.

Our exposure to China-U.S. trade conflicts remains manageable, with approximately 14% of our global revenue derived from products directly exported from China to the U.S. based on recent years' averages. Although the recent 90-day pause on the 145% China tariff provides temporary relief, Fitch Ratings notes that "US-China tariff de-escalation does not signal trade normalization. The U.S. effective tariff rate remains significantly higher than that in 2024, underscoring the importance of our geographically diversified operations.

To address these uncertainties, the Group continues to monitor developments closely while implementing several strategic initiatives. We are further enhancing production capacity in Southeast Asia to serve global markets, optimizing our China facilities primarily for Asian and European customers. The United Nations' ("UNs") projection of persistent inflation at 3.6% globally in 2025 also validates our GP brand's comprehensive product portfolio ranging from value-driven Carbon Zinc batteries to premium Alkaline solutions, as consumers seek quality products across all price segments. Our commitment to sustainable growth is further evidenced by the S$70.0 million sustainability-linked loan facility secured with Maybank, which provides financial incentives tied to our environmental performance targets.

In the Battery Business, our consumer battery portfolio is well-positioned to benefit from households' increased price sensitivity amid cost-of-living pressures.

In the Audio Business, KEF's expanded partnerships with leading U.S. retailers provide stable distribution channels despite market volatility. Celestion's planned introduction of its first consumer audio system in FY2026 opens new growth avenues, leveraging over 100 years of professional audio excellence.

While the UNs warns that "downside risks dominate" the global outlook, with potential for further growth deterioration if trade conflicts persist, we approach the future with measured confidence and enter FY2026 with considerable momentum. By maintaining financial discipline, focusing on innovation, and leveraging our diversified capabilities, the Group remains well-positioned to navigate these challenging times while continuing to deliver long-term value to all stakeholders.

Michael Lam

LAM Hin Lap
Vice Chairman & Executive Vice President
24 June 2025

Board of Directors and Senior Management

Board of Directors

Victor LO Chung Wing, 74
Chairman and CEO
Executive Director

First appointment as Chairman and Director
18 October 1995

Last re-election as Director
25 July 2023

Length of service as Director (as at 24 June 2025)
29 years and 8 months

Board Committee(s) served on
Nominating Committee *(Member)*

Academic & Professional Qualification(s)
Bachelor of Science in Product Design, the Institute of Design of Illinois Institute of Technology, US
Honorary Doctorate, The Hong Kong Polytechnic University

Present directorships in other listed companies
Gold Peak *(Chairman and Chief Executive)*

Past directorships in other listed companies over the preceding five years
None

Others principal commitments
Hong Kong Design Centre *(Director)*
PMQ Management Company Ltd *(Director)*
Culture Commission of Culture, Sports and Tourism Bureau of the Hong Kong Special Administrative Region *(Member)*

Background and other working experience
Mr Lo is the Chairman and Chief Executive Officer of GP Batteries. He is also the Chaiman of KEF GP Group Limited.

LAM Hin Lap, 63
Vice Chairman and Executive Vice President
Group General Manager, Business Development
Executive Director

First appointment as Director
1 October 2016

Last re-election as Director
29 July 2022

Length of service as Director (as at 24 June 2025)
8 years and 8 months

Board Committee(s) served on
Nominating Committee *(Member)*
Sustainability Steering Committee *(Co-chairman)*

Academic & Professional Qualification(s)
Bachelor of Science in Electrical Engineering, The University of New South Wales, Australia

Present directorships in other listed companies
Gold Peak *(Managing Director and Executive Director)*
Hanoi Battery Joint Stock Company *(Chairman of the Board)*
Meiloon Industrial Co., Ltd. *(Authorised representative of a director (Famingo Pte Ltd))*

Past directorships in other listed companies over the preceding five years
None

Others principal commitments
None

Background and other working experience
Mr Lam is the Director and Co-President of GP Batteries. He first joined the Group in 2001 and was transferred to a global energy management group following the disposal of the Group's electrical business in 2007. He re-joined the Group in 2014.

Brian LI Yiu Cheung, 71

Executive Vice President
Executive Director

First appointment as Director
18 October 1995

Last re-election as Director
29 July 2022

Length of service as Director (as at 24 June 2025)
29 years and 8 months

Board Committee(s) served on
Sustainability Steering Committee *(Co-chairman)*

Academic & Professional Qualification(s)
Bachelor of Science in Electrical Engineering, The University of British Columbia, Canada
Master in Global Business with Dean's Honour, The Chinese University of Hong Kong
Doctor of Business Administration, City University of Hong Kong
Honorary fellow, City University of Hong Kong
Fellow of The Hong Kong Institution of Engineers

Present directorships in other listed companies
Gold Peak *(Vice Chairman, Executive Vice President and Executive Director)*

Past directorships in other listed companies over the preceding five years
None

Other principal commitments
The Hong Kong Electronic Industries Association *(Vice Chairman)*

Background and other working experience
Dr Li is a Director of KEP GP Group Limited. Dr Li has been engaging in the electronic engineering and manufacturing industry internationally and in China for over 45 years. He is a council member of the Hong Kong Electronics Industry Council of the Federation of Hong Kong Industries and a member of the followings:
- The Co-operative Education Centre of City University of Hong Kong
- The Advisory Committee for the Department of Electronic Engineering of The Chinese University of Hong Kong
- The Industrial Advisory Committee for the Department of Industrial Engineering and Decision Analytics of The Hong Kong University of Science and Technology
- The Electronic and Information Engineering Programme Board of Hong Kong Institute of Vocational Education

Waltery LAW Wang Chak, 62

Chief Financial Officer, Chief Risk Officer
Senior Vice President, Finance and Corporate Development
Executive Director

First appointment as Director
1 April 2019

Last re-election as Director
25 July 2023

Length of service as Director (as at 24 June 2025)
6 years and 2 months

Board Committee(s) served on
Sustainability Steering Committee *(Member)*

Academic & Professional Qualification(s)
Bachelor of Science in Economics and Master in Financial Economics, London School of Economics and Political Science, University of London, UK
Certified internal auditor, the Institute of Internal Auditors
Fellow of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales

Present directorships in other listed companies
Gold Peak *(Executive Director and Group CFO)*
Meiloon Industrial Co., Ltd. *(Authorised representative of a director (Famingo Pte Ltd))*

Past directorships in other listed companies over the preceding five years
None

Other principal commitments
None

Background and other working experience
Mr Law is a Director of GP Batteries, KEP GP Group Limited and GP Energy Tech Limited. He has over 35 years of experience in global fund raising and floatation exercises, mergers and acquisitions, corporate financial advisory, corporate restructuring, investors relations, financial due diligence, and financial audit.

Board of Directors and Senior Management (cont'd)

GOH Boon Seong, 70

Lead Independent Director
Non-Executive Independent Director

First appointment as Director
1 January 2018

Last re-election as Director
26 July 2024

Length of service as Director (as at 24 June 2025)
7 years and 5 months

Board Committee(s) served on
Audit and Risk Committee *(Chairman)*
Nominating Committee *(Member)*
Remuneration Committee *(Member)*

Academic & Professional Qualification(s)
Bachelor of Business Administration, National University of Singapore (formerly University of Singapore)

Present directorships in other listed companies
None

Past directorships in other listed companies over the preceding five years
None

Other principal commitments
Sleep Care Pte Ltd *(Advisor)*

Background and other working experience
Mr Goh has over 40 years of management experience in the private sector. He held various senior positions within the Singapore Technologies Group in the areas of corporate development, investment and finance. He also served Morgan Grenfell, PrimeEast Group and Merrill Lynch holding senior management positions. He was the Non-Executive Independent Director of GP Batteries from 2012 to January 2018 and Boustead Singapore Limited from 2012 to June 2018.

Timothy TONG Wai Cheung, 71

Non-Executive Independent Director

First appointment as Director
1 April 2020

Last re-election as Director
29 July 2022

Length of service as Director (as at 24 June 2025)
5 years and 2 months

Board Committee(s) served on
Audit and Risk Committee *(Member)*
Nominating Committee *(Member)*
Remuneration Committee *(Chairman)*

Academic & Professional Qualification(s)
Bachelor of Science in Mechanical Engineering, Oregon State University, US
Master and Doctorate in Engineering, the University of California, Berkeley, US
Fellow of the American Society of Mechanical Engineers, the Hong Kong Academy of Engineering and the International Thermal Conductivity Conference

Present directorships in other listed companies
AMTD IDEA Group *(INED*)*
AMTD Digital Inc. *(Chairman of the board and INED*)*
Freetech Road Recycling Technology (Holdings) Limited *(Non-Executive Director)*
Gold Peak *(INED*)*

Past directorships in other listed companies over the preceding five years
Xiaomi Corporation *(INED*)*

Other principal commitments
Airstar Bank Limited *(INED*)*
AMTD Digital Solutions Power Pte. Ltd. *(INED*)*
AMTD Foundation *(Chief Executive Officer)*
Applaud Digital Solutions Pte. Ltd. *(INED*)*
Gravitation Fintech HK Limited *(INED*)*
Research Grants Council of Hong Kong and Council of Hong Kong Laureate Forum *(Chairman)*
The Global STEM Professorship Scheme Assessment Panel and the Council of the Hong Kong Federation of the Youth Group (Member)

Background and other working experience
Prof Tong has over 30 years of teaching, research and administrative experience in universities in the US and Hong Kong. Prior to serving as president of The Hong Kong Polytechnic University from 2009 to 2018, he was the dean of the School of Engineering and Applied Science at The George Washington University, US.

INED* - Independent Non-Executive Director

Eric YIM Chi Ming, 63
Non-Executive Independent Director

First appointment as Director
1 August 2023

Last re-election as Director
26 July 2024

Length of service as Director (as at 24 June 2025)
1 year and 10 months

Board Committee(s) served on
Audit and Risk Committee *(Member)*
Nominating Committee *(Chairman)*
Remuneration Committee *(Member)*

Academic & Professional Qualification(s)
Bachelor of Arts (Honours) in Architecture, University of Manchester, UK
Bachelor of Architecture with a Distinction in Design University of Manchester, UK
Master in Philosophy, University of Cambridge, UK
Honorary Doctor of Design, Swinburne University, Australia

Present directorships in other listed companies
None

Past directorships in other listed companies over the preceding five years
None

Other principal commitments
Hong Kong Furniture & Decoration Trade Association *(Honorary Chairman)*
Hong Kong Designers Association *(Advisor)*
Hong Kong Architecture Centre *(Advisor)*
Our Hong Kong Foundation *(Advisor)*
School of Design of Hong Kong Polytechnic University *(Professor of Practice)*
Swinburne University, Australia *(Adjunct Professor)*

Background and other working experience
Prof Yim is actively involved in business, industrial and design sectors. He was the chairman of Hong Kong Design Centre, the Advisory Board of Hong Kong Export Credit Insurance Corporation, Technology Voucher Program Committee of the Hong Kong SAR Government; and deputy chairman of Federation of Hong Kong Industries. He also served as a member of Hong Kong SAR Chief Executive's Council of Advisors on Innovation and Strategic Development between 2018 and 2022.

SEAH Han Leong, 61
Non-Executive Independent Director

First appointment as Director
20 June 2024

Last re-election as Director
26 July 2024

Length of service as Director (as at 24 June 2025)
1 year

Board Committee(s) served on
Audit and Risk Committee *(Member)*
Nominating Committee *(Member)*
Remuneration Committee *(Member)*

Academic & Professional Qualification(s)
Technician Diploma in Electronics and Communication Engineering, Singapore Polytechnic
Certificate for INSEAD – T.A.C. Management Development Programme, INSEAD Fontainebleau, France
Ordinary member of Singapore Institute of Directors ("SID")
Accredited board director of SID (credential ID: 92219107)

Present directorships in other listed companies
None

Past directorships in other listed companies over the preceding five years
Neo Neon Holdings Limited *(President, Chief Executive Officer, Director)*

Other principal commitments
Kawin Biosciences Singapore Pte Ltd *(Special Advisor to Chairman)*
Technovator International Limited *(General Manager)*
Tong Fang Technovator (S.E.A.) Pte Ltd *(Director & CEO)*

Background and other working experience
Mr Seah has extensive experience in the electrical and electronics industry. Prior to founding Technovator International Limited in 2005, he had 15 years' senior management experience at Honeywell Southeast Asia, Honeywell China and TAC Controls Asia Pte Ltd.

Board of Directors and Senior Management (cont'd)

HUNG Cheung Fuk, 53

Non-Executive Independent Director

First appointment as Director
20 June 2024

Last re-election as Director
26 July 2024

Length of service as Director (as at 24 June 2025)
1 year

Board Committee(s) served on
Audit and Risk Committee *(Member)*
Nominating Committee *(Member)*
Remuneration Committee (*Member*)

Academic & Professional Qualification(s)
Bachelor of Arts degree in Mathematics, University of Oxford, UK

Present directorships in other listed companies
ANE (Cayman) Inc. *(Independent Non-executive Director)*

Past directorships in other listed companies over the preceding five years
Credit Suisse (Hong Kong) Limited *(Board member, Board of Directors)*

Other principal commitments
Ant Global Partners (HK) Limited *(Investment Advisory)*

Background and other working experience
Mr Hung has extensive experience in the investment banking industry. He started his career at BZW Asia Limited in Hong Kong in 1995 and joined Credit Suisse First Boston in 1998. His last position at Credit Suisse till January 2023 was Vice Chairman of Investment Banking and Capital Markets, Asia Pacific. During his 25 years tenure at Credit Suisse, he had led various products and industry groups as well as in senior management roles based in Hong Kong and Shanghai. He had led the execution of a wide range of corporate finance advisory, mergers and acquisitions, financing and capital markets transactions.

Charlene-Jayne CHANG Wei-Ying, 39

Non-Executive Independent Director

First appointment as Director
1 February 2025

Last re-election as Director
N/A

Length of service as Director (as at 24 June 2025)
5 months

Board Committee(s) served on
Audit and Risk Committee *(Member)*
Nominating Committee *(Member)*
Remuneration Committee *(Member)*

Academic & Professional Qualification(s)
Bachelor of Business Administration (Honours), National University of Singapore

Present directorships in other listed companies
None

Past directorships in other listed companies over the preceding five years
None

Other principal commitments
ESR-REIT *(Head of Capital Markets & Investor Relations)*

Background and other working experience
Ms Chang has over 17 years of extensive experience in mergers and acquisitions, capital markets fundraising, loan financing and treasury, and investor relations. Ms Chang is currently the Head of Capital Markets and Investor Relations at SGX-listed ESR-REIT and is responsible for the REIT's strategic initiatives, capital markets, fundraising, treasury, investor, media and stakeholder engagement functions. Previously, Ms Chang was a Director of the Commercial Real Estate division at Standard Chartered Bank and had originated and executed major capital markets, loan and treasury transactions across Singapore and Southeast Asia for real estate companies, REITs and Business Trusts. Ms Chang was also based in the Hong Kong and Singapore Corporate Finance offices of the Royal Bank of Scotland, providing corporate finance advisory and executing cross-border transactions across Hong Kong, China and Southeast Asia.

Senior Management (1)

Pedro BASCONES MARTINEZ

Director – GP Batteries International Limited
(appointed on 1 May 2024)
Senior Vice President, Global Business Strategy & International Sales – GP Battery Marketing (HK) Limited

Mr Bascones joined the Group in 2022. He had held senior marketing positions and general manager for consumer goods in the US, Europe and Asia for 20 years. He holds a Bachelor's degree in Industrial Engineering from Andres Bello Catholic University, Venezuela, and a Master degree in Industrial Engineering from Aichi Technological University, Japan.

Alec CHANIN

President – GP Acoustics (US), Inc.

Mr Chanin joined the Group in 1997. He has over 40 years' working experience in the audio and electronics industry. Prior to joining the Group, he had held senior management positions in an amplifier producer and a nation-wide retailer of home theatre and audio products.

Paul Victor CORK

Head of Engineering, Celestion International Limited

Mr Cork joined the Group in 1990 and has over 35 years' working experience in engineering and manufacturing of acoustics products. He holds a Bachelor of Science degree in Product Design and Manufacture from University of East Anglia, UK. He is the proprietor of a technology patent on the magnet system for loudspeakers.

Andrew Steven FARROW

Sales Director, Global, GP Acoustics (UK) Ltd

Mr Farrow first joined the Group from 1993 to 1998, then re-joined the Group in 2000. He has spent 15 years in manufacturing prior to focusing on sales of acoustics products for over 25 years. He holds a Bachelor of Engineering in Manufacturing Engineering from Brunel University, UK. He also holds a Postgraduate Diploma in Management Studies and an MBA degree, from The Nottingham Trent University, UK.

Charlton KWONG Yiu Cheung

Director and Co-President – GP Batteries

Mr Kwong joined the Group in 2017. He is a veteran in global commerce and industrial operations. Previously, he held senior roles at leading Hong Kong-listed corporations, driving business growth across multiple sectors, managing global sales networks in key markets, and operating high-volume industrial operations. He holds a Bachelor's degree in Mechanical Engineering from the University of Sunderland, UK, and an MBA from the City University of Hong Kong.

Joseph LEUNG

Senior Advisor to Chairman, Organization & Global Strategies
Executive Director – Gold Peak Technology Group Limited
Chairman and Acting General Manager - GP Batteries Consumer Sales, China
Director - KEF GP Group Limited
Deputy President of KEF Audio Group, GP Acoustics International Limited

Mr Leung joined the Group in 2020. He has more than 35 years' international experience of management and marketing of global brands in multinational consumer product companies. Prior to joining the Group, he was the group managing director and executive director of a listed company in Hong Kong. He has also been an adjunct professor at the Henan University of Technology, China since 2014. Mr Leung holds a Bachelor's degree in Economics and a Master of Science degree in Business Administration (Marketing), both from Virginia Polytechnic Institute and State University, US.

Alan LO Yeung Kit

Head of Corporate Development and Strategic Investment, Asia

Mr Lo joined the Group in 2021. He has served on a number of government committees, institutions and non-profits including Harbourfront Commission and Business Facilitation Advisory Committee of Hong Kong, and Retail and Tourism Committee of the Hong Kong General Chamber of Commerce. Mr Lo graduated from Princeton University, US with a Bachelor's degree in Architecture. He is the son of Mr Victor Lo Chung Wing.

Note:
(1) In alphabetical order of the Senior Management's last names

Board of Directors and Senior Management (cont'd)

Boris LO Chi Yuen

Group Financial Controller, Electronics Manufacturing Business – GPEHK

Mr Lo joined the Group in 2003. He is a fellow of The Association of Chartered Certified Accountants of the UK. He holds a Bachelor's degree of Social Sciences majoring in Economics and Management Studies from The University of Hong Kong and a Professional Diploma in Accounting and Auditing in China from Zhongshan University (also known as Sun Yat-sen University), China. He also possesses Master's degrees of Science in Finance from City University of Hong Kong and in eBusiness Management with Dean's Honour from The Chinese University of Hong Kong.

Grace LO Kit Yee

Deputy Managing Director – Gold Peak Technology Group Limited
Vice Chairlady – KEF GP Group Limited
President – KEF Audio Group, GP Acoustics International Limited

Ms Lo joined the Group in 2002. She graduated from Northwestern University, US and holds a Master of Design degree from Illinois Institute of Technology, US as well as an MBA degree from The Hong Kong University of Science and Technology. She is the daughter of Mr Victor Lo Chung Wing. She was an Executive Director of the Company during the period from 1 July 2021 to 28 February 2025.

Jack Anthony OCLEE–BROWN

Vice President of Technology – GP Acoustics (UK) Ltd

Dr Oclee-Brown joined the Group in 2004. He holds a Doctor of Philosophy and a Master of Engineering degree in Acoustical Engineering, both from University of Southampton, UK. He is a member of the Audio Engineering Society which is an international organization that unites audio engineers, creative artists and scientists worldwide.

Andreas SCHUPP

Head of Product Planning and Design – GP Global Marketing Limited

Mr Schupp joined the Group in March 2023. He has 30 years' experience in customer-centric design innovation ranging from consumer electronics to FMCG and IT hardware. He holds a Diploma in Commercial Marketing and Sales (Industrial Merchandising) and a Master degree in Industrial Design from Fachhochschule Darmstadt (University of Applied Sciences), Germany.

Manfred TING Siu Man

General Manager – GPEHK

Mr Ting joined the Group in 1989. He holds a Higher Diploma in Electronics Engineering from The Hong Kong Polytechnic University (formerly Hong Kong Polytechnic) and an International MBA degree from Victoria University of Wellington, New Zealand.

Nigel Keith WOOD

Director – KEP GP Group Limited
Managing Director – Celestion International Limited

Mr Wood joined the Group in 2004. With a mechanical engineering background, he had more than 20 years' experience in sales, engineering and products with industrial companies prior to joining the Group.

WU Yang

General Manager – GP Electronics & Acoustics Co., Ltd

Mr Wu joined the Group in 1995. He received his Bachelor's degree in Semiconductor Physics and Devices and Master's degree in Industrial Engineering, both from South China University of Technology, China. He also holds a doctoral degree in Business Administration from Toulouse Business School, France.

Daniel YU Hai Hua

General Manager – GP Electronics (Huizhou) Co., Ltd.

Mr Yu joined the Group in February 2023. He has more than 30 years of working experience in engineering, manufacturing and industrial applications with the past 15 years holding senior management positions. He holds Dual Bachelor's degrees in Materials Science & Engineering and Technological Economic Management from Shanghai Jiao Tong University, China and an MBA degree from Troy State University, US. He has been awarded Lean 6 Sigma Master Black Belt.

Notes:

(1) In alphabetical order of the Senior Management's last names

(2) GP Batteries – GP Batteries International Limited
GPEHK – GP Electronics (HK) Limited

Events and Achievements

Corporate Events

- GP Industries was awarded "Outstanding Award for Green and Sustainable Loan Issuer in the Consumer Primary Batteries Industrial Sector in Asia" at the Hong Kong Green and Sustainable Finance Awards, organized by the Hong Kong Quality Assurance Agency, acknowledging its achievement as the largest issuer of sustainability-linked loans in this category.

Environmental, Social, and Governance

- GP Batteries has secured the EcoVadis COMMITTED Badge, underscoring its steadfast commitment to fostering a sustainable and ethical future.
- A factory in Thailand under GP Electronics & Acoustics Co., Ltd. received "Green Industry Level 2 - Green Activity" certificate from the Department of Industrial Works, Thailand.
- The battery factories in Dongguan, China was upgraded to Platinum Validation of UL Zero Waste to Landfill, following two battery plants in Malaysia attaining Platinum Validation in 2024. These plants earned the acclaim for their 100% waste diversion from landfill and ongoing commitment to improving sustainability performance. Another plant in Vietnam maintained the Gold Validation with their continued efforts in maximizing waste diversion and energy recovery rates.
- GP Batteries and three factories in China were named "EcoPartners" of the BOCHK Corporate Low-Carbon Environmental Leadership Awards by Federation of Hong Kong Industries to commend their efforts and contributions to protecting the environment and minimizing pollution in the Pan-Pearl River Delta region.
- GP Batteries was presented the "Wastewi$e Certificate – Good Level" and recognized as a "Hong Kong Green Organization" by Environmental Campaign Committee, HKSAR for its achievements in multiple environmental aspects, particularly in reducing waste, energy, air emission, noise impact and carbon footprint.
- GP Batteries was awarded "100% HK Branding Award – Greater Bay Area ESG Sustainable Corporate Award" organized by Greater China Association of Branding Industry to recognize its continued efforts in advancing ESG practices to achieve sustainable development.
- Two battery factories in China and Vietnam have gained "ESG Award for Safety Culture – Silver Award" while a factory in Vietnam was presented "Bronze Award" by Institute of Safety & Health Practitioners, Hong Kong to acknowledge their effort in fostering safety values, mindset and positive behaviour in workplace.

Brands, Products and Collaborations

- The flagship KEF Music Gallery London and KEF Gallery Beijing were opened in June and November 2024, respectively, to further expand the global brand presence. KEF Music Gallery London was honored as "2024 CEDIA Smart Home Awards: Highly Commended Best Showroom/ Experience Centre – KEF & Nucleus AV" by CEDIA.
- Lotus Eletre with KEF Reference Audio System, the co-brand partnership between Lotus and KEF, was acclaimed as "EISA In-Car OEM Premium Audio System 2024-2025" by EISA, UK.
- KEF LS50 Meta was named "Best Standmount Speaker £800-£1000", while LSX50 Wireless II and LSX II LT were named "Best Speaker System £1500-£3000" and "Best Speaker System £750-£1500" at What Hi-Fi? Awards 2024 by What Hi-Fi? Sound & Vision, UK.
- KEF Reference 5 Meta, LS50 Meta and LS60 Wireless were presented "Hi-Fi+ Loudspeaker Hall of Fame Awards" by HiFi Plus, UK.
- The "Alkaline 21" promotion campaign by GP Battery Marketing (HK) Limited has been recognized with 8 awards:
  - DigiZ Awards 2024, HK: Gold Award for "Best Digital Marketing Strategy", and two Bronze Awards for "Best Influencer Strategy" and "Best MarTech Team"
  - Brand Marketing Awards 2024, China: Gold Award for "Conversion Optimization" and Bronze Award for "Integrated Marketing"
  - Golden Flag Award, China: Gold Award in "Entertainment Marketing"
  - Digital Media Awards 2024, China: Silver Award in "Best Use of Integration"
  - SHIAF Awards 2024, China: Bronze Award for "Scenario Marketing"

Corporate Governance Report

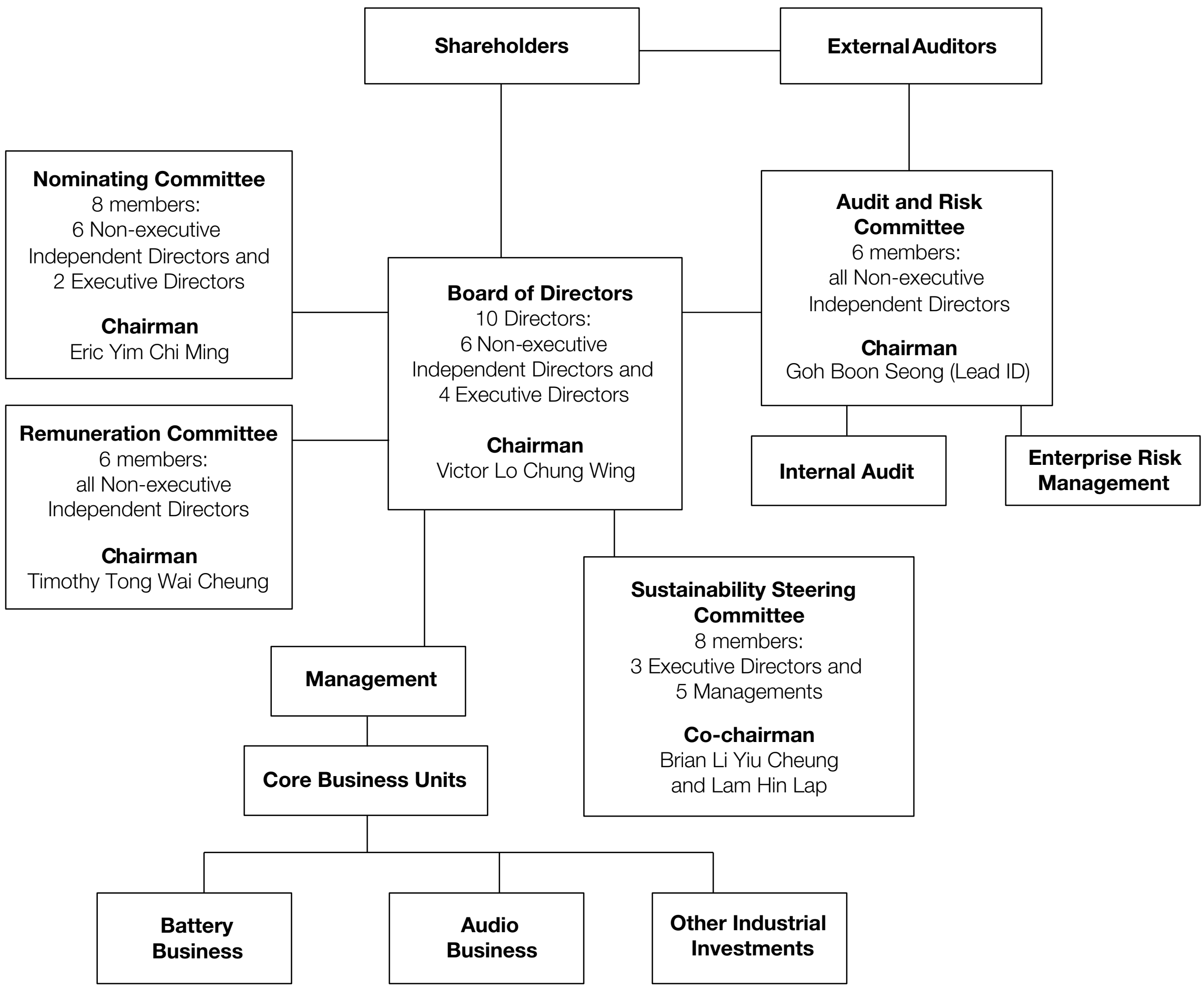
The board of directors (the "**Board**" or the "**Directors**") of GP Industries Limited ("**GP Industries**" or the "**Company**" and together with its subsidiaries, the "**Group**") aspires to the highest standards of corporate governance as the Board firmly believe that good corporate governance supports long-term value creation and is key to the integrity of the Group and essential to the long-term sustainability of the Group's operations and performance. The Board has implemented comprehensive corporate governance policies and procedures to ensure greater corporate transparency, accountability, performance and integrity across the Group and to protect and enhance value of GP Industries' shareholders (the "**Shareholders**").

This Corporate Governance Report ("**CG Report**") sets out the GP industries' corporate governance framework and practices that were in place throughout the financial year ended 31 March 2025 ("**FY2025**") and adherence to the principles and provisions of the revised Code of Corporate Governance 2018, as amended (the "**CG Code**") and accompanying Practice Guidance ("**Practice Guidance**"), which form part of the continuing obligations of the rules of the listing manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), through effective self-regulatory corporate practices.

The Company has complied, in all material aspects, with the principles and provisions set out in the CG Code and Rule 710 of the Listing Manual by describing in this CG Report, its corporate governance practices with specific reference to the CG Code. Where the Company's practices differ from the principles and provisions under the CG Code, the Company's position and reasons in respect of the same are explained in this CG Report.

CORPORATE GOVERNANCE FRAMEWORK

As at the date of the Company's annual report for FY2025 ("**AR2025**"), GP industries' corporate governance framework is as follows:



Composition and Key Objectives of Board

The Board currently has 10 members, the majority of whom are non-executive and independent. The composition and key objectives of GP Industries' Board as at the date of the AR2025 comprises:

Board of Directors	Key Objectives
Executive Directors ("EDs") Victor Lo Chung Wing ("**Mr Victor Lo**") (Chairman & Chief Executive Officer ("**CEO**")) Lam Hin Lap (Vice Chairman and Executive Vice President) Brian Li Yiu Cheung (Executive Vice President) Waltery Law Wang Chak (Chief Financial Officer ("**CFO**") and Chief Risk Officer ("**CRO**")) **Non-Executive Independent Directors ("IDs")** Goh Boon Seong (Lead Independent Director ("**Lead ID**")) Timothy Tong Wai Cheung Eric Yim Chi Ming Seah Han Leong (appointed on 20 June 2024) Hung Cheung Fuk (appointed on 20 June 2024) Charlene-Jayne Chang Wei-Ying (appointed on 1 February 2025)	• Aims to create value for Shareholders and provides leadership by setting the strategic directions and performance of GP Industries together with the Management to achieve long-term success for the Group through value creation, innovation and sustainability. • Oversees the performance of the Group for accountability to Shareholders by ensuring that the necessary financial, operational and human resources are in place for the Company to meet its strategic objectives, which are supported by an adequate and effective system of internal controls and risk management.

Board Committees

The primary functions of the Board are either carried out directly by the Board or delegated to the committees (the "**Board Committees**") with clear written terms of reference ("**TOR**") setting out their compositions, authorities and duties, including reporting back to the Board. The Board Committees established by the Board are the Audit and Risk Committee ("**ARC**"), Nominating Committee ("**NC**"), Remuneration Committee ("**RC**") and Sustainability Steering Committee ("**SSC**").

Each Board Committee comprise at least six members. A majority of the members (including the Board Committee Chairman) of ARC, NC and RC are independent directors. The TOR of the respective Board Committees, setting out their responsibilities and authority and approved by the Board, are posted on the Company's website.

The TOR of the respective Board Committees are reviewed on an annual basis, along with the Board Committees' structures and membership, to ensure their continued relevance and effectiveness, taking into account the changes in the governance and regulatory environment.

Each Board Committee reports key matters undertaken by them annually to the Board. During the year, the ARC, the NC, the RC and the SSC as well as the Lead ID on behalf of the non-executive Directors ("**NED(s)**") reported key matters to the Board and minutes of each of the said Board Committees including the minutes of NEDs meeting(s) were also circulated to the Board.

The delegation of authority by the Board to the Board Committees enables the Board to achieve operational efficiency by empowering these Board Committees to decide, review and make recommendations on matters within their respective written TOR and/or limits of delegated authority, without abdicating the Board's overall responsibility.

Please refer to the sections on Principles 4, 5, 6, 7 and 10 in this CG Report for further information on the activities of the NC, RC as well as the ARC. Information on the activities of the SSC can be found in Section E under the section headed 'Sustainability' on page 63 of this CG Report.

Board's and Board Committees' Composition Changes

The following are the changes to the composition of the Board and its Board Committees during the period from 1 April 2024 to the date of the AR 2025:

(i) Appointments of Mr Seah Han Leong ("**Mr Seah**") and Mr Hung Cheung Fuk ("**Mr Hung**") as IDs and members of each of the Board Committees (except for SSC) with effect from 20 June 2024;
(ii) Retirements of Mr Lim Ah Doo and Mr Allan Choy Kam Wing as IDs at the conclusion of the AGM held on 26 July 2024 pursuant to Article 101 of the Company's Constitution as Mr Lim and Mr Choy have both served on the Board beyond nine years from the date of their first appointments;
(iii) Appointment of Mr Goh Boon Seong ("**Mr Goh**") as Lead ID and Chairman of the ARC, Mr Timothy Tong Wai Cheung as Chairman of the RC and Mr Eric Yim Chi Ming as Chairman of the NC, all effective from 26 July 2024;
(iv) Appointment of Ms Charlene-Jayne Chang Wei-Ying ("**Ms Chang**") as an ID and a member of each of the Board Committees (except for SSC) with effect from 1 February 2025;
(v) Retirement of Mr Lim Jiew Keng as an ID and a member of each of the Board Committees (except for SSC) with effect from 28 February 2025; and
(vi) Resignation of Ms Grace Lo Kit Yee as an ED with effect from 28 February 2025.

The current composition and key objectives of the Board Committees are set out as follows:

Board Committees & Composition	Key Objectives
Audit and Risk Committee **(6 members, all IDs)** **Goh Boon Seong,** **Chairman (Lead ID)** Timothy Tong Wai Cheung (ID) Eric Yim Chi Ming (ID) Seah Han Leong (ID) Hung Cheung Fuk (ID) Charlene-Jayne Chang Wei-Ying (ID)	• Assists the Board in the discharge of statutory and other responsibilities relating to the integrity of the financial statements of the Group and reviews the adequacy and effectiveness of the internal controls and risk management systems; • Considers the key risks of the Group under a risk management framework which takes into account the strategic objectives and risk appetite of the Group; • Reviews with Management and, where appropriate, with the Company's external auditors ("**External Auditors**") the significant financial reporting issues and judgements to ensure the integrity of the half-year and full year financial statements of the Group to be issued by the Company before their submission to the Board and any other announcements relating to the Group's financial performance; • Reviews the scope annually and results of the external audit and the independence and objectivity of the External Auditors, and in this regard to also review the nature and extent of any non-audit services provided by the External Auditors to the Group; • Makes recommendations to the Board on the nomination for the appointment, re-appointment and removal of External Auditors, and to approve the remuneration and terms of engagement of the External Auditors; • Approves the appointment, resignation or dismissal of the Head of Internal Audit and assesses the role and effectiveness of the internal audit function in the overall context of the Group's internal controls and risk management systems, and to consider the results of their review and evaluation of the Group's internal controls and risk management policies and systems; • Reviews interested person transactions falling within the scope of Chapter 9 of the Listing Manual; and • Oversees the establishment and operation of the Company's whistle-blowing policy and arrangements put in place for raising concerns about possible improprieties on matters of financial reporting or any other matters.
Nominating Committee **(8 members, 6 IDs and 2 EDs)** **Eric Yim Chi Ming,** **Chairman (ID)** Goh Boon Seong (ID) Timothy Tong Wai Cheung (ID) Seah Han Leong (ID) Hung Cheung Fuk (ID) Charlene-Jayne Chang Wei-Ying (ID) Victor Lo (ED) Lam Hin Lap (ED)	• Assists the Board in the review of the structure, size, composition and membership of the Board and Board Committees; • Reviews and confirms the independence of each ID annually and as and when circumstances require; • Develops and reviews the board diversity policy ("**Diversity Policy**"), including targets, plans and timelines and monitor progress and recommends to the Board annually, objectives for diversity (whether qualitative and quantitative) and review the progress made towards achieving the Board's objectives for diversity; • Reviews the appointment, re-nomination, re-election and retirement of Directors and the reasons for their resignations; • Reviews the succession plan for the CEO and key management personnel ("**KMP**") (not being a director); • Monitors appointment, removal, suspension or termination, and the terms of the appointment, removal, suspension or termination, of the CEO and other KMP;

Board Committees & Composition	Key Objectives
Nominating Committee (continued)	• Develops and reviews the process and criteria for evaluation of the performance and effectiveness of the Board as a whole, and of each of the Board Committees as well as the contribution from the Board Chairman, the chairman of the respective Board Committees and each of the Directors and performs such performance evaluation; • Reviews and confirms the induction programmes for newly appointed Directors and for existing Directors in respect of their appointments to any of the Board Committees; and • Reviews the training and continuous professional development ("**CPD**") programme for the Directors.
Remuneration Committee **(6 members, all IDs)** **Timothy Tong Wai Cheung,** **Chairman (ID)** Goh Boon Seong (ID) Eric Yim Chi Ming (ID) Seah Han Leong (ID) Hung Cheung Fuk (ID) Charlene-Jayne Chang Wei-Ying (ID)	• Reviews and recommends to the Board on a framework of remuneration for the Board and KMPs and the specific remuneration packages for each Director as well as for the KMPs; and • Aligns talent management framework and policies to reflect a performance-based remuneration system that is balanced between the current and long-term objectives of the Company.
Sustainability Steering Committee **(8 members, 3 EDs and** **5 Managements)** **Brian Li Yiu Cheung,** **Co-chairman (ED)** **Lam Hin Lap,** **Co-chairman (ED)** Waltery Law Wang Chak (ED) Charlton Kwong Yiu Cheung Edward Lam Wai Man Grace Lo Kit Yee Joseph Leung Edmund Lee Tak Yue (Convener)	• Assists the Board in the review of the Group's sustainability issues including climate risks, sustainability initiatives and related performance as well as emerging corporate governance trends and practices; • Reviews the Group's approach to sustainability reporting, the Company's Environmental, Social and Governance ("**ESG**") framework, key ESG targets and long-term sustainability that contribute to the Company's performance and reputation as a global corporate citizen; and • Assists the Board in the oversight of the Company's workplace safety and health matters.

CORPORATE STRATEGY AND CULTURE

GP Industries endeavours to seize clean technology opportunities and consistently implements its mission of "achieving a carbon transition and enhancing the quality of life by embracing green energy, modernising its manufacturing facilities, and producing safe, reliable, environmentally friendly, and cost-effective products". The Company is committed to optimising resource utilisation and aiming for carbon reduction and zero waste. The Group promotes its corporate culture in alignment with its core values and vision, which enables the Group to implement its long-term strategies and create sustainable value for its shareholders and other stakeholders.

More information about the Group's core vision, overview of the Group's ESG performance and achievement of significant milestones in sustainability and ESG practices is set out in the Company's 2025 ESG Report.

CONTENT OF CG REPORT

This CG Report is divided into six sections, namely:

(A) Board Matters;
(B) Remuneration Matters;
(C) Accountability and Audit;
(D) Shareholder Rights and Engagement;
(E) Managing Stakeholder Relationships; and
(F) Others

Summary of Disclosure

Pursuant to Rule 710 of the Listing Manual, the table on Summary of Disclosures below describes our corporate governance practices with specific reference to the disclosure requirements in the principles and provisions of the CG Code.

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A. BOARD MATTERS

PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

The Company is headed by an effective Board which is collectively responsible and works with the Management team of the Group ("Management") for the long-term success of the Company.

For FY2025, the total number of IDs continue to constitute a majority of the Board. At the date of the AR2025, the Board has 10 members, 6 IDs and 4 EDs.

Profiles and qualifications of the Directors and the listed company directorships and principal commitments held by them as at the date of the AR2025 for the last five years are set out in the section headed "Board of Directors and Senior Management" on pages 18 to 22 of the AR2025.

The Primary Function of the Board (Provision 1.1)

The Board oversees the Group's business affairs and performance under its collective responsibility and provides leadership and overall guidance by setting goals and objectives of the Company, shaping the strategic direction, performance and business operations of the Group together with the Management, to achieve long-term success for the Group through value creation, innovation and sustainability.

While all Directors are fiduciaries who exercise due diligence and objectively discharge their duties and responsibilities in the best interest of the Company, the Board has Directors of different designations with different roles:

(i) EDs are members of Management who are involved in the day-to-day running of the business. They work closely with the NEDs on the long-term sustainability and success of the businesses. They provide insights and recommendations on the Group's operations at the Board and Board Committees meetings;

(ii) NEDs do not participate in the business operations. They constructively challenge Management on its decisions and contribute to the development of strategic goals and policies. They may participate in the review of Management's performance in achieving the strategic objectives as well as the appointment, assessment and remuneration of the EDs and KMPs; and

(iii) IDs are NEDs who are unrelated to any of the EDs and KMPs and fulfill the conditions to be considered "independent" as set out in the Listing Manual and the CG Code and deemed to be impartial by the board, and have similar duties of the NEDs, and additionally provide an independent and objective check on the Board and Management.

In addition to statutory responsibilities under the Singapore Companies Act 1967 (the "**Companies Act**"), the Board's principal functions are:

- to set broad policies, provides guidance on and approves strategic objectives;
- to approve the Group's strategic plans, significant investment and divestment proposals and funding decisions;
- to review the performance of the Management and the Groups' financial performance and key operational initiatives;
- to ensure necessary financial, operational and human resources are in place to meet the Company's goal and objectives;
- to ensure and review the recommendation by the ARC on the adequacy and effectiveness of the framework and process for internal control and risk management for safeguarding of Shareholders' interests and the Group's assets;
- to review the recommendation by the ARC on financial and audit related matters and the appointment/removal of the External Auditor;
- to review and decide the nominations recommendation by the NC;
- to review and endorse the recommendation of framework of remuneration for the Board and KMPs by the RC;
- to assume responsibility for good corporate governance, setting the right tone in its policies and decision to ensure that the Company's corporate values and ethical standards are observed and there is proper accountability throughout the Group; and
- to commit for integrating sustainability in key aspects of the Group's business and operations and to advance the Company's sustainability efforts and achievements.

Directors' Objective Discharge of Duties and Declaration of Interests
(Provision 1.1)
The Board acts in good faith and in the best interests of the Company by exercising due care, skills and diligence, and avoiding conflicts of interest. The ability to exercise objectivity was one of the assessment criteria in the NC annual evaluation of the Directors.

The Directors, who are in any way, directly or indirectly, interested in a transaction or proposed transaction, declare the nature of their interests in accordance with the Section 156 of the Companies Act and the Company's Constitution, and in the case of any conflict of interest in particular, personal material interest (actual or potential), recuse themselves from participating in the deliberation and abstain from decision-making on such transactions, with abstention duly recorded within the minutes and/or the resolutions of the Board and/or the Board Committees. In case the Board is of the opinion that the conflicted Director's participation is necessary to enhance the efficacy of such discussion and his/her participation is permitted, the conflicted Director excuses himself/herself for an appropriate period during the discussions to facilitate full and frank exchange by the other Directors, and shall in any event recuse himself/herself from the decision-making and to abstain from voting in relation to the conflict-related matters.

Each Director is also required to submit details of his/her associates for the purpose of monitoring interested persons transactions ("**IPTs**") annually. Details of the IPTs of the Group for FY2025 are set out in the section headed "Interested Person Transactions" of this CG Report on pages 58 and 59 of this CG Report.

Accountability of the Board and Management
(Provision 1.1)
The Board and Management are committed to conducting business with integrity, consistent with high standards of business ethics, and in compliance with all applicable laws and regulatory requirements. The Company has established various corporate policies as necessary which provide a communicable and understandable framework for employees to observe the Company's principles on honesty, integrity, responsibility and accountability at all levels of the organisation and in the conduct of the Company's business in their relationships with the Company's stakeholders, including customers, suppliers and employees. Further details of these policies are described in the segment entitled 'Corporate Values and Conduct of Business' on pages 64 and 65 of this CG Report.

Directors' Competencies, Board Orientation, Training and Development
(Provision 1.2)
All Directors are expected to develop their competencies and to have a good understanding of the Group's business as well as their directorship duties, including their roles as EDs, NEDs and IDs to effectively perform and discharge their responsibilities and duties. Directors are also expected to be familiar with the Companies Act, the Listing Manual and the roles and responsibilities as a director of a SGX-ST listed company. Directors are provided with opportunities to develop and maintain their skills and knowledge at the Company's expense.

The Company provides newly appointed Directors with orientation programmes to familiarize them with the Group's business and its governance practices. Such orientation programmes include visiting the Group's principal factories and meeting with the Management of various business units and Heads of the Group's functional departments ("**HODs**") such as finance and human resources, information on the roles, duties and responsibilities as a member of the Board and Board Committees, the Group's principal business, the Company's Board processes and corporate governance practices, internal control and risk management system, relevant Company policies and procedures as well as a board meeting calendar for the year with a brief of the routine agenda for each meeting of the Board and the Board Committees.

For a first-time Directors who have no prior experience as a director of a listed company, in addition to the orientation programmes as detailed above, he/she will be required to undertake to attend necessary training, including certain specific modules of the Listed Entity Director Programme conducted by the Singapore Institute of Directors ("**LED Programme**"), or organised by other professional institution at the Company's expense, to acquire relevant knowledge of what is expected of a listed company director. This being a mandatory requirement under the SGX-ST Listing Manual (the "**Mandatory Training**"). Completion of the Mandatory Training, which focuses on comprehensive training of company directors on compliance, regulatory and corporate governance matters, should provide the first-time Directors with a broad understanding of the roles and responsibilities of a director of a listed company under the requirements of the Companies Act, the Listing Manual and the CG Code. A first-time director need not attend the Mandatory Training if the NC, in assessing the relevant experience of the director, is satisfied that he/she possesses relevant experience comparable to that of a person who has served as a director of an issuer listed on SGX-ST. Where such an assessment is made by the NC, the reasons are disclosed in the announcement made on the appointment of the director.

New directors who are appointed to the Board from time to time should either have expertise in sustainability matters or will be required to undergo further sustainability training as required under Rule 720(7) of the Listing Manual.

Three new IDs were appointed in FY2025. Mr Seah and Mr Hung were both appointed as IDs on 20 June 2024 while Ms Chang was appointed as an ID on 1 February 2025.

Mr Hung and Ms Chang are first-time listed company director. Mr Hung and Ms Chang have attended the LED Programme.

The Board recognises that it is important for Directors to undergo continual training/development. From time to time, all Directors are routinely provided with updates and/or briefings by Management, Company Secretary, External Auditors and other relevant professional advisors on developments in the Group's operating environment, particularly on relevant new laws and regulations and changing business risks, corporate governance practices, ESG/sustainability, risk management and financial reporting standards which are relevant to the Company.

Members of the ARC were also provided with regular briefings from the External Auditors, Messrs Deloitte & Touche LLP ("**Deloitte**") on applicable Accounting Standards during the year. The External Auditors, in presenting its annual audit plan to the ARC, also highlights the important changes in relevant financial reporting standards. In addition, Directors who have professional qualifications also attend trainings in accordance with the CPD or education requirements of the relevant professional bodies.

The NC and the Board are kept informed of the training sessions attended by the Directors during the year. As part of the NC's annual assessment of the skill set of the Board and the Board Committees, the NC would also recommend further training for the Directors in specific areas, if required, to supplement the regular updates/briefings provided to the Directors from time to time. No such training was recommended by the NC during the year.

Further to the training courses/programmes and briefing updates, Directors are also at liberty to approach Management should they require any further information or clarification concerning the Company's operations.

Matters Requiring Board's Approval
(Provision 1.3)

Key matters which are specifically reserved for approval by the Board include the following matters:

(i) Decisions over the strategic direction, plans and performance objectives of the Group;
(ii) The Group's risk appetite and risk tolerance for different categories of risk, as well as risk strategy and policies for material risk management;
(iii) The issuance of all the Group's financial results, annual reports and audited financial statements;
(iv) The Group's financial objectives and annual budget;
(v) Major investment or acquisition/disposal proposals, exceeding certain material limits;
(vi) Shares issuance;
(vii) Corporate and financial restructuring;
(viii) Dividend policy and payouts;
(ix) Board and KMPs succession plans and nomination/appointment of Directors;
(x) Overall sustainability and climate-related strategies, including material topics and reviews of the progress and performance of the Group's ESG commitments and strategy;
(xi) Adoption of key corporate policies and corporate governance practices and any other matters which require the Board's approval as prescribed under the relevant legislations and regulations as well as the provisions of the Company's Constitution; and
(xii) IPTs exceeding certain limits.

Management is fully apprised of such matters which require the approval of the Board or the Board Committees. Aligned with the Group's strategy to develop growth platforms in the Group's key markets, the Board has put in place an approval matrix with established authority limits in connection with the Group's investments and divestments. The approval matrix is revised, when necessary, in line with the Group's strategic objectives and changes in business models. For operational efficiency, the Company also has a structured approval limits matrix which sets out the delegated authority to various levels of Management to approve operating expenditures up to pre-determined limits.

Delegation to Board Committees (Provision 1.4)

To assist the Board in the discharge of its oversight function, various Board Committees, namely the ARC, NC, RC, and SSC, have been constituted. All the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group, and the Board is kept updated on discussions of the Board Committees via circulation of minutes and regular updates by the respective chairmen of the Board Committees at Board meetings. The Board Committees assist the Board operationally without the Board losing authority over major issues and abdicating the Board's overall responsibility. Information on details of Board Committees can be found under the section headed "Board Committees" on page 27 of this CG Report.

In addition to the Board Committees, the Board has also delegated some of its authority to the Executive Committee ("**ExeCo**"), which comprises the EDs and Management. The Group's Risk Governance and Internal Control Manual ("**IC Manual**") set out, *inter alia*, the Group's approval guidelines, which describe the principles when delegating the authority to the ExeCo and Management. Further information on the Group's IC Manual is discussed under the section headed "Risk Management Framework (Provision 9.1)" on pages 52 to 54 of this CG Report.

Minutes of the Board Committee meetings are available to all Board members. The Board acknowledges that while these various Board Committees have the authority to examine particular issues and report back to the Board with their decisions and recommendations, the ultimate responsibility on all matters lies with the Board.

Board and Board Committee Meetings and Attendance (Provision 1.5)

The Board and Board Committees conduct meetings regularly, with the Board meeting held at least four times a year. A total of five Board meetings were held in FY2025. At the regular Board meetings, the Board agenda includes updates by Management on the Group's strategic initiatives and implementation status, updates on the Group's latest investments and developments, and the review of the Group's financial and operational performance. Of the four scheduled Board meetings held in FY2025, two were the half-year and full year Board meetings mainly to review and approve the Group's financial results, and two were scheduled to review the Group's quarterly operational and financial performance.

One meeting of the IDs, duly chaired by the Lead ID, was held in FY2025. Meetings of the IDs are convened as often as may be warranted by circumstances. The IDs also meet regularly under the various Board Committees and the Lead ID is a member of all Board Committees except SSC.

The proposed meetings arrangements for the Board and all Board Committees for each new financial year are set out in a schedule of meetings, which is notified to all Board members before the start of that financial year and update the Directors when there are changes. Additional meetings are convened as and when circumstances warrant. Records of all such meetings, including discussions on key deliberations and decisions taken, are maintained by the Company Secretary. The Company's Constitution allows for the meetings of its Board and the Board Committees to be held via teleconferencing and videoconferencing. The Board and the Board Committees may also make decisions by way of circulating written resolutions.

Directors who were unable to attend any meetings of the Board or the Board Committees, were provided with the meeting materials and encouraged to raise discussion points or queries with the Board Chairman or respective Board Committee Chairmen or Management. The Board is of the view that the contributions of each Director should not be focused solely on his/her attendance at meetings of the Board and/or the Board Committees. A Director's contributions should also extend beyond the confines of the formal environment of such meetings, through the sharing of views, advice, experience and strategic networks which would further the interests of the Company. The Directors, whether individually or collectively, also engage with Management of the business units, HODs, Company Secretary and the Group's external consultants in order to better understand the challenges faced by the Group and the input of the Directors, through such engagements, provide invaluable perspective to Management.

The attendance (including via electronic means) of the Directors[1] at the Company's Annual General Meeting ("**AGM**") in FY2025 ("**2024 AGM**"), and meetings of the Board and Board Committees, as well as the frequency of such meetings held in FY2025, is disclosed in the table as follows:

	Board Meetings	Board Committee Meetings				2024 AGM
		ARC	NC	RC	SSC	
Total Number of Meetings held in FY2025[1]	**5**	**5**	**2**	**1**	**2**	**1**
		Number of meetings attended in FY2025[1]				
Executive Director						
Victor Lo	5/5	-	2/2	-	-	1/1
Lam Hin Lap	5/5	5/5[9]	2/2	-	2/2	1/1
Brian Li Yiu Cheung	5/5	5/5[9]	-	-	2/2	1/1
Waltery Law Wang Chak[11]	5/5	5/5[9]	-	-	1/1	1/1
Grace Lo Kit Yee[2]	3/5[8]	-	-	-	-	1/1
Non-executive Independent Director						
Lim Ah Doo[3]	1/1	2/2	1/1	1/1	-	1/1
Allan Choy Kam Wing[3]	1/1	2/2	1/1	1/1	-	1/1
Lim Jiew Keng[4]	5/5	5/5	2/2	1/1	-	1/1
Goh Boon Seong[5]	5/5	4/5[10]	2/2	1/1	-	1/1
Timothy Tong Wai Cheung[5]	5/5	4/5[10]	2/2	1/1	-	1/1
Eric Yim Chi Ming[5]	5/5	5/5	2/2	1/1	-	1/1
Seah Han Leong[6]	4/4	3/3	1/1	-	-	1/1
Hung Cheung Fuk[6]	4/4	3/3	1/1	-	-	1/1
Charlene-Jayne Chang Wei-Ying[7]	1/1	1/1	-	-	-	-

Notes:

(1) The total number of meetings held and attendance of Directors refer to the number of meetings held and attended by that Director during the period in which the respective Directors were appointed as a member of the Board or a Board Committee, as the case may be.

(2) Ms Grace Lo Kit Yee resigned as an ED on 28 February 2025.

(3) Retirements of Mr Lim Ah Doo and Mr Allan Choy Kam Wing as IDs at the conclusion of the AGM held on 26 July 2024 pursuant to Article 101 of the Company's Constitution as Mr Lim and Mr Choy have both served on the Board beyond nine years from the date of their first appointments.

(4) Mr Lim Jiew Keng retired as an ID and a member of each of the Board Committees (except for SSC) on 28 February 2025.

(5) Appointment of Mr Goh Boon Seong as Lead ID and Chairman of the ARC; Mr Timothy Tong Wai Cheung as Chairman of the RC and Mr Eric Yim Chi Ming as Chairman of the NC, all effective from 26 July 2024.

(6) Mr Seah Han Leong and Mr Hung Cheung Fuk were appointed as IDs and members of each of the Board Committees (except for SSC) on 20 June 2024.

(7) Ms Charlene-Jayne Chang Wei-Ying was appointed as an ID and a member of each of the Board Committees (except for SSC) on 1 February 2025.

(8) Ms Grace Lo Kit Yee was unable to attend two Board Meetings due to prior travel arrangements.

(9) Directors who are not members of the ARC were invited to attend ARC meetings.

(10) Each of Mr Goh Boon Seong and Mr Timothy Tong Wai Cheung was unable to attend one ARC meeting due to prior travel arrangements.

(11) Mr Waltery Law Wang Chak was appointed as a member of SSC on 11 December 2024.

Summary of Workdone of Board Committee in FY2025

The Board Committees had performed the following work in FY2025 and up to the date of AR2025:

Board Committees	Summary of work performed in FY2025 and up to the date of this Annual Report
Audit Committee	• reviewed and considered the annual results of the Group for FY2025 for the approval by the Board; • reviewed and considered the interim results of the Group for the 6 months ended 30 September 2024 for the approval by the Board; • approved the External Auditors' scope, plan and fees of the annual audit and the interim review; • met with the External Auditors and discussed their major findings in the annual audit; • reviewed the Company's risk management and internal control systems; • reviewed the effectiveness of the Company's internal audit function, covering the financial, operational and compliance controls; • considered the effectiveness of the External Auditors giving due consideration to the quality and contents of their reports to the ARC, feedback from management and compliance with relevant regulatory, professional requirements and their independence; • considered the safeguard of External Auditors' objectivity and assessing independence in proposed engagement in respect of audit related and permissible non-audit services; • considered and approving non-audit services to be provided by the External Auditors; • considered recommendation of the re-appointment of External Auditors for Shareholders' approval in 2025 AGM; • met with External Auditors in the absence of management to discuss matters relating to audit fees, issues arising from audit and other matters the auditor raised; • reviewed the adequacy of the resources, staff qualification and experience, training programmes and budget of those relating to Group's accounting and financial reporting function for the financial year; • determined and reviewed the Company's current corporate governance policy and practice; • reviewed the Company's compliance with the CG Code and other legal and regulatory requirements; • reviewed IPTs for FY2025; and • reviewed the disclosure in the CG Report.
Nominating Committee	• reviewed the Diversity Policy, the nomination policy, procedures and criteria for nomination of Directors and the structure, size and composition of the Board; • assessed the independence of IDs against the criteria and guidelines as set out in the Listing Manual and CG Code and concluded that all IDs had complied with the criteria; • reviewed, assessed or made recommendations to the Board the composition of the existing Board members with reference to their age, sex, experience, qualification and expertise against the business scope of the Company; • recommends to the Board on the appointment or re-appointment of Directors; and • considering the Board succession plan.
Remuneration Committee	• reviewed and recommended the Board on the remuneration policy of the EDs and senior management of the Company; • assessed the performance of the EDs; • approving the terms of the EDs' service contracts and adjustment of remuneration of the EDs; • reviewed, considered and approved the remuneration package of the existing EDs and KMPs; • making remuneration recommendations of IDs; and • reviewed and made recommendation to the Board on the other remuneration means including the granting of share awards to the KMPs and other Senior Management.
Sustainability Steering Committee	• updated the Board on the Group's sustainability and climate related reporting matters, including update from consultancy on climate-related risk identification and gaps on reporting; • laid groundwork to formulate sustainability strategies and goals towards achieving Net Zero for Scopes 1 and 2 by 2050; • identified initial opportunity for colleagues across business units and functions to contribute towards ESG; • offered ESG training to Directors and senior executives, and spearheaded further progress on the Group's sustainable development; and • reviewed and considered the sustainability report of the Group for the approval by the Board.

Directors' Multiple Board Representations and Time Commitments
(Provision 1.5)
Each Director is required to declare his/her board representations as soon as is practicable after the relevant facts have come to his/her knowledge and confirm annually to the NC as to whether he/she has any issue with competing time commitments which may impact his/her ability to provide sufficient time and attention to his/her duties as a Director of the Company. When proposing the re-election of Directors in the AGM, the NC takes into account the competing time commitments faced by Directors with multiple listed company board representations and/or other principal commitments. An analysis of the directorships (which includes directorships by groups and executive appointments) held by the Directors is reviewed annually by the NC.

Based on the analysis, the Directors' annual confirmation and the Directors' commitments and contributions to the Company, which are also evident in their level of attendance and participation at Board and Board Committee meetings for FY2025, the NC is satisfied that all Directors are able to carry out and have been adequately carrying out their duties as Directors of the Company.

The NC noted that including the directorship held in the Company, the number of listed company board representations currently held by each of the Directors ranged from one to four in number (including the Company) and those held by EDs are on the boards of the related or group companies of the Company. Based on the individual Director's confirmation provided to the NC in FY2025 on his/her ability to carry out his/her duties as a Director of the Company and to address any competing time commitments that may arise, the NC believes that it would not be necessary to put a limit on the maximum number of listed company board representations of each Director. The Board and the NC will review the requirement from time to time and will also consider the circumstances of individual Directors or potential candidates with multiple listed company directorships to determine their capacity to participate and contribute effectively to the Board.

In addition to the current procedures for the review of the attendance records and analysis of directorships/principal commitments, a policy has also been put in place for Directors to consult the Board Chairman or the chairman of the NC prior to accepting any new listed company board appointment or principal commitment. This would allow the Director to review his/her time commitments with the proposed new appointment, and in the case of an ID, to also ensure that his/her independence would not be affected.

Complete, Adequate and Timely Information and Access to Information
(Provision 1.6)
Management prepares monthly management accounts and business analysis, which are reviewed by the ExeCo. Prior to each meeting, members of the Board and the Board Committees are provided with the meeting agenda and the relevant papers submitted by Management, containing complete, adequate and timely information to enable full deliberation on the issues to be considered at the respective meetings. From time to time, some members of ExeCo are invited to attend such meetings, whilst the External Auditors and professional advisors who can provide additional insight into the matters for discussion may also invited as required to attend the relevant meetings.

Management also provides the Board with quarterly updates on the Company's financial performance including an analysis of the same, with material variances between the comparative periods disclosed and explained, to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospect. Board members are consulted or updated with latest developments of the Group with regular management meetings, circulation of discussion papers and informal meetings such as discussions via tele-communications. Where the Board's or a Board Committee's approval is sought, relevant background and explanatory information on the specific matter are provided to enable Directors to understand the issues and request further information, as necessary.

Draft agendas for Board and Board Committee meetings are circulated in advance to the member of the Board and the Board Committee, respectively, for them to review and suggest items for the agenda. The Board and the Board Committees are also furnished routine reports, where applicable, from Management. The chairmen of the ARC, NC and RC as well as the SSC provides a report of the respective Committees' activities during the year under review to the Board. The minutes of meetings of the Board Committees are circulated to all Board members.

The Board and the Board Committees are free to request for further clarification and information from Management on all matters within their purview.

Access to Management and Company Secretary and Independent Professional Advisors
(Provision 1.7)
All Directors have direct and independent access to the Management and the Company Secretary for additional information. To facilitate this access, all Directors are provided with the contact details of the member of ExeCo and the Company Secretary. The contact details of the Head of Internal Audit Department ("**Head of IA**") are also provided to the ARC.

In furtherance of their duties, the Directors, individually or as a group, are entitled to seek for independent professional advice on matters relating to the businesses of the Group, at the Company's expense, subject to approval by the Board. Management will, upon direction by the Board, appoint a professional advisor selected by the group or the individual, to render the advice. On an ongoing basis, the Directors have separate and independent access to the Company Secretary.

The Company Secretary, whose appointment and removal are subject to the Board's approval, attend all meetings of the Board and Board Committees to provide guidance to Board Chairman, the Board and the Board Committees for meeting procedures to be followed and together with the Management to perform the following function to ensure that the Company complies with applicable laws and regulations and the Listing Manual:

(i) advise on corporate governance matters and assist in implementing and strengthening corporate governance practices and processes, including ensuring good information flow within the Board and the Board Committees, as well as between the Directors and Management;
(ii) facilitate the induction for newly appointed Directors and newly appointed Board Committee members; and
(iii) assist in the CPD training and development programme for the Directors.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Directors' Independence and Level of Independence of the Board
(Provisions 2.1, 2.2 and 2.3)

As at the date of the AR2025, the Board comprises 10 members. Based on the NC's recommendation and pursuant to requirements under Rule 210(5)(c) of the Listing Manual and Provisions 2.2 and 2.3 of the CG Code, the Board has determined six of them, being more than half of the Board, to be IDs, thus providing a strong and independent element on the Board to exercise objective judgement on the Company's corporate affairs. No alternate Directors have been appointed in respect of any of the Directors.

Pursuant to Provision 4.4 of the CG Code, the NC and the Board have considered the ID's independence and reviewed the existence of relationships and/or circumstances of conflict of interests based on principles and guidelines set out in the CG Code and its accompanying Practice Guidance and the applicable rules of the Listing Manual.

As part of the consideration of the IDs' independence, the NC has also taken into account the following factors:

(i) other directorships and principal commitments;
(ii) annual declarations regarding ID's independence;
(iii) disclosures of interest in transactions in which they have a direct/indirect interest;
(iv) their abilities to avoid any apparent conflicts of interest especially by abstaining from deliberation on such transactions;
(v) their abilities to maintain objectivity in their conduct as Directors; and
(vi) their abilities to objectively raise issues and seek clarification as and when from the Board, Management and the Company's external advisors on matters pertaining to their area of responsibilities whether on the Board or on the Board Committees.

Each of the IDs on the NC recused himself/herself from the NC's deliberations on his/her own independence.

All Directors are required to disclose all relationships or appointments which may impair their independence to the Board on a timely basis and complete an annual declaration in the form of a self-assessment questionnaire which sets out the circumstances where a Director is deemed not to be independent, and submit it to the NC for final review. The NC and Company Secretary are responsible to collate the results and report to the Board.

None of the IDs are currently employed or have been employed at any time during the past three financial years by the Company or any of its related corporations. They also do not have immediate family members who are currently employed or have been employed at any time during the past three financial years by the Company or any of its related corporations, and whose remuneration is determined by the RC. For the purpose of determining independence, the IDs have also provided confirmation that they are not related to the Directors or to any Shareholders holding 5% or more interest in the Company. The Directors undertook a review of their independence, with each ID abstaining from participating in his/her own review by the Board and had concurred with the NC's determination of the independence of the IDs.

For FY2025, the NC has conducted its annual review of the Directors' independence and concluded that the Company had complied with Provision 2.1 of the CG Code, the Practice Guidance and Rule 210(5)(d)(i) and (ii) of the Listing Manual. The IDs did not have substantial interest in the shares of the Company and were not in foreseeable situation that could compromise their independence of thought and decision. The Board, based on the result of the annual review conducted by the NC, is of the view that all IDs of the Company are independent.

Board Composition and Size and Diversity (Provision 2.4)

The Company has adopted a Diversity Policy which sets out the framework for promoting diversity on the Board so as to avoid group think and foster constructive debate. In designing the Board's composition, the Diversity Policy requires the NC and the Board to consider a number of aspects, including but not limited to gender, age, nationalities, ethnicity, cultural background, educational background, job experience, skills, knowledge, independence and length of service.

With a view to achieving a sustainable and balanced development, the Company recognises that diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development by enhancing the decision-making process of the Board through the perspectives derived from the various skills, business experience, industry discipline and other aspects of diversity (such as gender and age) of the Directors.

The NC is responsible for assessing the size and composition of the Board and Board Committees by considering all aspects of diversity of the Diversity Policy and makes recommendations to the Board for the appointment of Directors to arrive at an optimal balanced composition of the Board. The Diversity Policy also provides a basis for the NC to discuss and recommend annually to the Board measurable targets and timelines for promoting and achieving diversity on the Board.

The current diversity level of the Board as at the date of the AR2025 is set out below:

Independence			
Designation	**ED**	**ID**	**Total**
No. of Directors	4	6	**10**
% of Total No. of Directors	40%	60%	**100%**

Gender Diversity			
Gender	**Male**	**Female**	**Total**
No. of Directors	9	1	**10**
% of Total No. of Directors	90%	10%	**100%**

Age Group				
Age	**<51**	**51-65**	**>65**	**Total**
No. of Directors	1	5	4	**10**
% of Total No. of Directors	10%	50%	40%	**100%**

IDs' Directorship with the Company			
Year	**0-5**	**>5-9**	**Total**
No. of Directors	4	2	**6**
% of Total No. of Directors	67%	33%	**100%**

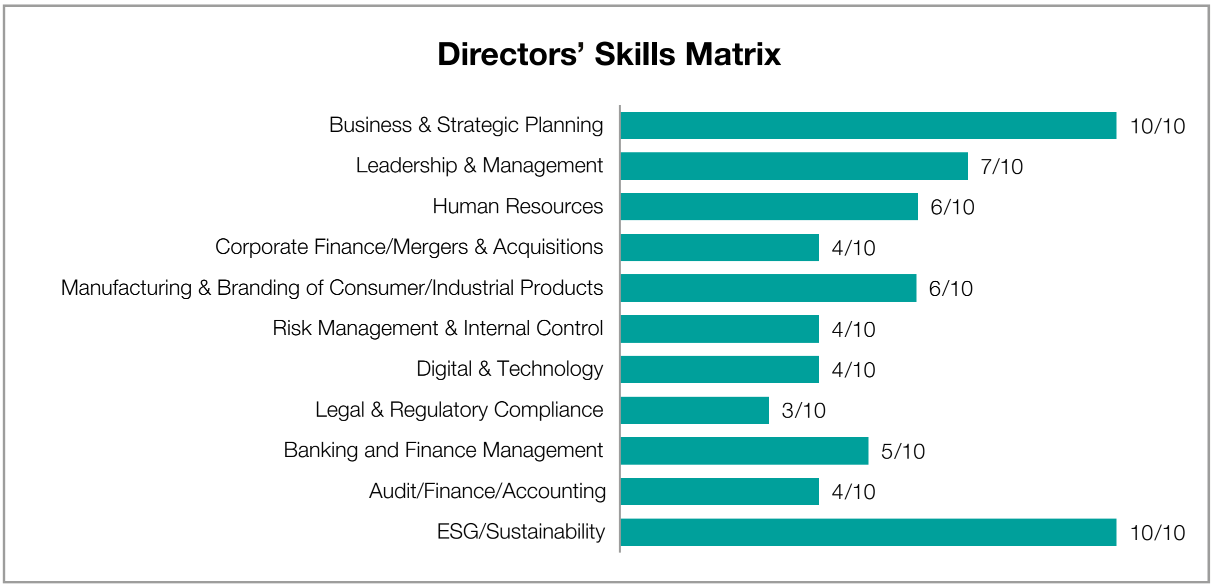
When reviewing and assessing the size and composition of the Board and Board Committees and making recommendations to the Board annually including the appointment/re-appointment of Directors, the NC will consider all aspects of diversity based on targets and timelines set for promoting and achieving diversity on the Board to arrive at an optimal balanced composition of the Board. As prescribed under the Diversity Policy, the final decision on the selection of Directors will be based on merits against objective criteria and targets considered by the NC annually and recommended to the Board for approval.

The NC will monitor the implementation of its Diversity Policy and review the Diversity Policy from time to time as appropriate, to ensure its effectiveness. The NC will continue its identification and evaluation of suitable candidates to ensure there is diversity (including gender diversity) on the Board.

The NC and the Board agreed that there was no need to set a specific target for ethnicity/nationality so long as the candidates provide distinguishing qualities that complement and expand the skills and experience of the Board as a whole.

The NC has put in place a skills matrix to help identify gaps in the Board and Board Committees. The skills matrix classifies skills, experience and knowledge of the existing Directors into the broad categories such as management expertise (business and strategic planning, leadership, management and human resources experience), industry knowledge and experience (on manufacturing & branding of Consumer/Industrial Products), and knowledge and professional expertise or skills in specific areas (audit/finance, risk management and internal controls ("**RMIC**"), digital/information technology, sustainability and legal).

The Director's skills matrix of the Board as at the date of the AR2025 is set out below:



Having considered the scope and nature of the Group's operations, the requirements of the businesses and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees, the Board agreed with the NC, that the current composition of the Board and the Board Committees provide for diversity in line with the Diversity Policy with a good balance of age, educational background, experience, skill, industry knowledge, professional qualifications, gender and length of service, which serve to support the Company in achieving its strategic objectives and sustainable growth and development, fosters constructive debate and facilitates effective decision making. The Board and NC will constantly examine its size with a view to determining its impact upon its effectiveness.

The profile of each Director which includes key information regarding background, academic and professional qualifications, directorships and chairmanships both present and those held over the preceding five years in other listed companies, and other principal commitments, is set out on pages 18 to 22 of the AR2025. The details of Directors' shareholdings in the Company can be found under the section on "Directors' interests in shares and debentures" on page 67 of the Directors' Statement.

Diversity Targets and Progress in FY2025 and up to date of the AR2025

Age Diversity	
Targets	Increase age diversity of the Directors with ages below 65, with majority of the Directors in the 51 to 65 age group range.
Progress	After the appointments of Mr Seah Han Leong, Mr Hung Cheung Fuk and Ms Charlene-Jayne Chang Wei-Ying in FY2025 as Directors, the percentage of Directors within ages ranging from 51 to 65 increased from 46% in FY2024 to 50% as at the date of the AR2025. The Board will continue to maintain this target for the next three to five years and prioritise the appointment of younger candidate(s). The Board has continued to maintain this target.
Gender Diversity	
Targets	Not less than 20% female Directors
Progress	As at 31 March 2025, the proportion of female Directors is approximately 10% of the total number of Directors. With reference to the recommendation by the Council of Board Diversity for listed companies, the Board will actively strive to achieve a 20% to 25% female representation on the Board over the next 3 to 5 years. The NC will strive to ensure that: (a) if external search consultants are used to search for candidates for Board appointments, the brief will include a requirement to also present female candidates; (b) when seeking to identify a new Board member, female candidates will be requested and included for consideration; and (c) female representation on the Board be continually monitored over time, based on the targets set by the Board.
Tenure of Appointment of Directors	
Targets	Refresh the tenure of appointment of Directors
Progress	After the appointments of Mr Seah Han Leong, Mr Hung Cheung Fuk and Ms Charlene-Jayne Chang Wei-Ying in FY2025 as IDs, the total number of IDs increased to six as at the date of the AR2025. As at 31 March 2025, the percentage of IDs with directorship over 5 years but less than 9 years to the total number of IDs maintains at 33%, with majority of the IDs served on the board for less than five years. To avoid an abrupt loss of members with extensive experience and core competencies that are crucial to the Group, the Board will continue to pace the retirement of its Directors as needed.
Skills Diversity	
Targets	Broaden and strengthen the core skill set, source for candidates with extensive knowledge and experience in auditing, investment, Battery and Acoustics and Electronic industries knowledge, branding and legal aspect relevant to the Battery and Acoustics and Electronic industries.
Progress	Mr Seah Han Leong, Mr Hung Cheung Fuk and Ms Charlene-Jayne Chang Wei-Ying were appointed as IDs during FY2025. Mr Seah Han Leong, who was appointed in June 2024, has more than 35 years of extensive experience in the electrical and electronics industries. He is currently a Special Advisor to Chairman at Kawin Biosciences Singapore Pte Limited. His appointment strengthens and broadens the Board's industry knowledge in Acoustics and Electronic business. Mr Hung Cheung Fuk, who was appointed in June 2024, has more than 29 years of extensive experience in the investment banking industry and had led various products and industry groups as well as acting senior management roles based in Hong Kong and Shanghai. He had led the execution of a wide range of corporate finance advisory, mergers and acquisition ("**M&A**"), financing and capital markets transactions. His appointment can strengthen the Board's knowledge in corporate governance, corporate finance and M&A. Ms Charlene-Jayne Chang Wei-Ying, who was appointed in February 2025, has over 17 years of extensive experience in M&A, capital markets fundraising, loan financing and treasury, and investor relations having held roles in banking and an SGX-listed REIT. Her appointment can strengthen the Board's knowledge in corporate finance, M&A, financing, corporate governance, and investor relations.

IDs' Participations
(Provision 2.5)
An effective and robust Board, whose members engage in open and constructive debate and challenge Management on its assumptions and proposals, is fundamental to good corporate governance. A Board should also aid in the development of strategic proposals and oversee effective implementation by Management to achieve set objectives.

IDs are encouraged to participate actively at Board and Board Committee meetings for the development of the Company's strategic plans and direction, and in the review and monitoring of Management's performance against targets. To facilitate this, all Directors, in particular the IDs, are kept informed of the Company's businesses and performance as well as market and industry developments that are relevant to the business of the Group, through monthly reports and industry updates from Management and have unrestricted access to Management. This knowledge is essential for the IDs to engage in informed and constructive discussions. They also sit on various Board Committees to provide unbiased and independent views, constructive input and the independent review and monitoring the performance of the Management. A meeting of all the IDs, chaired by the Lead ID, was held in FY2025 without the presence of Management. The IDs would also confer among themselves without the presence of the Management as and when the need arises. The Lead ID collates the views and feedback from the IDs and communicates the same to the Board and/or the Board Chairman as appropriate.

The IDs review the Group's performance against its business objectives and provide their views thereon. The IDs also actively participate in deliberation of matters tabled for the Board's decision and engage in constructive dialogue (either as a non-executive group or with the Management) in order to proactively provide independent advice.

PRINCIPLE 3: CHAIRMAN AND CEO

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision making.

Role of Chairman and CEO
(Provisions 3.1 and 3.2)
Currently, the Company adopts a single leadership structure: Mr Victor Lo is the Board Chairman and CEO of the Company. The Board Chairman and CEO remains involved in significant corporate matters, including overall operations of the Group, matters of strategic nature and maintain high standard of corporate governance.

As the Board Chairman, Mr Victor Lo is the most senior executive in the Company and responsible for providing the Company with leadership and vision, leading the Board in its review of the Group's strategies for sustainable growth and bears overall executive responsibility for the Group's business. He bears primary responsibility for the workings of the Board, by ensuring the Board's effectiveness in all aspects of its role including:
(i) setting the agenda for Board meetings with input from Management;
(ii) ensuring that Board meetings are held when necessary and allowing sufficient allocation of time for thorough discussion of key agenda items at Board meetings;
(iii) promoting an open environment within the Board and monitoring communications and relations within the Board and between the Board and Management to facilitate constructive dialogue and debate;
(iv) ensuring compliance with the guidelines set out in the CG Code;
(v) encouraging the IDs to speak freely and contribute effectively; and
(vi) exercising control over the quality, quantity and timeliness of information flow between the Board and Management.

At AGMs and other Shareholders' meetings, the Board Chairman plays a pivotal role in fostering constructive dialogue between Shareholders, the Board and Management.

As the CEO, Mr Victor Lo leads the member of the ExeCo and is responsible for the Group's overall management, implementing and reviewing the business direction and strategies for the Group as endorsed by the Board, setting directions for new growth areas and developing business strategies and for operational performance and organisational excellence. He plays an instrumental role in developing the business of the Group and has been providing the Group with strong leadership and vision.

Deviation from Provisions 3.1 and 3.2 of the CG Code
The current single leadership structure of the Company does not comply with Provision 3.1 of the CG Code, which requires the Chairman and CEO to be separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.

The Board has considered Mr Victor Lo's roles as Chairman and CEO and the strengths he brings to such a role by virtue of his stature and experience.

The Company is of the view that combining the roles of Chairman and CEO brings about exceptional leadership and clear accountability and unequalled depth of knowledge to deal with the Group's strategic challenges and growth opportunities. The existing single leadership arrangement is effective and appropriate for the Group after taking into consideration the nature and scale of the Group's businesses, and there are sufficient safeguards against an uneven concentration of power and authority in a single individual. The Board is satisfied that one person is able to effectively discharge the duties of both positions.

Through the appointment of the Lead ID and the establishment of various Board Committees with power and authority to perform key functions without undue influence from the Board Chairman, and the putting in place of internal controls for proper accountability and to allow for effective oversight by the Board of the Company's business, the Board ensures that there is an appropriate balance of power and sufficient independent representation on the Board and Board Committees which provide diversity of thought and an independent and objective element to the Group and strategic level decision making and allows the Board to exercise objective decision-making in the best interests of the Company.

Furthermore, as discussed under the section headed "Matters Requiring Board's Approval (Provision 1.3)" above, the Company has adopted internal guidelines setting forth matters that are specifically reserved for the Board's decision and approval, including (a) nomination/appointment of Directors; and (b) major investment or acquisition/disposal proposals.

As such, whilst the Chairman and CEO of the Company is the same person, the Board is of the view that the corporate governance practices currently in place by the Company and there is sufficient independence in its exercise of objective judgment on business affairs of the Group, in compliance with the intent of Principle 3 of the CG Code, in which no one individual has unfettered powers of decision-making, notwithstanding that the roles of Chairman and CEO are not separate.

The Board, with the assistance of the NC, continues to review the role of the Chairman and CEO as well as the composition (including the independence) of the Board to ensure that it does not impede the principles of independence and objectivity in decision making.

Lead ID
(Provision 3.3)

In view that the Company's Chairman and CEO position is filled by the same person, the Board has designated a Lead ID who serves as a sounding board for the Board Chairman and as an intermediary between the IDs and the Board Chairman. Cognisant of the fact that the Board Chairman is an ED and thus not independent, the Lead ID can, as recommended under Provision 3.3 of the Code, to co-ordinate and to lead the IDs to provide a non-executive perspective and contribute to a balance of viewpoints on the Board. The role of the Lead ID is set out in the written TOR for the Lead ID, which has been approved by the Board.

The current Lead ID is Mr Goh Boon Seong. He is the principal liaison on Board issues between IDs and the Board Chairman. He is available to Shareholders should they have concerns which cannot be resolved or are inappropriate to raise through the normal communication channels of the Board Chairman or Management.

Under the chairmanship of the Lead ID, one meeting of the IDs was convened in FY2025 without the presence of Management or the Board Chairman, and the views and feedback expressed by the IDs at the meeting were communicated by the Lead ID to the Board Chairman and Management, as appropriate.

PRINCIPLE 4: BOARD MEMBERSHIP

The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board.

The Board, through the delegation of its authority to the NC, has used its best efforts to ensure that Directors appointed to the Board possess the background, experience and knowledge in technology, business, finance and management skills critical to the Group's business and that each Director, through his/her unique contributions, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

NC Composition and Role
(Provisions 4.1 and 4.2)

The NC comprises a total of eight members and six of them, including the NC Chairman and Lead ID, are IDs. The detailed TOR of the NC are posted on the Company's website. The key objectives and duties of NC and the summary of NC's workdone in FY2025 are set out in the sections headed "Board Committees" (page 27) and "Summary of Workdone of Board Committee in FY2025" (page 36), respectively, in this CG Report.

Two NC meetings were held in FY2025. The Company Secretary maintained records of all NC meetings including records of discussions on key deliberations and decisions taken.

For the financial year under review, the NC conducted a self-assessment of its own effectiveness in the discharge of its roles and responsibilities, which was facilitated with a self-assessment checklist ("**NC Self-Assessment Checklist**"). The NC Self-Assessment Checklist covered, *inter alia*, the responsibilities of the NC under its TOR and also considered the contributions of NC members to the deliberation and decision-making process at NC meetings.

Based on the self-assessment completed by the NC in respect of FY2025, the NC, who has reviewed the same, was of the view that overall, the NC had carried out its duties satisfactorily as set out in the NC's TOR.

Board and KMP Succession Planning (Provision 4.1)

The Board believes that orderly succession and renewal for itself, the Board Chairman and the KMPs are achieved as a result of careful planning, where the appropriate composition of the Board and KMPs is review annually to ensure continuity of leadership. In this regard, the Board has put in place a formal Board and KMP succession plan and developed process for the renewal of the Board and the selection of new Directors so that the experience of longer serving Directors can be drawn upon while tapping into the new external perspectives and insights which more recent appointees bring to the Board's deliberation.

The NC reviews annually the composition of the Board and Board Committees, which includes size and mix, and recommends to the Board the selection and appointment of new Directors, whether in addition to the existing Board members or as replacement of retiring Board members, with a view to identify any gaps in the Board's skill set taking into account the Group's strategy and business operations. The Board will be able to function smoothly notwithstanding any resignation or retirement of any Director given the present number of members and mix of competencies on the Board.

As Mr Lim Ah Doo and Mr Allan Choy Kam Wing have both served on the Board as IDs for more than nine years from the date of their first appointments, they have retired at the conclusion of the AGM held on 26 July 2024 pursuant to Article 101 of the Company's Constitution.

Two new IDs, namely Mr Seah and Mr Hung were appointed on 20 June 2024 before the retirements of Mr Lim Ah Doo and Mr Allan Choy Kam Wing in July 2024 to ensure continuity of leadership.

Another new ID, Ms Chang was appointed on 1 February 2025 before the retirement of Mr Lim Jiew Keng as an ID on 28 February 2025.

Following the retirements of the above-mentioned three IDs and the appointments of three new IDs namely Mr Seah, Mr Hung and Ms Chang, changes were also made to the composition of the Board Committees, including (i) the appointment of Mr Goh as Lead ID and Chairman of the ARC with effect from 26 July 2024; (ii) the appointment of Mr Timothy Tong Wai Cheung as Chairman of the RC with effect from 26 July 2024; and (iii) the appointment of Mr Eric Yim Chi Ming as Chairman of the NC with effect from 26 July 2024; (iv) the appointments of Mr Seah, Mr Hung and Ms Chang as members of each of the Board Committees (except for SSC) since their respective dates of appointments, taking into consideration the new IDs' skill set and the requirement of the relevant Board Committees.

Nomination of Directors (Provision 4.3)

The NC reviews the nomination of the relevant existing Directors for re-election of Directors annually. When considering the nomination of existing Directors for re-election at 2025 AGM, the NC takes into account their contribution to the effectiveness of the Board (which includes their participation and candour at Board and Board Committee meetings) as well as their time commitment especially for Directors who have multiple board representations and/or other principal commitments as well as their independence (in case of re-election of IDs). The recommendation of the NC on the annual nomination of the Directors for re-election is submitted to the Board for decision and thereafter tabled at the 2025 AGM for consideration and approval by Shareholders.

In reviewing and recommending to the Board any new Director appointments, including appointments to the appropriate Board Committees, the NC would consider the following as well as factors prescribed under the Company's Diversity Policy, details of which as set out under the sub-header "Board Composition, Size and Diversity (Provision 2.4)" on page 39 of this CG Report:

(i) the candidate's track record, experience and capabilities or such other factors including age and gender, as may be determined by the NC to be relevant and which would contribute to the Board's collective skill set;
(ii) the candidate's independence, in the case of the appointment of an ID;
(iii) any competing time commitments if the candidate has multiple listed company board representations and/or other principal commitments; and
(iv) the composition requirements for the Board and Board Committees after matching the candidate's skill set to the requirement of the relevant Board Committees.

Three new IDs, namely Mr Seah, Mr Hung and Ms Chang were appointed as IDs to strengthen the corporate governance of the Group as well as to meet the diversity targets of the Company following the retirement of the above-mentioned three IDs and resignation of Ms Grace Lo Kit Yee in FY2025. Factors set out above as well as the test on independence were also considered in the nomination and selection process in connection with their appointments, details of which are set out in the paragraph titled 'Criteria and Process for Appointment of New Directors (Provision 4.3)' below.

The Constitution of the Company provides that not less than one-third of the Directors for the time being shall retire as Directors at each AGM. All new Directors appointed by the Board shall hold office until the next AGM and are eligible for election at the said AGM.

Retirements and Re-nominations at 2025 AGM

Pursuant to Article 101 of the Constitution of the Company, Mr Lam Hin Lap, Mr Brian Li Yiu Cheung and Mr Timothy Tong Wai Cheung would be retiring by rotation at the 2025 AGM, and being eligible, have offered themselves for re-elections in the upcoming 2025 AGM. The NC has considered their contribution and performance and recommended to the Board to support their re-elections for Shareholders' approval at the 2025 AGM.

Pursuant to Article 82 of the Constitution of the Company, Ms Chang, who was appointed on 1 February 2025 after the 2024 AGM held in FY2025, would also be retiring at 2025 AGM, and being eligible, has offered herself for re-election. The NC has also recommended that Ms Chang be re-elected at the said meeting.

The Board concurred with the NC's recommendation for the re-election of Directors at the 2025 AGM. The relevant Directors who are seeking re-election would abstain from the deliberation concerning their own re-election.

The Company has not appointed any alternate Director.

Selection, Appointment and Re-appointment of Directors
(Provision 4.3)
The NC is responsible for making recommendations to the Board on Board appointments, overseeing the Board and Senior Management's succession and leadership development plans and conducting annual review of Board diversity, Board size, Board independence, and Directors' commitments.

Criteria and Process for Appointment of New Directors
NC reviews annually the balance and mix of skills, knowledge, experience, diversity of profiles (including gender and age) and Board size which would facilitate decision-making with reference to the Diversity Policy. In this review, the NC would also take into account the needs of GP Industries, the competencies of the Board and service tenure spread of the Directors.

In light of such review and in consultation with Management, the NC assesses if there is any inadequate representation in respect of any of those attributes and if so, determines the role and the desirable competencies for a particular appointment.

The NC will in all cases take into consideration the following objective criteria identified as necessary for the Board and Board Committees to be effective:

a. Integrity;
b. Independent mindedness;
c. Able to commit time and effort to carry out duties and responsibilities effectively;
d. Track record of making good decisions;
e. Experience in high-performing companies; and
f. Financial literacy.

Searches for potential candidates generally consider recommendations from the Directors, the Management and various other sources, and if required, an external search (for example, Singapore Institute of Directors) would be performed to identify potential qualified candidates for the NC and the Board's consideration. Where necessary, the NC would consider the use of external search consultants to find appropriate candidates. Shortlisted candidates would be required to furnish their curriculum vitae ("**CVs**") containing information on their academic/professional qualification, work experience, employment history and experience (if any) as directors of listed companies.

The NC would review all nominations and interview with the short-listed candidate(s) to assess suitability and to ensure that the candidate(s) is/are aware of the expectations and the level of commitment required before formally considering and recommending them to the Board for appointment to the Board and where applicable, to the Board Committees.

Three new appointments were made in FY2025. Mr Seah, Mr Hung and Ms Chang were introduced and recommended for appointment as IDs by Directors. The CVs of Mr Seah, Mr Hung and Ms Chang were circulated to the Chairman of NC and the Board Chairman. Prior to their proposed appointments, invitations were sent to all the NC members for interviews with Mr Seah, Mr Hung and Ms Chang.

Process for re-nomination of retiring Directors

(i) Pursuant to the Constitution of the Company, not less than one-third of the Directors for the time being shall retire from office at the Company's AGM every year, and a Director appointed by the Board after the last AGM shall only hold office until the next AGM. If eligible, these Directors may submit themselves for re-election.
(ii) NC reviews each Director's eligibility, independence, contribution and performance (such as attendance, preparedness, participation and candour), with reference to the results of the assessment of the performance of the individual Director by his/her peers and his/her tenure.
(iii) NC also reviews the latest amendments to the CG Code and rules of the Listing Manual on the board independence (e.g. Long Serving IDs), board effectiveness (e.g. overboarding IDs and minimum CPD training hours), diversity and the effect on the members of the Board.
(iv) NC makes recommendations to the Board for approval.

Determining Independence of Directors
(Provision 4.4)
The NC is tasked to determine the independence of the Directors. The NC determines the independence of a Director when he or she is appointed, and review at least annually the Directors' independence according to the Provision 2.1 of the CG Code and provisions in the applicable Listing Rule 210(5)(d). Please refer to the discussions under section headed "Directors' Independence and Level of Independence of the Board (Provisions 2.1, 2.2 and 2.3)" on page 38 of this CG Report for further details of the results of the annual review of independence of the IDs.

Key Information on Directors
(Provision 4.5)
Please refer to the section headed "Board of Directors and Senior Management" on pages 18 to 22 of the AR2025 for key information on the Directors, including the dates of their first appointments and last re-election to the Board (if applicable), their academic/professional qualifications, major appointments/principal commitments, directorships held in listed companies for both the current and in the preceding five years, and other relevant information.

Detailed information relating to Directors who are proposed to be appointed for the first time or re-elected at upcoming AGM as set out in Appendix 7.4.1 to the Listing Rule and required pursuant to Rule 720(6) of the Listing Manual are disclosed in the notice of AGM and on pages 152 to 156 of the AR2025.

The details of the shareholdings of the Directors as at 31 March 2025 are disclosed on page 67 of the AR2025 under section headed "Directors' interest in shares and debentures" of the Directors' Statement.

Board Development
(Provision 4.5)
The NC reviews the training and development of the Directors to ensure that Directors receive appropriate development on a continuing basis, to perform their roles on the Board and where applicable, the Board Committees. The Directors are provided with updates and/or briefings to assist them to properly discharge their duties. The briefings are conducted either internally with invited speakers, or externally, at the Company's expense.

The NC is also responsible for ensuring that new Directors with no prior experience as a director of a SGX-ST listed company to undergo training to ensure that new Directors are aware of their duties and obligations. A separate programme is established for new Directors by NC, and the details of which are set out in the paragraph under the section headed "Directors' Competencies, Board Orientation, Training and Development (Provision 1.2)" on page 32 of this CG Report.

Directors' Time Commitments
(Provision 4.5)
The NC has determined that the Directors have been adequately discharging their duties as Directors notwithstanding some of the Directors have multiple listed company board representations. Please refer to the discussions under section headed "Directors' Multiple Board Representations and Time Commitments (Provision 1.5)" on page 37 of this CG Report for further details.

PRINCIPLE 5: BOARD PERFORMANCE

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual Directors.

Assessment and Evaluation Process
(Provision 5.1)
The NC has been tasked to assist the Board to develop a performance evaluation framework for the Board, Board Committees and individual Directors, proposed performance criteria and assist in the conduct of the evaluation, analyses the findings and reports the results to the Board.

The NC together with the Board, has established the assessment process of the effectiveness of the Board and each Board Committees, and the contribution from each individual Director and will conduct the assessment of the performance of the Board, each Board Committee and the contributions from each individual Director, on an annual basis.

The Board has not engaged any external facilitator to conduct the performance evaluation of the Board, the Board Committees and the Directors.

The evaluation of the effectiveness of the Board as a whole and the respective Board Committees had been conducted by means of annual self-assessment questionnaires to be completed by all Directors and members of each of the Board Committee, using objective and appropriate criteria which are recommended by the NC and approved by the Board. The evaluation of individual Director was performed by means of a self-assessment questionnaire to be completed by each Director. The responses to these self-assessment questionnaires are compiled by the Company Secretary and thereafter presented to the NC Chairman or the Board Chairman, as the case may be.

Board Evaluation Process
(Provision 5.1)
The Company has in place a formal process for assessment of the effectiveness of the Board as a whole, the various Board Committees and the contribution by each Director to the effectiveness of the Board and where applicable, of the Board Committees.

When assessing the overall Board performance, the NC takes into consideration the feedback from individual Directors on areas relating to the Board's role on strategy and performance, the Board's process and governance (including oversight of internal controls and risk management), the Board's competencies and effectiveness and the effectiveness of the Board Chairman. The results of the overall evaluation of the Board by the NC, including its recommendation for improvements, if any, were presented to the Board.

The NC also undertakes an evaluation of the performance of the Board Committees for FY2025 with the assistance of self-assessment checklists completed by these Board Committees.

Board and Board Committees Evaluation Criteria (Provision 5.2)
The self-assessment questionnaires evaluation criteria of the Board and Board Committees (except for SSC) used by NC for performance evaluation include:

Self-assessment questionnaires	Board	Board Committees
Evaluation criteria	(i) composition of the Board; (ii) information provided to the Board; (iii) conduct of Board meetings; (iv) accountability of the Board, including whether the various Board Committees are functioning properly; and (v) the Board's standards of conduct.	(i) frequency and duration of the Board Committee meetings; (ii) authority to investigate matters within its respective TOR; (iii) resources available to and access to management in discharging the duties and responsibilities of a Board Committee; (iv) availability of financial resources and authority to engage external professional advice if necessary; and (v) training resources available to the members of the respective Board Committees.

The qualitative criteria and quantitative criteria used by the NC to evaluate the Board covers:

Nature of Criteria	Details
Qualitative criteria	(i) Board structure; (ii) Board's review of the Company's strategy and performance; (iii) Board's oversight on the Company's governance, including RMICs, and (iv) the effectiveness of the Board Chairman and Board processes.
Quantitative criteria	(i) performance indicators which include a comparison of the Group's performance (including segmental performance) for the financial period under review against the Group's performance for the corresponding period in previous years, and (ii) other indicators such as the Company's share price performance over a historical period.

Individual Director Evaluation Criteria (Provision 5.2)
The annual performance evaluation of the Board Chairman and of the respective Director's performance comprises two parts: (a) review of background information concerning the Director including his/her attendance records at Board, Board Committees and IDs' (where applicable) meetings; and (b) NC's evaluation based on certain assessment parameters, which were recommended by the NC and approved by the Board.

Factors taken into account in the assessment of a Director's performance include their abilities and competencies, their objectivity mindedness (and independence mindedness for IDs) and the level of participation and interaction with fellow Directors, KMPs, Internal Auditors and External Auditors at Board and Board Committee meetings including their knowledge and contribution to Board processes and the business strategies and performance of the Group. The performance evaluation of each Director is taken into account in the NC's consideration with regard to his/her election/re-election as Director.

The self-assessment questionnaires focused on the following key attributes of a Director:
(i) availability including attendance at meetings; and
(ii) performance of Director's duties, including contribution to the development and of the Group's strategy and risk management, and resoluteness in maintaining own views and resisting peer pressures; knowledge including business, financial, industry as well as about the Group's business; and inter-active skills in working with fellow Directors, Management and external professional service providers.

The results of the individual evaluation of the Directors are also used by the NC, in its consultation with the Board Chairman (who is also a member of the NC), to review, where appropriate, the composition of the Board and Board Committees, and to support its proposals, if any, for appointment of new members and its recommendations for the re-election of retiring Directors.

When deliberating on the performance of a particular Director who is also a member of the NC, that member abstained from the discussions to avoid any conflict of interest.

The Board Chairman, as a member of the NC, is fully apprised of the results of the performance evaluation for the individual Directors and would take into consideration such evaluation and act as appropriate on the recommendations of the NC. Comments from the Directors, if any, concerning the Board as a whole and the general performance of the Directors, are also presented to the Board to ensure each of the Directors can maximise their contribution to the Board and thus optimising the effectiveness of the Board.

Effectiveness of the Board and Board Committees (Provision 5.2)
Based on the summary of findings of the evaluation for FY2025 together with the feedback and recommendations from each Director, the NC and the Board concluded that the overall performance of the Board and the Board Committees were consistently good in all aspect and met their performance objective for FY2025 and no major issues or findings in relation to the ARC, NC, RC and SSC that required the attention of the Board have been identified.

Effectiveness of Individual Director (Provision 5.2)
After considering the results of the self-assessment questionnaires and the contributions from the Directors during the Board and Board Committees meetings, including charting the Group's strategy, advising Management on risk management, sharing of their industry experiences and opinions on matters tabled at the meetings, the NC and the Board were collectively satisfied that the competency of each of the Board members had met the intended objectives to balance an appropriate mix of professional experience, environmental or contextual knowledge and personal attributes and skills in facilitating effective decision making of the Board in FY2025.

B. REMUNERATION MATTERS

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual Directors and KMPs. No Director is involved in deciding his or her own remuneration.

RC Composition and Terms of Reference (Provisions 6.1 and 6.2)
All six members of the RC, including the RC chairman, are IDs. All members of RC are knowledgeable with executive compensation. The detailed TOR of the RC are posted on the Company's website.

The key objectives and duties of RC and the summary of RC's workdone in FY2025 are set out in the sections headed "Board Committees" (page 27) and "Summary of Workdone of Board Committee in FY2025" (page 36), respectively in this CG Report.

One RC meeting was held in FY2025. The Company Secretary maintained records of all RC meetings including records of discussions on key deliberations and decisions taken.

In carrying out its duties, the RC shall, *inter alia*:
(i) to consider all aspect of remuneration (including Director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits in kind and termination payments) and should aim to be fair and avoid rewarding poor performances;
(ii) to determine if the level and structure of remuneration of the Board and KMPs are appropriate to the specific role and circumstances of each Director and KMPs, and recognises their performance, potential and responsibilities, and are proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company;
(iii) to measure performance of Directors and KMPs who are in control function principally based on the achievement of the objectives of their functions;
(iv) to consider reliable, up-to-date information on the remuneration practices of other companies and the relevant market benchmarks. Such information can be obtained by commissioning or purchasing any appropriate reports, surveys or information or through the appointment of external consultants. These will be at the expense of the Company, subject to the budgetary constraints imposed by the Board;
(v) to ensure that a significant and appropriate proportion of EDs' and KMPs' remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of Shareholders and other stakeholders and promotes the long-term success of the Company;
(vi) to ensure remuneration of the IDs is appropriate to the level of contribution, taking into consideration factors such as efforts, time spent and responsibilities, and that IDs are not over-compensated to the extent that the independence of the IDs may be compromised; and
(vii) to evaluate if remuneration is appropriate to attract, retain and motivate Directors to provide good stewardship of the Company and KMPs to successfully manage the Company for the long term.

For the financial year under review, the RC conducted a self-assessment of its own effectiveness in the discharge of its roles and responsibilities, which was facilitated with a self-assessment checklist ("**RC Self-Assessment Checklist**"). The RC Self-Assessment Checklist covered, *inter alia*, the responsibilities of the RC under its TOR and considered the contribution of RC members to the deliberation and decision-making process at RC meetings.

Based on the self-assessment, the RC was of the view that it has fulfilled its responsibilities and discharged its duties as set out in its TOR.

Remuneration Packages and Framework (Provision 6.3)
The RC reviews and recommends to the Board the remuneration packages or policies for the EDs, CEO and the KMPs after considering, among other things, the performance of the Group, the individual Director/KMPs. No Director individually decides or is involved in the determination of his/her own remuneration. The RC's recommendations are submitted for endorsement by the Board.

The RC will also review the Company's obligations under the service agreements entered into with the EDs and KMPs that would arise in the event of termination of these service agreements. This is to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoid rewarding poor performance.

Engagement of Remuneration Consultants (Provision 6.4)
The RC has access to advice from the internal human resource department and, if necessary, the RC may seek advice from external professionals in the field of executive compensation and related matters of which the expenses will be borne by the Company. No external consultant was engaged by the Company in FY2025.

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

The level and structure of remuneration of the Board and KMPs are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

Level and Mix of Remuneration of Directors and KMPs (Provisions 7.1, 7.2 and 7.3)
The remuneration structure and annual remuneration packages of Directors and KMPs is reviewed annually by RC. The Company's remuneration policy for Directors comprises the following distinct objectives:
- to ensure that the procedure for determining remuneration for Directors is formal and transparent;
- to ensure that the level of remuneration is sufficient (without being excessive) to attract and retain Directors to exercise oversight responsibility over the Company; and
- to ensure that no Director is involved in deciding on his/her own remuneration.

In reviewing the annual remuneration packages of the KMPs and the other ExeCo members for FY2025, the RC considered the level of remuneration based on the Company's remuneration policy which comprises the following distinct objectives:
- to reward employees for achieving corporate and individual performance targets in a fair and equitable way; and
- to ensure that the remuneration reflects employees' duties and responsibilities.

Policy in Respect of EDs' and KMPs' Remuneration
The EDs are not paid Directors' fees. The remuneration policy for the EDs and KMPs adopted by the Company generally comprises a basic salary and other fixed allowances, as well as variable performance bonus, based on a performance-based remuneration system which is flexible and responsive to the market, and the performance of the Group's business units and individual employees. In designing the compensation structure, the Company seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate in finding a balance between the current and long-term objectives of the Company, align remuneration with the interests of Shareholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group.

The remuneration packages for the EDs and KMPs and the other ExeCo members comprise the following components:

(a) Fixed Compensation:
  (i) Base salary - this is benchmarked to market to ensure that the remuneration commensurate with the position and responsibilities of the KMPs and the ExeCo members.
  (ii) Fixed allowances and benefits-in-kind - this is aligned with market practices and legislative requirements, and not linked directly to performance. Fixed allowances and benefits-in-kind are also linked to the position and responsibilities of the KMPs and ExeCo members.

(b) Variable Compensation: Variable compensation is linked to performance. In determining the variable compensation, the NC considers the achievement of the Group, business units and individual performance based on key performance indicators (involving financial and non-financial indicators) which are determined annually.

The total remuneration is benchmarked to the market annually, to ensure that it is commensurate with the position and responsibilities of KMPs and the ExeCo members. The RC also reviewed and approved the Company's the performance targets to be achieved by the Company based on its short and long-term objectives, and includes non-financial measures such as risk management and environment, social and governance issues which are similarly cascaded down to the employees of various business units.

The overall level of remuneration of the KMPs and the other ExeCo members is not considered to be at a level which is likely to promote behaviour contrary to the Group's risk profile. The RC and the Board believe that the executive compensation framework is aligned with the short-term and long-term interests of the Shareholders and other stakeholders, and that it promotes the long-term success of the Company.

The Company does not use contractual provisions to allow the Group to reclaim incentive components of remuneration from the EDs and KMPs in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Company should be able to avail itself to remedies against these personnel in the event of such breach of fiduciary duties.

Policy in Respect of IDs' Remuneration
When reviewing the structure and level of IDs' fees, which comprise the base director fee and additional fees for services rendered on Board Committees and fee for the Lead ID, the RC took into consideration the Directors' respective roles and responsibilities on the Board and Board Committees and the changes in the business, corporate governance practices and regulatory rules and level of contributions including attendance and time spent at and outside the formal environment of the Board and Board Committees meetings.

Each of the ID receives a basic fee. The Lead ID also receives an additional fee to reflect his expanded responsibility. IDs who serve on the various Board Committees also receive additional fees in respect of each Board Committee that they serve on, with the chairmen of the Board Committees receiving a higher fee in respect of their service as chairmen of the respective Board Committees. Attendance fee is payable for attendance in person or via teleconference or video conference at each meeting of the Board or Board Committee in consultation with the RC and the respective Board Committee chairman.

The RC also compared the Company's fee structure against industry practices annually. Other factors taken into consideration in the fee review include the frequency of Board and Board Committee meetings and the interval since the last fee revision. The RC was mindful that the remuneration for IDs should not be excessive so as to compromise or reasonably be perceived to compromise their independence. No Director is involved in deciding his/her own remuneration.

The structure of fees payable to IDs for FY2025 is set out as follows:

Appointment as/attending:	Fees per annum (S$)
Board of Directors	66,000 (Basic fee)
Lead ID	5,000
Attendance fee for additional Board meeting	2,000 per meeting

Additional fee for appointment to Board Committee:	Fees per annum (S$)	
	Chairman	Member
ARC	20,000	2,000
NC	5,000	2,000
RC	5,000	2,000

For FY2025, there was no change in the fee structure for IDs except the proposal for 10% increment in the basic fee to IDs.

At the 2024 AGM, shareholders had approved the payment of S$506,000 as Directors' fees and meeting attendance fees for FY2024. Approval of the Shareholders will be sought at the 2025 AGM for an aggregate amount of S$513,000 as proposed Directors' fees and meeting attendance fees for FY2025.

The Company currently does not discourage Directors from holding shares in the Company but notes that there is no requirement under the Company's Constitution for Directors to hold shares in order to be qualified to act as a Director.

PRINCIPLE 8: DISCLOSURE ON REMUNERATION

The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Disclosure on Remuneration of Directors and KMPs (Provision 8.1)
The compensation packages for employees including the Board Chairman and KMPs, based on the Company's Remuneration Framework, also take into account amongst other factors, the individual's performance, the performance of the Group and industry practices.

During FY2025, there were no termination, retirement or post-employment benefits (other than CPF contributions) granted to any Director or any KMPs. Details on the remuneration to Directors and the KMPs for FY2025 are reported below.

The remuneration of each Director for FY2025 including a breakdown of basic salary, variable bonuses/allowances, fees and other benefits for FY2025 is disclosed as follows:

Names of Directors	Fees[7]	Salary[1]	Variable bonus	Other benefits	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
Executive Director					
Victor Lo	-	1,094	27	71	1,192
Lam Hin Lap	-	681	-	59	740
Brian Li Yiu Cheung	-	856	20	71	947
Waltery Law Wang Chak	-	871	30	3	904
Grace Lo Kit Yee[2]	-	641	-	57	698
Non-executive Independent Director					
Lim Ah Doo[3]	32	-	-	-	32
Allan Choy Kam Wing[3]	26	-	-	-	26
Lim Jiew Keng[4]	73	-	-	-	73
Goh Boon Seong	92	-	-	-	92
Timothy Tong Wai Cheung	78	-	-	-	78
Eric Yim Chi Ming	80	-	-	-	80
Seah Han Leong[5]	60	-	-	-	60
Hung Cheung Fuk[5]	60	-	-	-	60
Charlene-Jayne Chang Wei-Ying[6]	12	-	-	-	12

Notes:
(1) Salary includes contributions to post-retirement benefits.
(2) Ms Grace Lo Kit Yee resigned as an ED on 28 February 2025.
(3) Mr Lim Ah Doo and Mr Allan Choy Kam Wing retired as IDs and members of each of the Board Committees (except for SSC) on 26 July 2024.
(4) Mr Lim Jiew Keng retired as an ID and member of each of the Board Committees (except for SSC) on 28 February 2025.
(5) Mr Seah Han Leong and Mr Hung Cheung Fuk were appointed as IDs and members of each of the Board Committees (except for SSC) on 20 June 2024.
(6) Ms Charlene-Jayne Chang Wei-Ying was appointed as an ID and member of each of the Board Committees (except for SSC) on 1 February 2025.
(7) These fees comprise Board and Board Committee fees as well as meeting attendance fees for FY2025, which are subject to approval by Shareholders as a lump sum at the 2025 AGM.

The aggregate remuneration paid to the top five management personnel including the KMPs (who are not EDs) for FY2025 was S$3,249,000. The level and mix of remuneration of each of such key management personnel (who are not EDs), are set out as follows:

Remuneration Band and Names of KMPs	Salary[1]	Variable bonus	Other benefits	Total
	%	%	%	%
S$650,001 to S$900,000				
Kwong Yiu Cheung Charlton	97	-	3	100
Zhu Xiang Kui Vincent	20	80	-	100
S$400,001 to S$650,000				
Bascones Martinez Pedro	70	19	11	100
Law Yeong Sheng Arthur	66	13	21	100
Ng Pui Jeng	85	-	15	100

Notes:
(1) Salary includes contributions to post-retirement benefits

Remuneration of Immediate Family Member of a Director or a Substantial Shareholder (Provision 8.2)
During FY2025, Mr Alan Lo Yeung Kit, son of Mr Victor Lo, the Board Chairman, is an employee of the Company whose remuneration was more than S$400,000 but less than S$500,000. Ms Grace Lo Kit Yee, daughter of Mr Victor Lo, received a remuneration for FY2025 which was more than S$700,000 but less than S$800,000 and resigned as an ED on 28 February 2025. Save as aforementioned, there are no other employees of the Group who are immediate family member of a Director, the CEO or a substantial Shareholder of the Company whose remuneration exceeded S$100,000 during FY2025.

Details of Employee Share Scheme (Provision 8.3)
During FY2025, no remuneration or compensation was paid or is to be paid in the form of share options as the Company does not have any share option or share incentive plans. The Company may implement such share option or share incentive plans in the future to further promote alignment towards long-term objectives.

C. ACCOUNTABILITY AND AUDIT

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its Shareholders.

Risk Management Framework (Provision 9.1)
The Board has established the necessary risk governance structure to ensure the effective execution of its risk management framework, policies and processes. A sound system of RMICs is embedded in the operations of the Group and form part of its culture. This system is capable of responding quickly to evolving risks to the business arising from factors within the Group and changes in the business environment. It includes procedures for reporting immediately to appropriate levels of management any significant risk management and control failings or weaknesses that are identified together with details of corrective action being taken.

The Board has overall responsibility for the governance of risk, including determining the risk strategy, risk appetite and risk limits, as well as the risk policies. All matters pertaining to the management of strategic, external and preventable risks are the responsibility of the ARC. Further information on the ARC, including its composition, are discussed under the section headed "Composition and Terms of Reference of ARC (Provisions 10.1, 10.2 and 10.3)" on page 55 of this CG Report.

The Group has established TOR within the ARC to oversee enterprise risk. The ARC is responsible for defining the level of risk which the business can take in pursuit of its strategic objectives. The ARC also has direct oversight for the proper setting up and maintenance of an enterprise risk management ("**ERM**") programme which is managed by the Company's Chief Risk Officer ("**CRO**").

The Company maintains an adequate and effective system of internal controls (including financial, operational, compliance and IT controls) and risk management systems to safeguard stakeholders' interests and the Group's assets. This contains a IC Manual and an ERM Programme, which provides the appropriate level of risk consideration and mitigation. These documents also take into consideration the leading elements for proper internal control established by the Committee of Sponsoring Organisation for the Treadway Commission ("**COSO**") as well as the work performed across the financial period by the Internal Audit Department ("**IA Dept**") and other assurance providers. These documents are reviewed by the ARC and the Board annually and any decision making which entails going beyond the risk boundaries established under the defined risk governance of the Group is to obtain explicit Board approval.

The Board establishes the level of risk appetite and risk tolerance which is to be conformed within the pursuit of the business objectives. The Group has risk policies which define how ERM is operationalised within the Group and cover responsibilities for ERM, reporting requirements and the risk assessment process.

The ARC with their direct oversight for ERM across the Group, ensures that Management devises, implements and maintains adequate and effective internal control systems, including financial, operational, compliance and information technology controls, which are relevant to the various businesses within the Group and address the risk exposures accordingly. The Group takes a stance to mitigate and reduce the level of risk exposure for preventable risks. This is done by providing direct accountability to the risk owners and the CRO to track and manage the residual risk to acceptable levels. The ERM programme caters for this and ensures that regular monitoring of risk management activities are in place.

The CRO is responsible for ensuring that the Group risk profile is up-to-date and reflects the potential and relevant risk exposures to the business. Strategic risks are considered during the risk governance exercise and the Board takes an active role in determining how to manage, avoid or build contingencies for such external and strategic matters. All other risks are considered during periodic risk assessment exercises. In such exercises, prevailing and potential risks are reviewed and the risk profile is adjusted based on a collective assessment of the impact and likelihood of these risks (conducted in accordance with the Group's risk management programme for the financial year), as well as the effectiveness of controls in place to address them. The ARC is periodically apprised of the changes to risk profile and any major risk exposures that are insufficiently covered by existing business practices or future strategic initiatives. CRO prepares quarterly reports to ARC on major risk areas of the Group.

Roles of ARC relating to RMICs (Provision 9.1)

The ARC assists the Board in carrying out the Board's responsibility of overseeing the Group's ERM framework and policies for the Group and ensuring that Management maintains a sound RMIC system. The overall objective of the ARC relating to RMICs is to provide oversight that (i) Management has created and maintained an effective RMIC environment in the Company; and (ii) Management demonstrates the necessary aspect of the internal control structure among all parties.

The ARC is governed by its TOR and its responsibilities relating to RMICs cover:

(i) to review with the External Auditors, *inter alia*, their evaluation of the internal accounting controls systems;
(ii) to review at least once annually with the Management and CRO the adequacy and the effectiveness of the Company's RMICs, including the overall risk assessment process to ensure a robust risk management system is maintained and report to the Board;
(iii) to review the assurance provided by the Chairman and CEO and CFO, as well as the assurance provided by the Head of IA regarding, *inter alia*, the effectiveness of the Company's RMIC systems;
(iv) to ensure the Head of IA and CRO has direct and unrestricted access to the Board Chairman and ARC; and
(v) to recommend to the Board the statement to be included in the Company's annual report relating to the adequacy and effectiveness of the Company's RMIC systems.

The Internal and External Auditors, pursuant to their respective TOR and appointment, report to the ARC any audit findings relating to internal controls, and the ARC reviews the adequacy of the actions taken by Management to address the recommendations of the Internal and External Auditors.

The ARC also receives regular reports, briefings and updates from the CRO, the Internal and External Auditors and the Management during its meetings to help the ARC review the adequacy and effectiveness of the Group's material internal controls that address the Group's financial, operational, compliance and IT controls.

Roles of CRO on RMICs (Provision 9.1)

The role of the CRO is:

(i) to lead, facilitate, integrate and coordinate risk management;
(ii) to create a culture of risk awareness and Management's risk responsibilities;
(iii) to develop a centre of excellence for managing risk;
(iv) to bring formal consideration of risk into strategic decision making and set financial targets; and
(v) to assist the Board and ARC to communicate to all stakeholders, internal and external, about risk.

The responsibilities of the CRO include:

(i) to advise and report to the ARC and Board on major risk areas on quarterly basis;
(ii) to review and advise the ARC in formulating its risk policies, including the parameters for risk assessments and methodology to be adopted;
(iii) to oversee Management in the design, development, implementation and monitoring of the RMIC systems;
(iv) to advise the ARC on the Company's level of risk tolerance;
(v) to develop and guide the ARC and Board in establishing a process of effectively identifying and managing the implications of risks tolerance in internal controls and strategic transactions to be undertaken by the Company;
(vi) to oversee and advise the Board on the current risk exposures, overall risk tolerance, and overall risk strategy of the Company;
(vii) to review the Company's risk profile/risk dashboard on a regular basis to understand the financial and operational impact of the significant risks on the Group and the mitigating measures;
(viii) to review and report to the ARC the results thereof, at least annually, the adequacy and effectiveness of the Company's RMIC systems, including the overall risk processes to ensure that a robust risk management system is maintained;
(ix) to review periodically the risk limits established by the Group and where applicable, reporting any material breach of such limits and the adequacy of proposed actions to be taken, and if necessary, make recommendations;
(x) to report to the ARC and assist in the preparation of the ARC reporting regarding adequacy and effectiveness of RMIC systems to the Board (as part of the requirements of Rule 1207(10) of the Listing Manual and Principle 9 of the CG Code); and
(xi) to ensure the independence of the risk management function throughout the Group.

Risk Management and Internal Control Systems (Provision 9.1)

The Board has, with the assistance of the ARC, evaluated the adequacy and effectiveness of the Group's RMIC systems. There is already an established process in place for the Board to drive the Group's propensity for taking risk and the minimum risk management activities that are expected to be conducted. There is also a formal ERM programme which allows Management to communicate the key changes to business risk to the ARC and thereon the Board. This enables the prioritisation of resources and efforts to address the more pertinent and critical risks to the business.

Aside to this, the Board works with the ARC and Management to set up organisational objectives, defining strategies to achieve them and establishing the necessary governance risk management and control frameworks to manage the risks to their achievement.

The Three Lines Model

Management's responsibility to achieve organisational objectives comprises both first and second line roles. The first line roles are primarily responsible for managing organisational risks through designing and implementing appropriate mitigating controls, rests with operational management who own and manage risks. First line roles most directly aligned with the delivery of products and/or services to clients of the organisation, and include the roles of support functions.

The second line comprises risk management and compliance functions, which is being headed by the CRO, to help build and/or monitor the first line. Second line roles provide assistance with managing risk, facilitates monitoring and early detection of plausible risks. These are brought to the attention of the ARC where needed, to assign and re-deploy resources to counter the risk exposure.

Risk management functions are designed to facilitate and monitor the implementation of effective risk management practices by Management throughout the organisation, assisting risk owners in defining target risk exposure and providing adequate risk reporting. The principal purpose of compliance functions is to monitor compliance with applicable laws and regulations. It is common for multiple compliance teams to operate within an organisation, with responsibility in areas such as health & safety, human resources, legal, supply chain, environmental or quality.

As a final line, the Group also maintains an in-house Internal Audit ("**IA**"). The principal function of the third line is to provide risk assurance. IA provides assurance on the effectiveness of governance, RMICs, including first and second line controls. IA is independent of Management with a direct reporting line to the ARC.

External Auditors can also play an important role through their considerations of the governance and control structure where this is relevant to financial reporting.

The Internal and External Auditors, pursuant to their respective TOR and appointment, report to the ARC any audit findings relating to internal controls, and the ARC reviews the adequacy of the actions taken by Management to address the recommendations of the Internal and External Auditors.

The ARC seeks assurance from all the above-mentioned parties and holistically assesses if there are any material gaps or concerns and highlights which would impact the ability of the Board to opine on the state of internal control. Such an exercise is conducted annually.

Assurances from the CEO, CFO and KMPs (Provision 9.2)

In relation to Provision 9.2 of the CG Code and Listing Rule 1207(10), the Board and ARC received:

(i) written assurance from the CEO and CFO that as at 31 March 2025, the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(ii) written assurance from the CEO, CFO and other KMPs that the Group's RMICs systems in place were adequate and effective as at 31 March 2025 to address the risks (including financial, operational, compliance and information technology risks) within the current scope of the Group's business operations for FY2025.

The above written assurances on the Group's internal controls and risk management systems are provided half-yearly and are supported by similar assurances provided by the HODs and heads of business units.

The KMPs are involved in the assurance activities described above. Specifically, they are engaged in the development of the Group's IC Manual, the profiling of the enterprise risks, as well as the first and second line roles. Their active involvement in charting out Management's responses as well as their interaction with the ARC and Board, provide further grounds for their assurance over operational (including technology), financial and compliance risk matters.

The Board's annual evaluation of the adequacy and effectiveness of the RMIC systems considered both the key risk profile of the Company, the ability to discharge proper risk governance responsibilities and the existence and effectiveness of the principles within the Company to meet the requirements of an effective internal control system as stipulated by COSO.

The Board's annual assessment of RMIC was based on the IC Manual and the evaluation against a COSO Internal Control Checklist which considered:

(i) the changes to the business strategy and accompanying changes to the risk profile, risk appetite and tolerance limits;
(ii) the changes to the Board authority and authorisation responsibilities delegated to Management in respect of the changes to the key business strategies;
(iii) the policies and authorisation responsibilities of the Company;
(iv) the adequacy and effectiveness of risk management activities to address the pertinent risks;
(v) the controls and activities in place to uphold and enforce the principles of effective internal control by COSO covering the control environment, risk assessment, control activities, information and communication and monitoring activities; and
(vi) the occurrence of significant internal control weaknesses during the financial period and whether these issues were adequately and properly addressed.

The Board reviewed the above in order to understand the profile of risks relevant to the Company and the appropriateness of counter-measures to manage them.

In addition to the above, the Board has also sought assurance from the IA on the effectiveness of the risk management programme and the state of internal control for the areas covered under their IA plan for the financial period.

The process of reviewing and strengthening the Group's control environment is an evolving process. When controls should be enhanced, the Board and Management take actions to rectify and strengthen the internal controls and risk management systems. The Board and Management will continue to devote resources and expertise towards improving the internal policies and procedures to maintain a high level of governance and internal controls. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance against frauds and other irregularities.

Board's and ARC's Opinion on Internal Controls and Risk Management Systems
(Provision 9.2)
Based on the work performed by the IA, the External Auditors, and the periodic reports from the Management together with the written assurances from the KMPs to support the opinion to be given by the ARC and the Board, the Board with the concurrence of the ARC, is of the opinion that the internal controls and risk management systems in place as at 31 March 2025 are adequate and effective to address in all material respects the financial, operational, compliance and IT risks within the current scope of the Group's business operations for FY2025.

The Board and the ARC are also responsible for (a) monitoring the Company's risk of becoming subject to, or violating, any sanction-related law or regulation; and (b) ensuring timely and accurate disclosures of any such risks to SGX-ST and other relevant authorities. The Company will inform Shareholders of any sanction-related risks on the Company, the impact (such as the financial impact and the operational impact) to the Group, if any, and also the cessation of such risk via announcement to SGXNet.

Notwithstanding the above, the system of internal controls and risk governance practices do not provide absolute but reasonable assurance against poor judgement in decision making, human error, losses, fraud or other irregularities.

PRINCIPLE 10: AUDIT AND RISK COMMITTEE

The Board has an Audit Committee which discharges its duties objectively.

Composition and Terms of Reference of ARC
(Provisions 10.1, 10.2 and 10.3)
The ARC currently comprises six IDs, all members are independents and chaired by the Lead ID. The members of the ARC are experienced professionals and/or businessmen. They have relevant experience and are knowledgeable in accounting, banking and financial management. The members have been elected on the basis that they possess extensive general business knowledge. The chairman of the ARC, Mr Goh and ARC members, Mr Hung and Ms Chang has relevant audit, accounting expertise, financial and risk management experience as well as experience in investment banking and the financial markets. Mr Timothy Tong Wai Cheung, Mr Eric Yim Chi Ming and Mr Seah possess accounting, financial and business management experience.

With the current composition, the ARC is of the opinion that it has the relevant accounting and related financial management expertise and experience to discharge its functions within its written TOR which have been approved by the Board.

The ARC's TOR specifically disallows a former partner or director of the Company's incumbent auditing firm or audit corporation shall not act as a member of the ARC: (a) within a period of two years commencing on the date of his/her ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case (b) for as long as he/she has any financial interest in the auditing firm or auditing corporation. No member of the ARC is a former partner or director of the Group's External Auditors.

In addition to the oversight for the Company's RMICs matters, the ARC also provides oversight for financial and audit related matters of the Group. The ARC has a formalised TOR which sets out the membership, administration, duties, reporting procedure, attendance at General Meetings and remuneration of the members of the ARC. The ARC's responsibilities relating to RMICs are discussed under section headed "Risk Management and Internal Control Systems (Provision 9.1)" on page 53 of this CG Report. The detailed TOR of the ARC are posted on the Company's website.

Powers and Duties of the ARC
(Provision 10.1)
The ARC has explicit authority to review or investigate any matters it deems appropriate within its TOR and has full and unfettered access to and co-operation by Management, External and Internal Auditors. It may invite any Director, Management, officer or employee of the Company to attend its meetings. It is also authorised to engage any firm of accountants, lawyers or other professionals as it sees fit to provide independent counsel and advice to assist in the review or investigation of such matters within its TOR as it deems appropriate at the Company's expense.

Activities of ARC, Meeting with External Auditors and Internal Auditors
(Provision 10.1 and 10.5)
The ARC convened five meetings during FY2025. During these meetings, the ARC reviewed, *inter alia*, the unaudited half-yearly and full year financial results before they were announced to SGX-ST, received the reports by the IA and was briefed by the External Auditors on their annual audit plans and the completion reports prepared in connection with the annual statutory audit.

The Company Secretary maintain records of all ARC meetings including records of discussions on key deliberations and decisions taken. The ARC meets with the Internal and External Auditors, each separately without the presence of Management, at least once annually. In FY2025, two of such private sessions were held with both Internal and External Auditors.

The ARC members continually keep themselves abreast of changes to accounting standards, risks and other issues which may have a material impact on financial statements. The ARC has been apprised of the relevant new or changes to financial reporting standards and relevant laws and regulations via their review of the annual audit plans and completion reports prepared by External Auditors and are kept abreast of changes of accounting standards and issues which have a direct impact on financial statements through updates from the External Auditors.

For the financial year under review, the ARC conducted a self-assessment of its own effectiveness in the discharge of its roles and responsibilities, which was facilitated with a self-assessment checklist ("**ARC Self-Assessment Checklist**"). The ARC Self-Assessment Checklist covered, *inter alia*, the responsibilities of the ARC under its terms of reference and considered the contribution of the ARC members to the ARC's deliberation and decision-making process.

Based on the self-assessment, the ARC is of the view that it has fulfilled its responsibilities and discharged its duties as set out in its terms of reference.

The ARC reviewed the annual audit plan for FY2025 prepared by the External Auditors and agrees with the External Auditors' proposed significant risks and areas of audit focus that impact the financial statements. The ARC also reviewed and addressed key audit matters ("**KAMs**").

The key objectives and duties of ARC and the summary of ARC's workdone in FY2025 are set out in the sections headed "Board Committees" (page 27) and "Summary of Workdone of Board Committee in FY2025" (page 36), respectively in this CG Report.

ARC's commentary on Key Audit Matters (Provision 10.1)

The ARC has considered the audit completion reports from External Auditors, including their findings on significant risks and the key areas of audit focus. The ARC has discussed and reviewed the KAMs included in the independent auditor's report for FY2025 with Management and External Auditors, and is in agreement with the KAMs highlighted. The independent auditor's report for FY2025 is set out on pages 70 to 73 of the AR2025.

Following the review, the ARC is satisfied that the aforesaid KAMs have been properly dealt with and recommended the Board to approve the financial statements. The Board has approved the Group's Audited Financial Statements of AR2025 on 24 June 2025.

Internal Audit (Provision 10.4)

The IA function, which presently has a staff strength of six, is independent of the activities it audits. The Head of IA's primary reporting line is to the ARC. The appointment, resignation and dismissal of the Head of IA is reviewed and/or approved by the ARC. The ARC also provides input on the annual performance appraisal of the Head of IA and reviews his/her compensation within the compensation policies of the Company. The ARC meets the Head of IA at least once annually without the presence of Management. The Head of IA has unfettered access to the ARC, the Board and Management as well as all the Group's documents, records, properties and personnel relevant for the performance of audits.

The ARC assesses on a regular basis, the resourcing adequacy of the IA, remuneration, performance evaluation and all outsourcing arrangements entered into with external professional services providers (if any). The hiring and removal of the senior IA staff is also subject to the ARC's review and approval.

IA operates within the framework stated in its IA Charter which is approved and reviewed by the ARC on an annual basis. The standards of the IA Charter are consistent with the International Standards for the Professional Practice of Internal Auditing (the Standards) set by the Institute of Internal Auditors ("**IIA**").

All members of IA including the Head of IA have the relevant qualifications and experience. The Head of IA, Mr Edward Mo, is a Certified Internal Auditor and holds professional certifications in internal auditing issued by the IIA. The IA is given sufficient time and resources dedicated by Management to facilitate the proper completion of internal audits and reporting of any material matters to the ARC. Processes are in place to ensure that the professional competence of IA staff is maintained and upgraded through CPD programmes which comprised technical and non-technical training for the development of the IA staff.

The IA adopts the internal control framework established by COSO when performing its work and the IA plan is developed through a risk centric approach. The IA has adopted and conducts its IA reviews based on the International Standards for the Professional Practice of Internal Auditing (the "**IIA Standards**") of the International Professional Practices Framework of the IIA. This ensures that the IA maintains the appropriate level of conformance to the attribute and performance standards of an IA function.

Role and Activities of IA

The primary role of IA is to assist the Board to evaluate the reliability, adequacy and effectiveness of the RMIC processes of the Company, reviewing the internal controls of the Company to ensure prompt and accurate recording of transactions and proper safeguarding of assets and reviewing the Company's compliance with the relevant laws, regulations and policies of the Company.

The ARC approved the annual IA plan and received quarterly reports during FY2025 on the progress of the audit work under the IA plan. All IA reports are given to the ARC, the ExeCo and the heads of the relevant business divisions, with a summary report of IA results presented at the ARC meetings. IA observations on internal control, operational and control lapses and recommendations to address them were also reviewed and discussed at ARC meetings. The key findings from the IA reviews are also shared with the risk management team and the CRO, to facilitate the necessary inclusion in the consideration of the Group's risks during the risk assessment process. The ARC was satisfied that recommendations made were dealt with by Management in a timely and appropriate manner, with outstanding exceptions or recommendations being closely monitored and reported back to the ARC.

The ARC reviewed the effectiveness and adequacy of the IA function including its resources through a review of the IA activities on a regular basis as well as its annual assessment of the IA function. The assessment was facilitated through the use of an evaluation framework which covers IA organisation, resources and continuing professional development, audit plans, work scope, quality of reports and recommendations, IA Charter and IA self-assessment. Based on the assessment conducted for the year under review, the ARC is satisfied with the quality and effectiveness of the IA function and that the IA function is currently adequately resourced and has appropriate independent standing within the Group to perform its functions effectively.

As part of the work done to provide the basis for the opinion on internal control, the ARC also assesses the findings of:

(i) the IA visits performed on the activities or entities within its scope;
(ii) the evaluation of the framework of risk governance; and
(iii) the assessment of adequacy of RMICs over financial, operational and compliance risk as principally managed by the first and second line roles.

The ARC also evaluates any weaknesses or material non-compliance identified by the External Auditors during the course of their financial audit, and the effectiveness of remediation actions taken to address the issues reported (if any).

Assessment of Quality of IA
The quality of the IA is regularly assessed to ensure compliance with the IIA Standards.

The IA function has a Quality Assurance and Improvement Programme ("**QAIP**") in place to ensure that its audit activities confirm to the IIA Standards. As part of the QAIP, an external Quality Assurance Review ("**QAR**") is carried out at least once every five years by qualified professionals from an external organisation. In the financial year ended 31 March 2023, Ernst & Young ("**EY**") was appointed to conduct the external QAR, based on Standard 1312 – External Assessments of International Professional Practices Framework of the IIA. The QAR covered the attribute standards (attributes of the function and individuals that perform IA) and the performance standards (which defines the nature of IA and provides quality criteria to measure the performance of these services). Based on EY's assessment, the IA function has been rated to have conformed with the requirements of the IIA Standards in all material respects.

The ARC considers that the IA function is independent, effective and adequately resourced.

Evaluation of External Auditors (Provision 10.1)
Cognisant that the External Auditors should be free from any business or other relationships with the Group that could materially interfere with their ability to act with integrity and objectivity, the ARC undertook a review of the independence of Deloitte and gave careful consideration to the Group's relationships with them during FY2025.

In determining the independence of Deloitte, the ARC reviewed all aspects of the Group's relationships with them including the policies, processes and safeguards adopted by the Group and Deloitte to protect and preserve audit independence, Deloitte's approach of the audit work, their proposed audit fees as well as the non-audit fees awarded to them.

During FY2025 and as in past years, the ARC reviewed the annual audit plans and reports prepared by External Auditors, discussed on the planned audit scope, materiality in auditing, significant risks and areas of audit focus, internal control plans, involvement of internal specialists, timing of audit and audit quality indicators.

In respect of the audit quality indicators, the ARC reviews, in particular, the following areas: audit hours spent, experience of the team, adequacy of training received by the team, results of internal and external inspection of their work, compliance with independence requirement, quality control, staff oversight, and staff attrition rate.

The ARC has reviewed all non-audit services rendered and fees charged by Deloitte and its member firms and is of the opinion that such services received would not affect the auditor's independence. During FY2025, the aggregate amount of fees paid and payable to Deloitte and its member firms is as follows (excluding fees paid or payable by the Group's associates):

Aggregate amount of fees paid and payable to Deloitte and its member firms	FY2025		FY2024	
Types of service	**S$'000**	**% of Total Fees**	**S$'000**	**% of Total Fees**
Audit fees to Deloitte Singapore	289	15.5%	279	16.5%
Audit fees to Deloitte member firms outside Singapore	1,542	82.6%	1,385	82.1%
Total Audit Fees	**1,831**	**98.1%**	**1,664**	**98.6%**
Total Non-audit Fees (both Singapore and its member firms)	36	1.9%	23	1.4%
Total Fees	**1,867**		**1,687**	

The ARC has reviewed the nature and volume of all non-audit services rendered and fees charged by Deloitte and its member firms during FY2025 and noted that the total non-audit fees represented 1.9% of the aggregate amount of all fees paid/payable to Deloitte in FY2025. Based on the review, the ARC is of the opinion that Deloitte is, and is perceived to be, independent for the purpose of the Group's statutory financial audit.

In reviewing the nomination of Deloitte for re-appointment for the financial year ending 31 March 2026, the ARC had considered the adequacy of the resources and experience of Deloitte and the audit engagement partners assigned to the audit, the size and complexity of the audit engagement for the Group, and the number and experience of the supervisory and professional staff assigned to the Group's audit through a review of the curriculum vitae of the Deloitte audit team. The ARC also considered the quality of discussions with the findings raised by Deloitte, including the Audit Quality Indicators presented.

The ARC and Board noted that the Company's External Auditors, same auditing firm based in Singapore, are engaged to audit the financial statements of the Company and its Singapore-incorporated subsidiaries. The ARC and Board are satisfied that suitable auditing firms are engaged for its significant foreign-incorporated subsidiaries. Deloitte has confirmed that they are registered with Accounting and Corporate Regulatory Authority. The Company is thus in compliance with Rule 712 and Rule 715 (read with Rule 716) of the Listing Manual in relation to the appointment of its auditors.

Based on the above and taking into consideration the Audit Quality Indicators Disclosure Framework published by Accounting and Corporate Regulatory Authority, the ARC has recommended to the Board, the re-appointment of Deloitte, as External Auditor.

On the recommendation of the ARC, the Board approved the proposal of re-appointment of Deloitte as the independent External Auditors of the Group at the 2025 AGM for Shareholders' approval.

Interested Person Transactions (Provision 10.1)

The Company had obtained Shareholders' approval at its 2024 AGM held on 26 July 2024 for the Company, its subsidiaries and its associated companies not listed on SGX-ST or an approved exchange, over which the Company, its subsidiaries and/or interested persons have control, to enter into transactions within the categories of IPTs set out in the Company's Letter to Shareholders dated 14 July 2024 ("**Shareholders Letter 2024**"), with such persons within the class or classes of Interested Persons as described in the Letter to Shareholders, provided that such transactions are entered into in accordance with the review procedures set out in the Shareholders Letter 2024 (the "**IPT Mandate**"). The IPT Mandate is subject to annual renewal by the Shareholders.

Given that such IPTs are expected to occur with some degree of frequency and may arise at any time, and to allow the Group to undertake such transactions in an expeditious manner, Shareholders' approval will be sought at the 2025 AGM to be held on 29 July 2025 for the renewal of the IPT Mandate.

The ARC has confirmed that an independent financial adviser's opinion is not required for the renewal of the IPT Mandate as the methods or procedures for determining the transaction prices of the IPTs conducted under the IPT Mandate have remained appropriate since Shareholders approved the renewal of the IPT Mandate at the 2024 AGM, and the methods or procedures continue to be sufficient to ensure that these IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

The Company has adopted an internal policy in respect of any transaction with interested persons and has set out the procedures for review and approval of the Company's IPTs.

The ARC conducted a review of the Group's IPTs to ensure that the transactions were in accordance with the Shareholders' Mandate and complied with Chapter 9 of the Listing Manual. The ARC is satisfied that other than those reported to the ARC, there were no material contracts involving the interests of the Directors, the controlling Shareholders or their associates. The ARC is therefore satisfied over the adequacy of internal controls relating to the identification, evaluation, review, approval and reporting of IPTs.

The Company's disclosure in accordance with Rule 907 of the Listing Manual in respect of IPTs for FY2025 is as follows:

Name of Interested Person	**Nature of Relationship**	**Aggregate value of IPTs (excluding transactions less than S$100,000 conducted under Shareholders' mandate pursuant to Rule 920 of the Listing Manual during the financial year under review)**	
	Note	**FY2025**	**FY2024**
		S$'000	**S$'000**
Sales:			
Huizhou Light Engine Limited	(a)	-	8
GP Energy Tech Limited and its subsidiaries ("**GPET Group**")	(a & e)	2,083	254
Purchases:			
Light Engine Limited	(a)	-	36
GPET Group	(a & e)	20,397	8,124

Name of Interested Person	**Nature of Relationship**	**Aggregate value of all IPTs (excluding transactions less than S$100,000 and transactions conducted under Shareholders' mandate pursuant to Rule 920 of the Listing Manual during the financial year under review)**	
	Note	**FY2025**	**FY2024**
		S$'000	**S$'000**
Management income:			
GPET Group	(a & e)	1,935	953
Interest income:			
GPET Group	(a & e)	474	-
Receipt of non-trade balance from:			
GPET Group	(a & e)	1.893	7,561
Repayment and advance of non-trade balance received from:			
Gold Peak Technology Group Limited	(b)	4,936	6,028
Subscription of perpetual bonds by:			
Brian Li Yiu Cheung	(c)	1,281	-
Waltery Law Wang Chak	(c)	3,202	-
Grace Lo Kit Yee	(d)	640	-
Rental expenses:			
GPET Group	(a & e)	257	43
Utilities expenses:			
GPET Group	(a & e)	390	56

(Note a) An associate of a controlling shareholder.
(Note b) A controlling shareholder.
(Note c) Directors of the Company.
(Note d) Ms Grace Lo Kit Yee has resigned as a director of the Company on 28 February 2025. She is an associate of a controlling shareholder.
(Note e) GP Energy Tech Limited is a subsidiary of Gold Peak upon completion of the DIS on 29 January 2024. The value of the transactions with the GPET Group in FY2024 is for the period from 1 February 2024 to 31 March 2024, after the completion of the DIS.

The above IPTs were carried out on normal commercial terms and were not prejudicial to the interests of the Company and its minority Shareholders.

Material Contracts
(Provision 10.1)
Save as disclosed in the Directors' Statement and the Audited Financial Statements of AR2025 and under the section headed "Interest Person Transactions" (Provision 10.1) of this CG Report, there were no material contracts entered into by the Company or any of its subsidiaries, involving the interests of the Chairman and CEO, Directors or the controlling Shareholders, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

Whistleblowing Policy
(Provision 10.1(f))
The Company has established a whistleblowing policy and procedure where employees of the Company and outsiders can in confidence, whether anonymously or otherwise, raise concerns on possible improprieties and irregularities relating to accounting, financial reporting, internal controls, fraudulent acts, and auditing matters or other matters without fear of reprisals in any form. The ARC has the responsibility of overseeing this policy to ensure that it is properly administered with the assistance of the Head of IA. Under these procedures, arrangements are in place for independent investigation of such matters raised and for appropriate follow-up action to be taken.

Pursuant to the whistleblowing policy:
(i) arrangements are in place for independent investigations by the ARC of such matters and review of the outcome of the follow-up actions;
(ii) the identity of the whistleblower is kept confidential and will be protected against detrimental or unfair treatment; and
(iii) any form of disadvantage or reprisal against the whistleblower by Management is expressly prohibited.

The Company is committed to maintaining procedures for the confidential submission of reports and the identity of the whistle-blower concerned will not be disclosed if so requested by the whistle-blower who lodged the report. Investigations of such reports will be handled on a confidential basis to the extent permissible or deemed appropriate under the circumstances and involve persons who need to be involved in order to properly carry out the investigation and will, on a best-efforts basis, be carried out in a timely manner.

To facilitate and encourage the reporting of such matters, the whistle-blowing policy, together with the dedicated whistle-blowing communication channels (email and postal address) are available on the Company's corporate website and intranet and are easily accessible by all employees.

A dedicated whistle-blowing email account at **internal.audit@gp.industries** has been set up for the Head of IA to receive complaints and information from all employees of the Group or other persons in order to facilitate and encourage the reporting of such matters. The ARC monitors the whistleblowing complaints based on reports prepared by the Head of IA and ensures appropriate follow-up actions are taken.

The whistle-blowing policy and procedures are reviewed by the ARC from time to time to ensure that they remain current.

D. SHAREHOLDER RIGHTS AND ENGAGEMENT

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

The Company treats all Shareholders fairly and equitably in order to enable them to exercise Shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives Shareholders a balanced and understandable assessment of its performance, position and prospects.

To facilitate the exercise of shareholders' rights, the Company ensures that all material information relating to the Company and its financial performance is disclosed in an accurate and timely manner via SGXNet and uploaded at the Company's corporate website.

Shareholders' Participation in General Meetings
(Provision 11.1)
Shareholders are informed of the meetings through notices sent to them by post and via SGXNet and made available on the Company's website at **http://www.gp.industries**, and reports or circulars sent or made available to all Shareholders. In order to provide ample time for the Shareholders to review, the notice of AGM, together with the annual report, is announced via SGXNet and the Company's website at least fourteen days before the scheduled AGM date. As part of the Group's commitment towards environmental sustainability, the Company will only distribute printed copies of the notice of AGM and proxy form to its Shareholders. Printed annual report will only be sent to Shareholders upon receipt of duly completed annual report request forms.

All Shareholders are encouraged to attend and entitled to attend and vote at General Meetings in person or by proxy or in the case of a corporate shareholder, through its appointed representative to ensure a high level of participation and accountability. At General Meetings of the Company, Shareholders are given the opportunity to communicate their views and are encouraged to ask the Directors and the Management questions regarding matters affecting the Company.

All Shareholders, other than those who are considered the "Interested Persons" in an IPT (as defined in the Listing Manual) subject to the approval by the Shareholders, are entitled to vote at General Meetings. In addition, at a General Meeting, the Company Secretary and representatives from the share registrar's office are also available to provide Shareholders with information on the rules that govern the meeting, including voting procedures.

The rules for the appointment of proxies, including information that voting will be conducted by way of poll, are set out in the notice of General Meetings. In accordance with the Constitution of the Company, Shareholder who are not relevant intermediaries may appoint not more than two proxies to attend, speak and vote at General Meetings in their absence, and Shareholders who are relevant intermediaries may appoint more than two proxies to attend, speak and vote at General Meetings. The proxy forms must be deposited at such place or places specified in the notice or document accompanying the notice convening the General Meetings at least seventy-two hours before the time set for the General Meetings. This will enable indirect investors, including SRS investors, to be appointed as proxies to participate in the physical meetings. Such indirect investors, where so appointed, will have the same rights as direct investors to vote at the physical meeting.

Shareholders are invited to submit questions they may have on the motions to be debated and decided upon, to the Chairman of the meetings prior to the General Meetings. Responses to substantial and relevant questions submitted by Shareholders prior to the meetings are uploaded to SGXNet and the Company's corporate website prior to the events and addressed at the General Meetings.

At General Meetings of the Company, Shareholders are invited to put forth any further questions they may have on the motions to be debated and decided upon, and are given the opportunity to communicate their views and raise questions and discuss with the Directors and Management on matters affecting the Company, and vote on the resolutions at General Meetings.

The Company provides for separate resolutions at General Meetings on each substantial issue, including treating the re-election of each Director as a separate resolution. Detailed information on each item in the AGM agenda is provided in the explanatory notes to the notice of AGM. The rationale for the resolutions to be proposed at the meeting is set out in the notices to the meeting or their accompanying appendices. However, where the issues are interdependent and linked so as to form one significant proposal, the Company may propose "bundled resolutions" and will set out the reasons and material implication in the notices to the meeting or its accompanying appendices.

All Directors, including the Board Chairman, the Lead ID, the chairmen of the respective Board Committees, Management, the External Auditors and legal advisors (where necessary) are present at General Meetings to address queries from the Shareholders. At each AGM, the Management delivers presentations to update Shareholders on the Company's operations and financial performance in the preceding year. In Extraordinary General Meetings, external professional advisors engaged in advising the matters being put to vote are invited to attend the meetings, so that the Shareholders can seek necessary clarification directly from these professional advisors.

Interaction with Shareholders (Provision 11.3)

2024 AGM

The 2024 AGM was held on 26 July 2024 at Parkroyal Collection Marina Bay, Singapore. Shareholders who participated at the 2024 AGM were able to vote in real-time. They were also able to submit questions in advance or during the 2024 AGM and/or appoint proxy(ies) to attend, speak and vote on their behalf at the 2024 AGM. The Company did not receive any relevant questions from Shareholders in advance of the 2024 AGM. All substantial and relevant questions submitted by shareholders during the 2024 AGM were addressed by the Company.

All the Directors, including the Board Chairman and the chairmen of the ARC, NC, RC and SSC, together with the KMPs, (who are not Directors) as well as the External Auditors were in attendance at the 2024 AGM.

Forthcoming 2025 AGM

The forthcoming 2025 AGM will be held at PAN PACIFIC SINGAPORE, Marina Square, Singapore on Tuesday 29 July 2025 at 2:30pm. Shareholders will be informed of arrangements for the 2025 AGM through a notification sent by post.

Shareholders will receive, via post, the Notice of the 2025 AGM together with a copy each of the detachable proxy form and annual report request form for Shareholders' use. These documents will also be made available on the Company's corporate website. The Notice of the 2025 AGM and the accompanying proxy form will be published on the SGX website.

Further, as part of the Company's commitment towards environmental sustainability, printed annual reports will only be sent to Shareholders upon receipt of duly completed annual report request forms. Arrangements relating to attendance at the 2025 AGM, submission of questions in advance of, or at the 2025 AGM and voting at the 2025 AGM by Shareholders or their duly appointed proxy(ies) or representative(s) in the case of corporate Shareholder(s), are set out in a separate announcement to be released by the Company on SGXNet.

Conduct of Resolutions and Voting (Provision 11.2 & 11.4)

Shareholders are given the opportunity to vote at general meetings either in person or in absentia by way of appointed proxy(ies). The Constitution of the Company allows for absentia voting at General Meetings. Where Shareholders are unable to attend General Meetings, they may appoint proxies to attend, speak and vote on their behalf. However, as the authentication of shareholder identity information and other related integrity issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by electronic means.

Pursuant to Listing Rule 730A(2), all resolutions to be proposed at General Meetings and at any adjournment thereof shall be put to the vote by way of poll.

To ensure transparency and to allow for a more efficient voting system, the Company conducts electronic poll voting for Shareholders/proxies present at the physical meeting for all the resolutions proposed at the General Meeting. Shareholders are informed of the rules, including voting procedures, governing such General Meetings. With electronic poll voting, Shareholders present or represented by proxy at the meeting will be entitled to vote on a 'one-share, one-vote' basis. The voting results of all votes cast in respect of each resolution will also be instantaneously displayed on screen at the meeting. The detailed results setting out the number of votes cast for and against each resolution and the respective percentages will be announced via SGXNet after the AGM. An external firm is appointed as scrutineers for the AGM voting process, which is independent of the firm appointed to undertake the electronic poll voting process to count and validate the votes cast at the General Meetings.

Minutes of General Meetings
(Provision 11.5)
The Company Secretary prepare minutes of General Meetings, which incorporate the key and relevant comments or queries raised by Shareholders and responses from the Board, Management and/or the External Auditors. The minutes of the General Meetings are available on the Company's corporate website and SGX website within one month after meeting.

Dividend Policy
(Provision 11.6)
The Company has formalised its dividend policy and is committed to provide a return to Shareholders at least once a year through the payment of dividends so as to provide rewards to Shareholders in a fair and sustainable manner. The dividend policy is formulated by the Board after taking into account the Group's financial performance, short and long-term capital requirements, future investment plans, general global and business economic conditions and any regulatory factors. The Board endeavours to maintain a balance between meeting Shareholders' expectations and prudent capital management with a sustainable dividend policy. The Board will review the dividend policy from time to time and reserves the right to modify, amend and update the policy.

The Company has a track record for distributing about 50% to 60% of its annual net profit as dividends. In line with the Company's dividend policy, the Board has recommended a final ordinary dividend of S1.5 cents per Share for FY2025. This will bring the total dividends for FY2025 to S3.0 cents per Share.

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

The Company communicates regularly with its Shareholders and facilitates the participation of Shareholders during General Meetings and other dialogues to allow Shareholders to communicate their views on various matters affecting the Company.

Disclosures of Information
(Provisions 12.1 and 12.2)
The Company communicates with its Shareholders and the investment community on a non-selective basis. The Company informs Shareholders, stakeholders and the public of all material information about the Company and the Group through announcements, timely released via the SGXNet.

In FY2025, results for the half-year were released via SGXNet within 45 days of the end of 30 September 2024 whilst the full year results were released within 60 days from the financial year end. The dates of the Company's release of its financial results are set out in the 'Calendar of Financial Events' section of the AR2025.

In presenting the Group's financial results, the Board aims to provide investors with a balanced and understandable assessment of the Group's performance and financial position with a commentary of the significant trends and competitive conditions of the industries in which it operates as at the date of the announcement.

For the financial year under review, the CEO and the CFO provided assurance to the ARC and the Board on the integrity of the unaudited financial statements and the Board in turn provided a negative assurance confirmation in respect of the unaudited financial statements in accordance with the regulatory requirements.

The Company ensures that investors are notified of all material information in an accurate and timely manner. Should there be an inadvertent disclosure made to a select group, the Company will release the same information as promptly as possible via SGXNet. The financial statements and other presentation materials presented at the General Meetings, including material and price-sensitive information, are disseminated and publicly released via SGXNet on a timely basis. All Shareholders are notified of General Meetings and the documents relating thereto which are made available on the Company's corporate website and SGXNet.

In FY2025, the following documents related to 2024 AGM were made available to Shareholders by electronic means via publication both on the Company's corporate website and SGXNet:
(i) Notice and Proxy Form for 2024 AGM;
(ii) Annual Report for FY2024; and
(iii) Shareholders Letter 2024, in relation to the proposed (a) renewal of the share purchase mandate; and (b) renewal of the IPTs Mandate.

Shareholder Communication (Provision 12.1)

Shareholders and investors can contact the Company or access information on the Company's corporate website at **http://www.gp.industries** which has a dedicated 'Investor Relations' (IR) section that provides, *inter alia*, information on the Board of Directors, Management team, the Company's latest and past years' Corporate Governance Reports, Sustainability Reports, Annual Reports, Announcements, Press Releases and Financial Results as released by the Company on SGXNet, and other information which may be relevant to investors. Investors can subscribe to email alerts on the Company corporate website to receive updates on its latest news.

The Company ensures that all Shareholders are treated fairly and equitably, and informed simultaneously in an accurate and comprehensive manner regarding all material developments that impact the Company and the Group via SGXNet, in line with the Company's disclosure obligation pursuant to the rules of the Listing Manual and the Companies Act. There is a dedicated team in place to respond to queries from investors and maintain regular dialogue with Shareholders and a dedicated investor relations email account at **investor@gp.industries** has been set up.

The Lead ID also serves as a channel of communication between Shareholders and the Board and Management and the Lead ID can be contacted via email at **LeadID@gp.industries**.

Pertinent information is communicated to Shareholders primarily through timely announcements released via SGXNet. To ensure the announcements are as descriptive, detailed and forthcoming as possible, the announcements are reviewed by the Board and the Company Secretary before they are released. In addition, where appropriate, announcements are prepared with the assistance of other professional advisors, such as legal advisors and financial advisors.

Investor Relations Practices (Provisions 12.1, 12.2 and 12.3)

The Company is committed to building investor confidence and trust and values open communication with Shareholders and the investment community and has in place an Investor Relations Policy which outlines the principles and framework for the Company to provide investors, analysts and other stakeholders with timely, accurate, balanced, clear and pertinent information on matters pertaining to and/or affecting the Group.

The Company provides investors with a better understanding of the Group's business and growth drivers, with regular updates on the Group's strategies, operations and financial performance.

Shareholders and investors can contact the Company or access information on the Company at its corporate website at **http://www.gp.industries**.

Dialogue with Shareholders (Provisions 12.1 and 12.2)

The AGM is the annual forum at which the Company directly communicates with the Shareholders, gather their views and input and address their concerns. As the 2025 AGM will be held in wholly physical format, Shareholders are encouraged to attend in person so that they can engage with the Board directly.

In addition, Shareholders can also contact the Company through electronic mails, written correspondences and telephone through which investors can share their views on the Group with Management.

E. MANAGING STAKEHOLDERS RELATIONSHIPS

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

Engagement with Stakeholders (Provision 13.1)

The Company and the Group has regularly engaged its stakeholders through various medium and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve services and products' standards, as well as to sustain business operations for long-term growth.

The stakeholders have been identified as those who are impacted by the Group's business and operations and those who are similarly able to impact the Group's business and operations. Six stakeholders' groups have been identified through an assessment of their significance to the business operations. They are namely, employees, customers, suppliers, Shareholders, government and regulators authorities, and local communities.

Sustainability

The Board recognises sustainability as the key to the Group's long-term success in enhancing the stakeholder value. The Company conducts materiality assessments annually to determine the key ESG issues that are important to the Company's stakeholders. These issues are foundational to the Company's annual sustainability reporting.

In formulating its business strategies, due consideration is given by the Board to risks and opportunities arising from the ESG issues, including disclosure requirements pertinent to international and local standards, and the corporate and social responsibility in contribution towards a net-zero economy.

The Board has delegated the responsibility for monitoring and overseeing the Group's sustainability efforts to the Co-chairman of SSC to work with the Convener and Executive Sponsors, comprising the EDs and the HODs.

Sustainability and ESG Governance
The Group has established a comprehensive Sustainability and ESG governance framework that provides a strong foundation for incorporating sustainability into the Group's businesses and ensuring that the Group's stakeholders' interests and expectations are taken into account in the Group's development strategies and implementations. The comprehensive framework facilitates communications and defines the roles and responsibilities of the team to properly address ESG issues.

The Board incorporates sustainability issues into the strategic formulation of the Group. Corresponding key ESG targets, metrics, initiatives, and progress are reviewed by the ExeCo, and HODs and reported to the Board.

GP Industries' Sustainability Report ("**SRs**") are available on its corporate website. The Group's sustainability efforts and performance for FY2025 will be discussed in more details in the Company's SR for FY2025 (the "**FY2025 SR**"). FY2025 SR, which meets the requirement of the Listing Manual, is expected to be available by late July 2025.

Strategy and Key Areas of Focus
(Provision 13.2)
The Company and the Group have undertaken a process to determine the economic, environmental and social issues, which are considered important to these stakeholders. These issues form the materiality matrix upon which targets, performance and progress are set and monitored.

The Company has arrangements in place to engage and manage relationship with its material stakeholders. The FY2025 SR sets out in more details how the Group identifies its material stakeholders and strategies employed by the Group to engage its stakeholders, as well as such engagement activities during FY2025.

Corporate Website
(Provision 13.3)
The Company's website is one of the conduits through which the Group engages with its stakeholders. Stakeholders can obtain background information and published financial information about the Group, as well as contact information should more information be required.

The Company's policy on how it manages and protects personal data in accordance with the applicable regulatory requirements are set out in the Personal Data Protection Statement which is available on the Company's corporate website.

Rights of Creditors
The rights of the Group's creditors, comprising *inter alia* lending banks, contractors, service providers and vendors, are protected with an effective cash and liquidity management system. This includes processes to maintain an adequate level of cash and cash equivalents and available credit facilities, monitor debt maturity and financial metrics including gearing and interest cover ratios. Regular internal reviews are also conducted to ensure that the various capital management metrics and loan covenants are complied with.

F. OTHERS

Corporate Values and Conduct of Business
The Board and Management are committed to conducting business with integrity and consistent with the highest standards of business ethics, and in compliance with all applicable laws and regulatory requirements. The Board has adopted a Code of Business Conduct and Ethics for the Directors (the "**Ethics Code**") and incorporated the Ethics Code in various corporate policies. The Ethics Code serves to guide the Directors on the following areas of ethical risk and sets a framework where integrity and accountability are paramount:
(i) to avoid conflict of interest in corporate opportunities and other board appointments;
(ii) to maintain confidentiality of confidential or proprietary information that a Director may learn of when discharging his/her duties as a Director;
(iii) to ensure compliance with laws, rules and regulations, including those relating to the dealing in the Company's securities; and
(iv) to ensure fair dealing with the Group's stakeholders including customers, suppliers, competitors and employees.

The Ethics Code requires Directors to practise and promote ethical behaviour. Through the adoption of the Ethics Code, the Board affirms it shall take steps to ensure the Company encourages its employees
(i) to seek guidance from supervisors, managers and appropriate personnel when in doubt about the best course of action in any particular situation; and
(ii) to report any violations of laws and Company's policies.

The Ethics Code also sets out the channel of communication for the Directors to report matters concerning improper business conducts and unethical practices.

The Company has also in place an Internal Code of Business Conduct and Ethics crystallising the Company's business principles and practices with respect to matters which may have ethical implications. The code, which provides a communicable and understandable framework for employees to observe the Company's principles such as honesty, integrity, responsibility and accountability at all levels of the organisation and in the conduct of the Company's business in their relationships with customers, suppliers and amongst employees, is available on the Company's intranet and is easily accessible by all employees.

The code provides guidance on issues such as:

- conflicts of interest and the appropriate disclosures to be made;
- the Company's zero-tolerance stance against corruption and bribery;
- compliance with applicable laws and regulations including those relating to the protection of the environment and the conservation of energy and natural resources;
- compliance with the Company's policies and procedures, including those on internal controls and accounting;
- safeguarding and proper use of the Company's assets, confidential information and intellectual property rights, including the respect of the intellectual property rights of third parties; and
- competition and fair dealing in the conduct of the Company's business, in its relationships with customers, suppliers, competitors and towards its employees.

In line with the Board's commitment to maintain high ethical standards which are integral to its corporate identity and business, the Company has the following two key corporate policies in place:

(i) **Anti-Corruption Policy & Guidelines** which sets out the responsibilities of the Group companies and of each employee in observing and upholding the Group's 'zero-tolerance' position against all forms of corruption, bribery and extortion and provides information and guidance to employees on how to recognise, address, resolve, avoid and prevent instances of corruption, bribery and extortion which may arise in the course of their work.

(ii) **Fraud Policy & Guidelines** which provides guidance on actions which may constitute fraudulent conduct and highlights the importance of the implementation, maintenance and compliance with the internal controls framework of the Group and its policies and procedures.

These policies are available on the Company's intranet and have also been disseminated to officers and employees of the Group's key subsidiaries.

Selected policies have also been translated into Mandarin for dissemination to employees of the Group in the People's Republic of China.

The Company's policy on how it manages and protects personal data in accordance with the applicable regulatory requirements are set out in the Group's Personal Data section.

Internal Code on Dealing in Securities

The Group has adopted a Code of Best Practices on Securities Transactions with respect to dealings in securities by Directors and officers of the Group in the Company's internal code on securities trading which sets out the implications of insider trading and provides guidance and internal regulation with regard to dealings in the Company's securities by the Company, its Directors and employees. These guidelines prohibit dealing in the Company's securities (a) on short-term considerations; (b) during the "closed period", commencing one month before the date of announcement of the Company's half-year and full year financial results and ending on the date of the announcement of the relevant results; and while in possession of unpublished material price-sensitive information in relation to such securities. The Directors and employees of the Company are notified in advance of the commencement of each "closed period" relating to dealing in the Company's securities. The internal code on securities trading is available on the Company's intranet and is easily accessible by all employees.

Directors' Statement

The directors of GP Industries Limited (the "Company") present their statement together with the audited consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2025.

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 74 to 151 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2025, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1. Directors

The directors of the Company in office at the date of this statement are:

Executive:
Victor Lo Chung Wing, Chairman and Chief Executive Officer
Lam Hin Lap, Vice Chairman and Executive Vice President
Brian Li Yiu Cheung, Executive Vice President
Waltery Law Wang Chak, Chief Financial Officer and Chief Risk Officer

Non-Executive Independent:
Goh Boon Seong, Lead Independent Director
Timothy Tong Wai Cheung
Eric Yim Chi Ming
Seah Han Leong
Hung Cheung Fuk
Charlene-Jayne Chang Wei-Ying (appointed on 1 February 2025)

2. Arrangements to enable directors to acquire benefits by means of acquisition of shares or debentures

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement, to which the Company is a party, the objective of which is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

3. Directors' interest in shares and debentures

According to the register of directors' shareholdings kept by the Company under Section 164 of the Companies Act 1967, the undermentioned persons who were directors of the Company as at 31 March 2025 had interest in shares and debentures of the Company and interest in shares of the Company's ultimate holding company, Gold Peak Technology Group Limited ("Gold Peak"), as detailed below:

	Holdings registered in the name of director		Holdings in which director is deemed to have an interest	
Name of director	**At beginning of financial year**	**At end of financial year**	**At beginning of financial year**	**At end of financial year**
Interest in the Company's ordinary shares				
Victor Lo Chung Wing	300,000	300,000	414,098,443	414,098,443
Brian Li Yiu Cheung	1,465,000	1,465,000	-	-
Waltery Law Wang Chak	116,400	116,400	-	-
Interest in Gold Peak's ordinary shares				
Victor Lo Chung Wing	242,941,685	242,941,685	-	-
Brian Li Yiu Cheung	350,000	350,000	-	-
Grace Lo Kit Yee[(1)]	25,048	N/A[(1)]	-	N/A[(1)]
Fixed rate resetting perpetual subordinated bonds issued by the Company (Note 28)				
Brian Li Yiu Cheung	-	US$1,000,000	-	-
Waltery Law Wang Chak	-	US$2,500,000	-	-

(1) Grace Lo Kit Yee has resigned as a director of the Company with effect from 28 February 2025.

By virtue of Section 7 of the Companies Act 1967, Mr Victor Lo Chung Wing is deemed to have interests in the shares of all of the Company's related corporations as he is interested in more than 20% in the issued shares of Gold Peak.

The directors' interest in the shares of the Company and Gold Peak as at 31 March 2025 disclosed above remained unchanged as at 21 April 2025.

4. Share options

a) During the financial year, no option to take up unissued shares of the Company or any corporation in the Group was granted.

b) During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

c) At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

5. Audit and Risk Committee

The Audit and Risk Committee carried out its functions in accordance with Section 201B(5) of the Companies Act 1967, including a review of the financial statements of the Company and of the Group for the financial year and the auditor's report thereon before their submission to the directors of the Company. In addition, the Audit and Risk Committee also provided oversight that management has created and maintained an effective risk management and control environment in the Company and there is a sound internal controls system and risk management practices in the Company.

At the date of this report, the Audit and Risk Committee comprises the following members and all are Non-Executive Independent Directors:

Goh Boon Seong - Chairman
Timothy Tong Wai Cheung
Eric Yim Chi Ming
Seah Han Leong
Hung Cheung Fuk
Charlene-Jayne Chang Wei-Ying (appointed on 1 February 2025)

The Audit and Risk Committee met five times since the last Annual General Meeting. The Audit and Risk Committee has reviewed, *inter alia*, the following:

a) the annual audit plan and report of the external auditors;

b) the results of the internal auditors' examination of the Group's systems of internal accounting controls;

c) the internal audit plans and results of internal audits as well as management's responses to the recommendations of the internal auditors;

d) the Group's financial results and accounting policies;

e) the Group's half-yearly and full year results, the statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group before their submission to the Board of Directors for approval for public announcements in respect of such results and related results announcement;

f) the effectiveness of financial, operational, compliance and information technology controls;

g) the Group's interested person transactions;

h) non-audit services performed by the external auditors to ensure that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors before recommending to the Board of Directors, subject to shareholders' approval, the re-appointment of the Company's external auditors; and

i) the co-operation and assistance given by the management to the internal and external auditors.

The Audit and Risk Committee has full access to and co-operation by management and full discretion to invite any director of the Company or executive officer of the Group to attend its meetings, and reasonable resources to enable it to discharge its functions properly. The external and internal auditors have unrestricted access to the Audit and Risk Committee.

The Audit and Risk Committee meetings are held with the internal and external auditors and by invitation, representatives from management.

The Audit and Risk Committee has recommended to the Board of Directors that Deloitte & Touche LLP be nominated for re-appointment as external auditors of the Group at the forthcoming Annual General Meeting of the Company.

6. Independent Auditors

The independent auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

Victor Lo Chung Wing
Chairman and Chief Executive Officer

Lam Hin Lap
Vice Chairman and Executive Vice President

24 June 2025

Independent Auditor's Report

TO THE MEMBERS OF GP INDUSTRIES LIMITED
For the financial year ended 31 March 2025

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of GP Industries Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2025, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 74 to 151.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion
We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters:

Key Audit Matters

a) *Impairment assessment on interest in an associate*

We have identified the impairment assessment on interest in an associate, AZ Limited (the "Associate"), which is engaged in trading of battery related products in Russia as a key audit matter due to the significant judgement exercised by the management of the Group in assessing impairment indicator arising from sanction risks applicable to Russian entities. Based on management's assessment, there is no impairment indicator identified from a quantitative perspective.

As disclosed in Note 14 to the consolidated financial statements, as at 31 March 2025, the gross carrying amount of the Group's interest in the Associate was S$17,359,000 (2024: S$14,547,000). As at 31 March 2025, the management of the Group conducted an impairment assessment on the interest in the Associate. Based on management's assessment, the Group has recognised S$Nil (2024: S$Nil) impairment loss on its interest in the Associate. Details of the above assessment is disclosed in Notes 14 and 37 to the consolidated financial statements.

How the matter was addressed in the audit

Our procedures in relation to the impairment assessment on the interest in the Associate included the following:

- Understanding and evaluating the management's assessment on the sanction risks in respect of the Group's relationship with the Associate with reference to the external lawyer's opinion;
- Understanding and assessing the impact of the current geopolitical situation, capital control measures and sanctions on Russia to the interest in the Associate and evaluating the overall reasonableness of management's impairment assessment on the interest in the Associate;
- Understanding and evaluating the financial position of the Associate;
- Assessing the amount of dividends received from the Associate; and
- Reviewing the adequacy and appropriateness of the related disclosures made in the financial statements.

Key Audit Matters

b) Assessment of recoverability of trade receivables

We identified expected credit loss (ECL) of trade receivables as a key audit matter due to the significance of trade receivables to the Group's consolidated financial position and the involvement of subjective judgement and management estimates in evaluating the ECL of the Group's trade receivables at the end of the reporting period.

As at 31 March 2025, the Group's net trade receivables amounted to S$163,477,000 and represented approximately 13.5% of the Group's total assets.

As disclosed in Notes 19 and 38(d) to the consolidated financial statements, the management of the Group estimates the amount of lifetime ECL of trade receivables excluding trade receivables from AZ Limited ("the Associate") based on collective basis through grouping of various debtors that have similar loss patterns, after considering internal credit ratings of trade debtors, ageing, repayment history and/or past due status of respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information. In addition, trade receivables that are credit-impaired are assessed for ECL individually. The loss allowance amount of the trade receivables is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit losses.

As disclosed in Notes 19 and 38(d) to the consolidated financial statements, the Group recognised a S$690,000 loss allowance on trade receivables during the year ended 31 March 2025. The Group's ECL on trade receivables (including the ECL on trade receivable from the Associate) as at 31 March 2025 amounted to S$6,872,000.

How the matter was addressed in the audit

Our procedures in relation to ECL of trade receivables included:

- Evaluating the design and implementation of relevant controls in relation to how the management estimates the loss allowance for trade receivables;
- Testing the integrity of information used by management to develop the inputs utilised to determine the loss allowance on trade receivables, including trade receivables ageing analysis as at 31 March 2025, on a sample basis, by comparing individual items in the analysis with the relevant sales invoices;
- Challenging management's basis and judgement in determining loss allowance on trade receivables as at 31 March 2025, including their identification of credit-impaired trade receivables, the reasonableness of management's grouping of the remaining trade debtors into different categories on a collective basis, and the basis of estimated loss rates applied in each category on a collective basis (with reference to historical default rates and forward-looking information); and
- Evaluating the sufficiency and appropriateness of the disclosures regarding the ECL of trade receivables in Notes 19 and 38(d) to the consolidated financial statements.

In respect of the ECL on receivables from the Associate, our procedures included:

- Understanding and evaluating the management's assessment on the sanction risks in respect of the Group's relationship with the Associate with reference to the external lawyer's opinion;
- Understanding and assessing the impact of the current geopolitical situation, capital control measures and sanctions on Russia;
- Assessing the competency, capabilities and objectivity of the independent qualified valuer ("Valuer");
- In respect of the ECL on trade receivables from the Associate, involving our internal valuation specialists, in assessing the reasonableness of key assumptions adopted by the Valuer, including expected loss rate and forward looking adjustments, based on market available information; and
- Evaluating the sufficiency and appropriateness of the disclosures regarding the ECL on trade receivables from the Associate in Notes 19 and 38(d) to the consolidated financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon
Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Panjabi Sanjay Gordhan.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

24 June 2025

Consolidated Income Statement

Financial year ended 31 March 2025

	Note	Group	
		2025	2024
		S$'000	S$'000
Revenue	3	**1,104,700**	1,108,131
Cost of sales		**(774,524)**	(791,951)
Gross profit		**330,176**	316,180
Other operating income	4	**26,357**	26,737
Distribution costs		**(146,732)**	(145,140)
Administrative expenses		**(129,560)**	(131,486)
(Allowance for) Write-back of expected credit losses, net		**(1,181)**	444
Other operating expenses	5	**(11,096)**	(11,872)
Profit before finance costs and share of results of associates	6	**67,964**	54,863
Finance costs	7	**(28,915)**	(34,282)
Share of results of XIC Innovation Limited ("XIC")	14	**-**	(76,350)
Share of results of associates, excluding XIC	14	**13,462**	16,981
Profit (Loss) before taxation		**52,511**	(38,788)
Income tax expense	8	**(12,413)**	(8,246)
Profit (Loss) for the financial year		**40,098**	(47,034)
Attributable to:			
Equity holders of the Company		**24,326**	(58,746)
Non-controlling interests		**15,772**	11,712
		40,098	(47,034)
Earnings (Loss) per share (Singapore cents):			
Basic and diluted	9	**4.90**	(12.14)

See accompanying notes to the financial statements.

Consolidated Statement of Comprehensive Income

Financial year ended 31 March 2025

	Group	
	2025	2024
	S$'000	S$'000
Profit (Loss) for the financial year	**40,098**	(47,034)
Other comprehensive income (loss):		
Items that will not be reclassified subsequently to profit or loss:		
Fair value loss on financial assets at fair value through other comprehensive income	**(47,743)**	(184)
Revaluation surplus on property, plant and equipment upon transfer to investment properties (Note 11)	**28,920**	-
Deferred tax liability on revaluation surplus on property, plant and equipment upon transfer to investment properties (Note 26)	**(4,926)**	-
Share of other comprehensive income (loss) of associates		
- Defined benefit plan remeasurements	**28**	(4)
Items that are or may be reclassified subsequently to profit or loss:		
Foreign exchange translation		
- Exchange translation deficit	**(6,670)**	(9,489)
- Exchange translation surplus, reclassified to profit or loss upon de-registration of a subsidiary	**(1,991)**	-
Exchange translation deficit, reclassified to profit or loss of interest in subsidiaries and associate upon distribution in specie	**-**	8,269
Share of other comprehensive income (loss) of associates		
- Exchange translation (surplus) deficit, reclassified to profit or loss upon de-registration of an associate / disposal and deemed disposal of interest in associates	**(18)**	129
- Exchange translation surplus (deficit)	**14**	(6,314)
Other comprehensive loss for the financial year, net of tax	**(32,386)**	(7,593)
Total comprehensive income (loss) for the financial year	**7,712**	(54,627)
Attributable to:		
Equity holders of the Company	**(13,299)**	(64,711)
Non-controlling interests	**21,011**	10,084
	7,712	(54,627)

See accompanying notes to the financial statements.

Statements of Financial Position

As at 31 March 2025

	Note	Group		Company	
		2025	2024	**2025**	2024
		S$'000	S$'000	**S$'000**	S$'000
Non-current Assets					
Investment properties	10	**72,096**	-	**-**	-
Property, plant and equipment	11	**311,027**	361,620	**583**	747
Right-of-use assets	12	**29,074**	36,185	**1,444**	2,065
Interest in subsidiaries	13	**-**	-	**428,681**	428,681
Interest in associates	14	**164,333**	155,254	**16,586**	16,586
Financial assets at fair value through other comprehensive income	15	**1,284**	49,037	**-**	46,238
Financial assets at fair value through profit or loss	16	**7,677**	3,957	**7,677**	3,957
Deferred tax assets	26	**3,619**	4,932	**-**	-
Deposits and prepayments		**3,198**	3,198	**-**	-
Intangible assets	17	**9,690**	10,058	**-**	-
		601,998	624,241	**454,971**	498,274
Current Assets					
Inventories	18	**198,481**	180,454	**-**	-
Receivables and prepayments	19	**218,965**	239,239	**8,542**	8,484
Dividend receivable	34	**4,130**	2,600	**15,850**	6,666
Taxation recoverable		**3,685**	3,087	**-**	-
Short-term investments	20	**2,623**	219	**-**	-
Bank balances, deposits and cash	21	**185,511**	187,102	**6,524**	14,521
		613,395	612,701	**30,916**	29,671
Total Assets		**1,215,393**	1,236,942	**485,887**	527,945
Current Liabilities					
Trade and other payables	22	**258,976**	262,903	**82,626**	91,006
Contract liabilities	23	**18,370**	14,961	**-**	-
Lease liabilities	24	**10,431**	10,410	**599**	615
Income tax payable		**3,872**	1,731	**10**	29
Bank and other loans	25	**290,502**	294,519	**40,495**	60,335
		582,151	584,524	**123,730**	151,985
Net Current Assets (Liabilities)		**31,244**	28,177	**(92,814)**	(122,314)
Non-current Liabilities					
Bank and other loans	25	**167,709**	196,252	**59,849**	32,280
Lease liabilities	24	**20,603**	26,472	**695**	1,206
Deferred tax liabilities	26	**14,067**	6,836	**4**	7
		202,379	229,560	**60,548**	33,493
Net Assets		**430,863**	422,858	**301,609**	342,467

See accompanying notes to the financial statements.

	Note	Group		Company	
		2025	2024	**2025**	2024
		S$'000	S$'000	**S$'000**	S$'000
Represented by:					
Issued capital	27	**286,307**	286,307	**286,307**	286,307
Treasury shares	27	**(22,601)**	(20,978)	**(22,601)**	(20,978)
Reserves		**14,007**	40,017	**23,276**	77,138
Ordinary equity		**277,713**	305,346	**286,982**	342,467
Perpetual bonds	28	**14,627**	-	**14,627**	-
Equity attributable to equity holders of the Company		**292,340**	305,346	**301,609**	342,467
Simple agreements for future equity ("SAFE")	29	**18,793**	18,793	**-**	-
Share of net assets of subsidiaries	13	**119,730**	98,719	**-**	-
Non-controlling interests		**138,523**	117,512	**-**	-
Total Equity		**430,863**	422,858	**301,609**	342,467

See accompanying notes to the financial statements.

Statements of Changes in Equity

Financial year ended 31 March 2025

	Issued capital S$'000	Treasury shares S$'000	Capital reserve[1] S$'000	Legal reserve[2] S$'000	Capital reserve on consolidation[3] S$'000	Exchange translation reserve[4] S$'000	Fair value reserve[5] S$'000
Group							
Balance at 1 April 2024	286,307	(20,978)	(56,250)	15,540	27,175	(133,812)	1,409
Total comprehensive income (loss)							
Profit for the financial year	-	-	-	-	-	-	-
Other comprehensive (loss) income for the financial year	-	-	-	-	-	(6,794)	(47,743)
Total comprehensive (loss) income for the financial year	-	-	-	-	-	(6,794)	(47,743)
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners:							
Issue of perpetual bonds, net of transaction costs	-	-	-	-	-	-	-
Accrued distribution for perpetual bonds	-	-	-	-	-	-	-
Purchase of treasury shares (Note 27)	-	(1,623)	-	-	-	-	-
Dividends paid (Note 27)	-	-	-	-	-	-	-
Changes in ownership interests in subsidiary:							
De-registration of a subsidiary	-	-	(12)	-	-	-	-
Total transactions with owners	-	(1,623)	(12)	-	-	-	-
Transfer to reserve	-	-	-	1,379	-	-	-
Balance at 31 March 2025	286,307	(22,601)	(56,262)	16,919	27,175	(140,606)	(46,334)

See accompanying notes to the financial statements.

Attributable to equity holders of the Company						Non-controlling interests			
Share-based payment reserve[6] S$'000	Property revaluation reserve[7] S$'000	Retained profits S$'000	Total ordinary equity S$'000	Perpetual bonds S$'000	Total S$'000	SAFE[8] S$'000	Share of net assets of subsidiaries S$'000	Total S$'000	**Total equity S$'000**
1,467	955	183,533	305,346	-	305,346	18,793	98,719	117,512	**422,858**
-	-	24,326	24,326	-	24,326	-	15,772	15,772	**40,098**
-	16,884	28	(37,625)	-	(37,625)	-	5,239	5,239	**(32,386)**
-	16,884	24,354	(13,299)	-	(13,299)	-	21,011	21,011	**7,712**
-	-	-	-	14,012	14,012	-	-	-	**14,012**
-	-	(615)	(615)	615	-	-	-	-	**-**
-	-	-	(1,623)	-	(1,623)	-	-	-	**(1,623)**
-	-	(12,096)	(12,096)	-	(12,096)	-	-	-	**(12,096)**
-	-	12	-	-	-	-	-	-	**-**
-	-	(12,699)	(14,334)	14,627	293	-	-	-	**293**
-	-	(1,379)	-	-	-	-	-	-	**-**
1,467	17,839	193,809	277,713	14,627	292,340	18,793	119,730	138,523	**430,863**

	Issued capital S$'000	Treasury shares S$'000	Capital reserve[1] S$'000	Legal reserve[2] S$'000	Capital reserve on consolidation[3] S$'000	Exchange translation reserve[4] S$'000
Group						
Balance at 1 April 2023	286,307	(20,978)	(55,801)	18,354	29,602	(128,035)
Total comprehensive income (loss)						
(Loss) Profit for the financial year	-	-	-	-	-	-
Other comprehensive loss for the financial year	-	-	-	-	-	(5,777)
Total comprehensive (loss) income for the financial year	-	-	-	-	-	(5,777)
Share of change in net assets of associates other than other comprehensive income	-	-	17	-	-	-
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners:						
Dividends paid (Notes 13 and 27)	-	-	-	-	-	-
Distribution in specie (Note 27)	-	-	-	-	-	-
Unclaimed compulsory acquisition money relating to privatisation of a subsidiary	-	-	-	-	113	-
Changes in ownership interests in subsidiary:						
Acquisition of additional interest in subsidiaries	-	-	-	-	(2,540)	-
Total transactions with owners	-	-	-	-	(2,427)	-
Transfer to reserve	-	-	-	160	-	-
Transfer from reserves upon distribution in specie (Note 41)	-	-	(466)	(2,974)	-	-
Balance at 31 March 2024	286,307	(20,978)	(56,250)	15,540	27,175	(133,812)

See accompanying notes to the financial statements.

Attributable to equity holders of the Company					Non-controlling interests			
Fair value reserve[5]	Share-based payment reserve[6]	Property revaluation reserve[7]	Retained profits	Total	SAFE[8]	Share of net assets of subsidiaries	Total	Total equity
S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
802	1,467	955	283,463	416,136	18,793	92,877	111,670	527,806
-	-	-	(58,746)	(58,746)	-	11,712	11,712	(47,034)
(184)	-	-	(4)	(5,965)	-	(1,628)	(1,628)	(7,593)
(184)	-	-	(58,750)	(64,711)	-	10,084	10,084	(54,627)
-	-	-	85	102	-	-	-	102
-	-	-	(12,096)	(12,096)	-	(6,476)	(6,476)	(18,572)
-	-	-	(31,658)	(31,658)	-	-	-	(31,658)
-	-	-	-	113	-	-	-	113
-	-	-	-	(2,540)	-	2,234	2,234	(306)
-	-	-	(43,754)	(46,181)	-	(4,242)	(4,242)	(50,423)
-	-	-	(160)	-	-	-	-	-
791	-	-	2,649	-	-	-	-	-
1,409	1,467	955	183,533	305,346	18,793	98,719	117,512	422,858

	Issued capital S$'000	Treasury shares S$'000	Capital reserve[(1)] S$'000	Fair value reserve[(5)] S$'000	Retained profits S$'000	Total ordinary equity S$'000	Perpetual bonds S$'000	**Total equity S$'000**
Company								
Balance at 1 April 2024	286,307	(20,978)	614	-	76,524	342,467	-	**342,467**
Total comprehensive income (loss)								
Profit for the financial year	-	-	-	-	5,087	5,087	-	**5,087**
Other comprehensive loss for the financial year	-	-	-	(46,238)	-	(46,238)	-	**(46,238)**
Total comprehensive (loss) income for the financial year	-	-	-	(46,238)	5,087	(41,151)	-	**(41,151)**
Transactions with owners, recognised directly in equity								
Issue of perpetual bonds, net of transaction costs	-	-	-	-	-	-	14,012	**14,012**
Accrued distribution for perpetual bonds	-	-	-	-	(615)	(615)	615	**-**
Purchase of treasury shares (Note 27)	-	(1,623)	-	-	-	(1,623)	-	**(1,623)**
Dividends paid (Note 27)	-	-	-	-	(12,096)	(12,096)	-	**(12,096)**
Balance at 31 March 2025	286,307	(22,601)	614	(46,238)	68,900	286,982	14,627	**301,609**
Balance at 1 April 2023	286,307	(20,978)	614	-	63,607	329,550	-	329,550
Total comprehensive income								
Profit for the financial year	-	-	-	-	60,431	60,431	-	60,431
Total comprehensive income for the financial year	-	-	-	-	60,431	60,431	-	60,431
Transactions with owners, recognised directly in equity								
Dividends paid (Note 27)	-	-	-	-	(12,096)	(12,096)	-	(12,096)
Distribution in specie (Note 27)	-	-	-	-	(35,418)	(35,418)	-	(35,418)
Balance at 31 March 2024	286,307	(20,978)	614	-	76,524	342,467	-	342,467

See accompanying notes to the financial statements.

(1) Capital reserves comprises surplus or deficit from transactions with group entities.

(2) Legal reserve represents that part of the profit after taxation of certain subsidiaries in the People's Republic of China ("PRC" or "China") transferred in accordance with local requirements. The legal reserve cannot be distributed or reduced except where approval is obtained from the relevant PRC authority to apply the amount either in setting off accumulated losses or increasing capital.

(3) Capital reserve on consolidation comprises surplus or deficit from acquisitions and disposals of interest in subsidiaries that do not result in a change of control and the capitalisation of accumulated profits.

(4) Exchange translation reserve comprises the foreign exchange differences arising from the translation of the financial statements of the Group's foreign operations whose functional currencies are different from that of the Group's presentation currency.

(5) Fair value reserve includes the cumulative net change in the fair value of equity investments designated at fair value through other comprehensive income ("FVTOCI") until the investments are derecognised.

(6) Share-based payment reserve represents the cumulative fair value of employee services received in exchange for the grant of equity-settled shares and share options.

(7) Property revaluation reserve represents the revaluation surplus or deficit on property, plant and equipment.

(8) SAFE represents simple agreements for future equity entered by a subsidiary of the Company with an aggregate amount of US$13.7 million (Note 29).

See accompanying notes to the financial statements.

Consolidated Statement of Cash Flows

Financial year ended 31 March 2025

	Group	
	2025	2024
	S$'000	S$'000
Operating activities		
Profit (Loss) before taxation	**52,511**	(38,788)
Adjustments for:		
Share of results of associates	**(13,462)**	59,369
Depreciation of property, plant and equipment	**31,206**	32,469
Depreciation of right-of-use assets	**10,913**	11,785
Amortisation of intangible assets	**351**	541
Finance costs	**28,915**	34,282
Interest income	**(1,999)**	(2,688)
Loss on disposal and write-off of property, plant and equipment, net	**3,800**	717
Allowance for impairment loss on property, plant and equipment	**650**	-
Reversal of impairment loss on interest in an associate	**-**	(7,812)
(Write-back of) Allowance for inventory obsolescence and write-off of inventory, net	**(1,331)**	103
Allowance for (Write-back of) expected credit losses, net	**1,181**	(444)
Fair value loss (gain) on short-term investments, net	**183**	(73)
Fair value loss on investment properties	**56**	-
Fair value gain on financial assets at fair value through profit or loss	**(3,638)**	-
(Gain) Loss from de-registration of interest in an associate / disposal or deemed disposal of interest in associates, net	**(18)**	271
Gain on bargain purchase arising from purchase of additional interest in an associate	**-**	(3)
Gain from de-registration of a subsidiary	**(1,991)**	-
Exchange translation deficit of distribution in specie (Note 41)	**-**	8,269
Dividend income from financial assets at fair value through other comprehensive income	**(52)**	(75)
Write-off of other payables / trade payables and contract liabilities	**(189)**	(550)
Gain on lease modification	**-**	(354)
Gain on lease early termination	**(24)**	(14)
Unrealised exchange gain	**(1,412)**	(2,569)
Operating cash flows before movements in working capital	**105,650**	94,436
Inventories	**(16,477)**	18,049
Receivables and prepayments	**10,451**	(49,376)
Trade and other payables, and contract liabilities	**9,143**	17,312
Cash generated from operations	**108,767**	80,421
Income tax paid	**(7,446)**	(4,685)
Finance costs paid	**(29,844)**	(33,823)
Interest received	**1,502**	2,651
Net cash generated from operating activities	**72,979**	44,564

See accompanying notes to the financial statements.

	Group	
	2025	2024
	S$'000	S$'000
Investing activities		
Purchase of property, plant and equipment (Note a)	**(32,038)**	(36,164)
Deposits paid for purchase of property, plant and equipment	**(84)**	(607)
Dividends received from associates	**8,907**	10,063
Proceeds from disposal of property, plant and equipment, net of transaction costs	**190**	539
Investment in an associate / Additional investment in associates	**(6,088)**	(1,855)
Proceeds from disposal of associates	**-**	51
Proceeds from disposal of short-term investments	**-**	19
Purchase of short-term investments	**(2,579)**	-
Investment in financial assets at fair value through profit or loss	**(82)**	(3,957)
Dividend income from financial assets at fair value through other comprehensive income	**52**	75
Cash and cash equivalents disposed relating to distribution in specie (Note 41)	**-**	(6,200)
Net cash used in investing activities	**(31,722)**	(38,036)
Financing activities		
Drawdown of bank and other loans	**75,353**	127,935
Repayment of bank and other loans	**(105,098)**	(136,368)
Payment of lease liabilities	**(10,652)**	(10,913)
Dividends paid	**(12,096)**	(12,096)
Dividends paid to non-controlling interests	**-**	(6,476)
Proceeds from issue of perpetual bonds, net of transaction costs	**14,172**	-
Proceeds from issue of SAFE by a subsidiary	**-**	1,921
Purchase of treasury shares	**(1,623)**	-
Non-trade receipt from related parties	**1,893**	7,561
Net cash used in financing activities	**(38,051)**	(28,436)
Net increase (decrease) in cash and cash equivalents	**3,206**	(21,908)
Cash and cash equivalents at beginning of the financial year	**187,102**	209,513
Effects of exchange rate changes on the balance of cash held in foreign currencies	**(4,797)**	(503)
Cash and cash equivalents at end of the financial year, representing bank balances, deposits and cash (Note 21)	**185,511**	187,102

Note:

a) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of S$32,293,000 (2024: S$36,902,000) of which S$255,000 (2024: S$738,000) were transferred from deposits paid for property, plant and equipment.

See accompanying notes to the financial statements.

Notes to the Financial Statements

31 March 2025

1. General

GP Industries Limited (the "Company") (Registration No. 199502128C) is incorporated in the Republic of Singapore and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited. The Company's registered office and principal place of business is at 83 Clemenceau Avenue, #14-01 UE Square, Singapore 239920. The financial statements are expressed in Singapore dollars ("S$").

The principal activities of the Company comprise those of an investment holding company and regional headquarters of the Company and its subsidiaries (collectively, the "Group").

The Company's immediate and ultimate holding company is Gold Peak Technology Group Limited, incorporated in Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong") and listed on The Stock Exchange of Hong Kong Limited.

The principal activities of the Group's significant subsidiaries and significant associates are disclosed in Notes 39 and 40 respectively.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2025 were authorised for issue by the Board of Directors on 24 June 2025.

2. Material accounting policy information

Basis of Accounting

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the material accounting policy information below, and are drawn up in accordance with the provisions of the Companies Act 1967, and Singapore Financial Reporting Standards (International) ("SFRS(I)").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment* ("SFRS(I) 2"), leasing transactions that are within the scope of SFRS(I) 16 *Leases* ("SFRS(I) 16"), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets* ("SFRS(I) 1-36").

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Basis of Consolidation

<u>Subsidiaries</u>

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 March each year. Subsidiaries are entities controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

2. Material accounting policy information (cont'd)

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated income statement and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies used in line with those used by other members of the Group.

All inter-company transactions, balances, income and expenses are eliminated on consolidation.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified / permitted by applicable SFRS(I)). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments* ("SFRS(I) 9") or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

Interest in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

In the Group's financial statements, investments in associates are accounted for using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, including profit or loss, other comprehensive income and changes in net assets of the associate other than other comprehensive income, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

2. Material accounting policy information (cont'd)

Where a Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the associate.

Where necessary, adjustments are made to the financial statements of associates to bring the accounting policies used in line with those used by other members of the Group.

In the Company's financial statements, investments in associates are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured, on the acquisition date, at the aggregate fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the SFRS(I) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 2 at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with SFRS(I) 5.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured (at date of original business combination) either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

2. **Material accounting policy information (cont'd)**

Merger Accounting for business combination involving entities or businesses under common control

The consolidated financial statements incorporate the financial statements items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or bargain purchase gain at the time of common control combination.

The consolidated income statement includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the beginning of the previous reporting period or when they first came under common control, whichever is shorter.

Foreign Currency Transactions

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising from the settlement of monetary items, and from retranslation of monetary items are included in profit or loss for the period. Exchange differences arising from the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Foreign Currency Translation

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in the Group's exchange translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates that do not result in the Group losing significant influence), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2. **Material accounting policy information (cont'd)**

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in exchange translation reserve.

Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rates prevailing at the end of the reporting period.

Revenue Recognition

The Group recognises revenue from the following major sources:

- Sales of batteries and battery-related products
- Sales of audio products

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

The revenue of the Group arising from product sales is recognised at a point in time. Revenue from these sales is recognised when customer acceptance has been obtained, which is the point of time when the goods are delivered based on the agreed shipping terms and the location specified by the customers, and when the customer has the ability to direct the use of these products and obtain substantially all of the remaining benefits of these products.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Management fee income is recognised when services are rendered.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Income from providing financial guarantee is recognised in profit or loss over the guarantee period on a straight-line basis.

Operating lease income is recognised on a straight-line basis over the term of the relevant lease.

Retirement Benefit Costs

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

Employee Leave Entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

2. Material accounting policy information (cont'd)

Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) enacted or substantively enacted in countries where the Group's entities operate by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Except for investment properties measured using the fair value method, the measurement of deferred tax liabilities and assets reflects the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The Group has not rebutted the presumption that the carrying amount of the investment properties will be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Financial Instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2. Material accounting policy information (cont'd)

Financial Assets

All financial assets are recognised and derecognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the timeframe established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss ("FVTPL").

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which SFRS(I) 3 *Business Combinations* applies.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other operating income" line item in profit or loss.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

2. Material accounting policy information (cont'd)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI. No impairment loss is recognised for investments in equity instruments. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, as well as current and general economic conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the Group considers the changes in the risk that the specified debtor will default on the contract.

Definition of default

A default on a financial asset is when the counter party fails to make contractual payments within a specific period after the credit period granted.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

2. Material accounting policy information (cont'd)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a) significant financial difficulty of the issuer or the borrower;
b) a breach of contract, such as a default or past due event; or
c) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables, finance lease receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for ECL on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

<u>Derecognition of financial assets</u>

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the fair value reserve is not reclassified to profit or loss, but is transferred to retained earnings.

<u>Cash and cash equivalents in the consolidated statement of cash flows</u>

Cash and cash equivalents in the consolidated statement of cash flows comprise cash on hand and at bank and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, such as fixed deposit with an original maturity period of three months or less, and exclude cash at bank, fixed deposit or highly liquid investments which are pledged as security and bank overdrafts which are repayable on demand.

2. Material accounting policy information (cont'd)

Financial Liabilities and Equity Instruments

Classification as debt or equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method. Interest expense is recognised on an effective yield basis, except for short-term payables when the recognition of interest would be immaterial.

Bank and other borrowings

Interest-bearing bank loans and other loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Interest expense calculated using the effective interest method is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued are recorded at the proceeds received, net of direct issue costs.

Treasury shares

When the Company purchases its own issued ordinary shares without immediately cancelling such purchased shares, such purchased shares are held as treasury shares. The consideration paid, including any directly attributable costs, on the treasury shares is presented as a component within equity. When the treasury shares are subsequently disposed of, the realised gains or losses on disposal of the treasury shares are recognised in equity.

Perpetual bonds

The perpetual bonds do not have a maturity date, and the Company is able to defer making a distribution subject to the term and conditions of the bonds issued. The Company is considered to have no contractual obligation to make principal repayments or distributions in respect of its perpetual bonds issue. Accordingly, the perpetual bonds do not meet the definition for classification as a financial liability under SFRS(I) 1-32 *Financial Instruments: Presentation*, and are presented within equity. Distributions are treated as dividends which will be directly debited from equity. Incremental costs directly attributable to the issue of the perpetual bonds are deducted against the proceeds from the issue.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Group and the Company has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Investment Properties

Investment property held to earn rentals and/or for capital appreciation is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

Transfers are made to or from investment properties only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed costs of property for subsequent accounting is its fair value at the date of change in use.

2. Material accounting policy information (cont'd)

Property, Plant and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying amount.

Construction in progress comprises material and all other cost incurred in relation to the construction and is not depreciated. On completion, they are identified for transfer to specific categories of property, plant and equipment.

Depreciation is charged to write-off the cost of property, plant and equipment over their estimated useful lives using the straight-line method as follows:

Category of property, plant and equipment	Depreciation rates per annum
Furniture, fixtures and equipment	- 5% to 25%
Machinery and equipment	- 10% to 33⅓%
Motor vehicles	- 10% to 33⅓%
Moulds and tools	- 10% to 50%

Freehold land is not depreciated.

Leasehold land is depreciated over the period of the leases using the straight-line method.

Freehold buildings are depreciated at 2% to 4% per annum using the straight-line method.

Leasehold buildings are depreciated at 2% to 10% per annum using the straight-line method.

Leasehold improvements are depreciated at the shorter of 10% to 33⅓% or over the lease terms.

Fully depreciated assets still in use are retained in the financial statements.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

A transfer from owner-occupied property to investment property is fair valued at the date of transfer and the difference between fair value and the previous carrying amount is accounted for as property revaluation surplus or deficit in equity. The increase in carrying amounts arising from revaluation, including currency translation differences, are recognised in other comprehensive income, unless there was an impairment loss recognised for the same property in prior years and a portion of the increase is recognised in profit or loss to the extent of that impairment loss. The decrease is recognised in profit or loss for any decrease in excess of the amount included in the revaluation surplus for that property. On the subsequent sale or retirement of the property, the relevant revaluation reserve will be transferred directly to retained profits.

Intangible Assets

Goodwill

Goodwill arising from a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

2. Material accounting policy information (cont'd)

On disposal of a subsidiary or the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising from the acquisition of an associate is described under "Interest in Associates" above.

Trademarks and Patents

Trademarks and Patents are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives, which are estimated to be twenty years and two years respectively.

The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and overheads that have been incurred in bringing the inventories to their present location and condition calculated using the first-in, first-out method. Net realisable value is calculated as the actual or estimated selling price less all further costs of production and the related costs of marketing, selling and distribution.

Leases

The Group as Lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties and the leases are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

The Group as Lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

2. Material accounting policy information (cont'd)

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated using straight-line basis over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in profit or loss.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

Impairment of Tangible and Intangible Assets Excluding Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2. Material accounting policy information (cont'd)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Share-based Payments

Equity-settled Share-based Payments

The fair value of the employee services received in exchange for the grant of options or shares is recognised as an expense in the profit or loss with a corresponding increase in share-based payment reserve, or capital reserve in respect of options granted by the Company's ultimate holding company, over the vesting period.

Options granted by a Group entity pursuant to schemes approved by its respective shareholders were measured at fair value (excluding the effect of non-market based vesting conditions) at the date of offer using the Black-Scholes pricing model. The fair value determined at the offer date of the options is expensed on a straight-line basis over the vesting period, based on the estimated number of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions. The expected life used in the model has been adjusted for the estimated effects of non-transferability, exercise restrictions and behavioural considerations.

Certain directors and employees of the Group are also entitled to options to subscribe for the ordinary shares in the ultimate holding company of the Company. The fair value of such options is determined by the ultimate holding company. The Group's attributable share of the fair value of such options is expensed on a straight-line basis over the vesting period.

Upon the cancellation / lapse of share options, share option expenses previously recognised in the share-based payment reserve are transferred to retained profits.

3. Revenue

Revenue comprised product sales recognised at a point in time:

	Group	
	2025	2024
	S$'000	S$'000
Batteries and battery-related products	**833,279**	836,728
Audio products	**271,421**	271,403
	1,104,700	1,108,131

4. Other operating income

	Group	
	2025	2024
	S$'000	S$'000
Product development and engineering fee income	**3,041**	3,186
Interest income:		
Banks	**1,313**	2,460
Third parties	**212**	228
Related parties	**474**	-
Loss on disposal of property, plant and equipment	**-**	(29)
Management fee income from associates	**599**	749
Management fee income from related parties	**1,935**	953
Consultancy fee income from related parties	**84**	-
Operating lease income	**385**	959
Net rental income from investment properties	**627**	-
Government grant	**7,140**	5,638
Gain on sales of parts, samples, scrap and surplus materials	**718**	752
Gain from de-registration / disposal of interest in an associate	**18**	19
Fair value gain on short-term investments	**-**	73
Fair value gain on financial assets at fair value through profit or loss	**3,638**	-
Gain from de-registration of a subsidiary	**1,991**	-
Gain on bargain purchase arising from purchase of additional interest in an associate	**-**	3
Reversal of impairment loss on interest in an associate (Note 14)	**-**	7,812
Gain on lease modification	**-**	354
Recovery of bad debts	**5**	2
Royalty income	**390**	640
Write-off of other payables / trade payables and contract liabilities	**189**	550
Exchange gain	**2,692**	1,644
Others	**906**	744
	26,357	26,737

5. Other operating expenses

	Group	
	2025	2024
	S$'000	S$'000
Property, plant and equipment written-off	**3,800**	688
Bank charges	**1,638**	1,806
Fair value loss on short-term investments	**183**	-
Allowance for impairment loss on property, plant and equipment	**650**	-
Loss from deemed disposal of interest in an associate	**-**	290
Realised loss on derivative financial instruments	**-**	62
Restructuring charges (Note a)	**4,294**	313
Exchange translation deficit of distribution in specie (Note 41)	**-**	8,269
Fair value loss on investment properties	**56**	-
Others	**475**	444
	11,096	11,872

Note:

a) Restructuring charges are costs for the proposed internal restructuring of the Group during the financial year ended 31 March 2025, and costs for the distribution in specie ("DIS") of shares in GP Energy Tech Limited ("GPET") (the "DIS of GPET Shares") during the financial year ended 31 March 2024.

6. Profit before finance costs and share of results of associates

Profit before finance costs and share of results of associates is arrived at after charging (crediting) the following:

	Group	
	2025	2024
	S$'000	S$'000
Audit fees:		
Auditors of the Company and Deloitte network firms	**1,831**	1,664
Other auditors	**306**	712
Non-audit fees:		
Auditors of the Company and Deloitte network firms	**36**	23
Other auditors	**215**	175
Depreciation of property, plant and equipment	**31,206**	32,469
Depreciation of right-of-use assets	**10,913**	11,785
Amortisation of intangible assets	**351**	541
Expenses relating to short-term leases	**1,118**	922
Expenses relating to leases of low-value assets	**10**	10
Expenses relating to variable lease payments not included in the measurement of lease liability	**1,077**	1,138
Directors' remuneration:		
Fees	**513**	506
Other emoluments	**4,481**	4,369
Employee benefits expense (excluding directors' remuneration)	**175,486**	178,434
Cost of defined contribution plans included in employee benefits expense and directors' remuneration	**6,957**	7,713
(Write-back of) Allowance for inventory obsolescence and write-off of inventory, net	**(1,331)**	103
Cost of inventories recognised as expense	**770,617**	791,896

7. Finance costs

	Group	
	2025	2024
	S$'000	S$'000
Interest on bank loans, overdrafts, bills payable and amortised fees relating to term loans	**26,952**	31,846
Interest on lease liabilities	**1,880**	2,436
Interest on amounts due to related parties	**83**	-
	28,915	34,282

8. Income tax expense

	Group	
	2025	2024
	S$'000	S$'000
Current taxation:		
Provision for taxation in respect of profit for the financial year	**8,981**	6,335
Over-provision in respect of prior years	**(861)**	(1,044)
Withholding tax on overseas income	**731**	1,342
Deferred taxation:		
Charge for the financial year	**3,562**	1,613
	12,413	8,246

8. Income tax expense (cont'd)

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2024: 17%) to profit before taxation as a result of the following differences:

	Group	
	2025	2024
	S$'000	S$'000
Profit (Loss) before taxation	**52,511**	(38,788)
Share of results of associates	**(13,462)**	59,369
Profit before taxation and share of results of associates	**39,049**	20,581
Income tax expense at statutory tax rate	**6,638**	3,499
Effect of different tax rates of overseas operations	**(1,706)**	(109)
Income not subject to tax	**(5,458)**	(9,707)
Expenses not deductible for tax purposes	**7,114**	9,831
Deferred tax assets not recognised	**5,998**	7,097
Recognition of previously unrecognised deferred tax assets	**(2,824)**	(2,879)
Over-provision in prior years	**(861)**	(1,044)
Withholding tax	**731**	1,342
Deferred tax on undistributed profits	**2,242**	416
Enhanced tax deductions	**(128)**	(233)
Top-up tax under Pillar Two Rules	**744**	-
Others	**(77)**	33
Total income tax expense at effective rates	**12,413**	8,246

The Group is subject to the global minimum top-up tax under the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (the "Pillar Two legislation"). The Group has applied the temporary exception for recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two top-up tax.

For the financial year ended 31 March 2025, the Pillar Two legislation has been enacted and become effective in Germany, Japan, South Korea, the Netherlands, the United Kingdom and Vietnam in which the Group has operative subsidiaries. Under the Pillar Two legislation, a top-up tax liability arises where the Group's effective tax rate in a jurisdiction is below 15 per cent. The Group has recognised a current tax expense of S$744,000 (2024: S$Nil) related to the top-up tax in Vietnam, where effective tax rate is estimated to be below 15 per cent. For the financial year ended 31 March 2025, this tax expense is expected to be levied on group entities.

As at 31 March 2025, the Pillar Two legislation is enacted or substantially enacted but has not yet in effect in Malaysia, Poland, Singapore and Thailand in which the Group operates, whereas Hong Kong has introduced the Pillar Two legislation with effect from the fiscal year 1 January 2025. While the Group has assessed the Pillar Two tax implication based on the financial information for the financial year ended 31 March 2025, the Group will continue to monitor the Pillar Two developments and reassess the potential impacts when the legislation comes into effect.

9. Earnings per share

The following data were used in computing basic and fully diluted earnings per share disclosed in the income statement:

a) Earnings

	Group 2025 S$'000	Group 2024 S$'000
Profit (Loss) attributable to equity holders of the Company	**24,326**	(58,746)
Less: Accrued distribution for perpetual bonds	**(615)**	-
Profit (Loss) attributable to ordinary shareholders of the Company	**23,711**	(58,746)

b) Number of shares

	Group 2025	Group 2024
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	**483,595,729**	483,843,482

There were no dilutive potential ordinary shares for the financial years ended 31 March 2025 and 2024.

10. Investment properties

	Group 2025 S$'000
Balance at beginning of the financial year	**-**
Transfer from property, plant and equipment	**72,137**
Fair value loss recognised in the consolidated income statement	**(56)**
Currency realignment	**15**
Balance at end of the financial year	**72,096**

During the financial year, certain portion of an industrial complex and a factory building (the "Properties") located in China with carrying amount of S$8,113,000 and S$64,024,000 respectively were transferred from property, plant and equipment to investment properties due to the end of owner-occupation.

Immediately before the transfer, the Group remeasured the Properties to fair value and recognised a gain of S$28,920,000 and related deferred tax liability of S$4,926,000 in other comprehensive income.

During the financial year, the Group recognised rental income from investment properties of S$658,000 and direct operating expenses of S$31,000, the net rental income of S$627,000 was included in other operating income (Note 4).

Details of the Group's investment properties as at 31 March 2025 are as follows:

Location	Description / Existing use	Tenure	Unexpired lease term
No. 365 Jingu Middle Road (West), Panhuo Street, Yinzhou District, Ningbo City, Zhejiang Province, the PRC	Land and Industrial plant	Leasehold	32 years expiring in May 2057 and 33 years expiring in June 2058
No. 128 Xingguang Road, Ningbo National Hi-Tech Industrial Development Zone, Yinzhou District, Ningbo City, Zhejiang Province, the PRC	Land and Industrial plant	Leasehold	30 years expiring in December 2055

10. Investment properties (cont'd)

The fair values of the Group's investment properties as at 31 March 2025 have been arrived at on the basis of valuations carried out at the end of the reporting period by independent qualified professional valuers, which are not connected with the Group. The valuers have appropriate qualifications and experiences in the valuation of similar properties in the relevant locations.

<u>Valuation techniques and inputs used in Level 3 fair value measurements</u>

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3:

Description	Fair value as at		Valuation techniques	Significant unobservable inputs	Sensitivity
	2025	2024			
	S$'000	S$'000			
Industrial complex	**7,840**	-	Income capitalisation method.	Market rents, taking into account the differences in location between the comparables and the properties, which is ranging from RMB 27 to RMB 29 per square meter.	The higher the market rents, the higher the fair value.
				Capitalisation rate of 7%.	The higher the capitalisation rate, the lower the fair value.
Factory building	**64,256**	-	Depreciated replacement cost approach and market approach, which relies on an estimate of the market value for the existing use of the land, plus the current cost of replacement of the improvements less allowance for physical deterioration and all relevant forms of obsolescence and optimisation.	Price per square meter, using market direct comparable for the existing use of the land and taking into account of location and other individual factors such as size, building facilities, levels, age of building, etc., which is ranging from RMB 1,188 to RMB 1,551 per square meter.	The higher the price per square meter, the higher the fair value.

11. Property, plant and equipment

	Freehold land and buildings[1]	Leasehold land and buildings[2]	Leasehold improve-ments	Furniture, fixtures and equipment	Machinery and equipment	Motor vehicles	Moulds and tools	Construc-tion in progress	**Total**
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	**S$'000**
Group									
Cost:									
Balance at 1 April 2024	12,553	234,526	37,389	43,101	326,755	8,349	88,285	1,915	**752,873**
Additions	-	835	5,531	2,098	3,211	441	5,568	14,609	**32,293**
Disposals and write-offs	(1,201)	-	(8,868)	(1,219)	(7,982)	(150)	(2,889)	(19)	**(22,328)**
Reclassifications	-	-	-	230	3,626	-	5,385	(9,241)	**-**
Transfer from right-of-use assets	-	-	-	-	2,651	141	-	-	**2,792**
Revaluation surplus upon transfer to investment properties	-	28,920	-	-	-	-	-	-	**28,920**
Transfer to investment properties	-	(93,442)	-	-	-	-	-	-	**(93,442)**
Currency realignment	648	(4,493)	(135)	287	(236)	(236)	(739)	(134)	**(5,038)**
Balance at 31 March 2025	12,000	166,346	33,917	44,497	328,025	8,545	95,610	7,130	**696,070**
Accumulated depreciation:									
Balance at 1 April 2024	3,678	35,584	21,199	33,370	234,400	6,455	47,461	-	**382,147**
Charge for the financial year	167	6,090	3,824	2,602	11,994	576	5,953	-	**31,206**
Eliminated on disposals and write-offs	-	-	(7,059)	(1,183)	(7,294)	(143)	(2,659)	-	**(18,338)**
Reclassifications	-	-	-	3	-	-	(3)	-	**-**
Transfer from right-of-use assets	-	-	-	-	1,652	141	-	-	**1,793**
Transfer to investment properties	-	(21,305)	-	-	-	-	-	-	**(21,305)**
Currency realignment	184	(688)	(177)	81	665	(67)	(168)	-	**(170)**
Balance at 31 March 2025	4,029	19,681	17,787	34,873	241,417	6,962	50,584	-	**375,333**
Accumulated impairment loss:									
Balance at 1 April 2024	-	-	3	281	8,614	-	208	-	**9,106**
Charge for the financial year	-	-	-	-	650	-	-	-	**650**
Currency realignment	-	-	-	(1)	(45)	-	-	-	**(46)**
Balance at 31 March 2025	-	-	3	280	9,219	-	208	-	**9,710**
Carrying amount:									
Balance at 31 March 2025	7,971	146,665	16,127	9,344	77,389	1,583	44,818	7,130	**311,027**

11. Property, plant and equipment (cont'd)

	Freehold land and buildings[1]	Leasehold land and buildings[2]	Leasehold improve-ments	Furniture, fixtures and equipment	Machinery and equipment	Motor vehicles	Moulds and tools	Construc-tion in progress	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group									
Cost:									
Balance at 1 April 2023	13,027	206,089	37,458	63,907	347,716	8,244	85,951	27,371	789,763
Additions	-	9	2,294	2,641	3,158	771	1,830	26,199	36,902
Disposals and write-offs	-	(196)	(3,003)	(9,272)	(14,324)	(584)	(1,135)	-	(28,514)
Reclassifications	-	34,161	770	2,583	9,288	6	3,774	(50,582)	-
Currency realignment	(474)	(5,528)	(97)	(1,030)	(4,598)	(30)	(1,625)	(561)	(13,943)
Distribution in specie (Note 41)	-	(9)	(33)	(15,728)	(14,485)	(58)	(510)	(512)	(31,335)
Balance at 31 March 2024	12,553	234,526	37,389	43,101	326,755	8,349	88,285	1,915	752,873
Accumulated depreciation:									
Balance at 1 April 2023	3,625	31,079	21,145	37,794	233,191	6,368	43,302	-	376,504
Charge for the financial year	164	5,311	3,097	4,338	13,171	622	5,766	-	32,469
Eliminated on disposals and write-offs	-	(39)	(2,860)	(4,721)	(6,416)	(509)	(895)	-	(15,440)
Currency realignment	(111)	(765)	(156)	(248)	(1,588)	(13)	(463)	-	(3,344)
Distribution in specie (Note 41)	-	(2)	(27)	(3,793)	(3,958)	(13)	(249)	-	(8,042)
Balance at 31 March 2024	3,678	35,584	21,199	33,370	234,400	6,455	47,461	-	382,147
Accumulated impairment loss:									
Balance at 1 April 2023	-	-	100	4,596	16,131	7	340	-	21,174
Eliminated on disposals and write-offs	-	-	(90)	(4,341)	(7,250)	(7)	(130)	-	(11,818)
Currency realignment	-	-	(7)	26	(267)	-	(2)	-	(250)
Balance at 31 March 2024	-	-	3	281	8,614	-	208	-	9,106
Carrying amount:									
Balance at 31 March 2024	8,875	198,942	16,187	9,450	83,741	1,894	40,616	1,915	361,620

(1) As at 31 March 2025, the carrying amount of freehold land was S$6,384,000 (2024: S$6,055,000).

(2) Rights to use leasehold land which has been fully paid up upon acquisition and not subject to any further payment obligations for such rights are presented under leasehold land and buildings, which has a carrying amount of S$146,665,000 as at 31 March 2025 (2024: S$198,942,000).

During the financial years ended 31 March 2025 and 2024, the Group carried out a review of the recoverable amount of property, plant and equipment. Arising from the review, an impairment loss of S$650,000 (2024: S$Nil) was recognised to reduce the carrying amount of the plant and equipment to their recoverable amount. The recoverable amount of the relevant assets has been determined on the basis of their value in use. The discount rate used in measuring value in use for the financial year ended 31 March 2025 was 12.0% (2024: 15.6%) per annum. As at 31 March 2025, the impairment loss arose from a plant engaged in the manufacturing of a particular type of battery product.

The impairment loss was included in other operating expenses (Note 5).

11. Property, plant and equipment (cont'd)

	Leasehold improvements S$'000	Furniture, fixtures and equipment S$'000	Motor vehicles S$'000	**Total S$'000**
Company				
Cost:				
Balance at 1 April 2024	396	1,510	549	**2,455**
Additions	-	3	-	**3**
Balance at 31 March 2025	396	1,513	549	**2,458**
Accumulated depreciation:				
Balance at 1 April 2024	165	1,302	241	**1,708**
Charge for the financial year	59	49	59	**167**
Balance at 31 March 2025	224	1,351	300	**1,875**
Carrying amount:				
Balance at 31 March 2025	172	162	249	**583**
Cost:				
Balance at 1 April 2023	396	1,467	446	2,309
Additions	-	43	296	339
Disposals and write-offs	-	-	(193)	(193)
Balance at 31 March 2024	396	1,510	549	2,455
Accumulated depreciation:				
Balance at 1 April 2023	106	1,253	339	1,698
Charge for the financial year	59	49	71	179
Eliminated on disposals and write-offs	-	-	(169)	(169)
Balance at 31 March 2024	165	1,302	241	1,708
Carrying amount:				
Balance at 31 March 2024	231	208	308	747

	Group and Company	
	2025 S$'000	2024 S$'000
Carrying amount of property, plant and equipment secured for the Company's borrowing:		
Motor vehicles	**213**	268

12. Right-of-use assets

	Leasehold buildings S$'000	Office equipment S$'000	Machinery and equipment S$'000	Motor vehicles S$'000	**Total S$'000**
Group					
Cost:					
Balance at 1 April 2024	62,839	26	2,705	675	**66,245**
Additions	2,807	39	6	314	**3,166**
Modification to contracts	12	12	-	-	**24**
Extension of lease	1,711	-	41	-	**1,752**
Lease expired	(10,083)	(6)	-	(227)	**(10,316)**
Termination of lease	(451)	(32)	-	-	**(483)**
Transfer to property, plant and equipment	-	-	(2,651)	(141)	**(2,792)**
Currency realignment	(52)	-	153	6	**107**
Balance at 31 March 2025	56,783	39	254	627	**57,703**
Accumulated depreciation:					
Balance at 1 April 2024	27,590	25	1,551	500	**29,666**
Charge for the financial year	10,624	7	139	143	**10,913**
Lease expired	(9,696)	(6)	-	(227)	**(9,929)**
Modification to contracts	10	(1)	-	-	**9**
Termination of lease	(269)	(20)	-	-	**(289)**
Transfer to property, plant and equipment	-	-	(1,652)	(141)	**(1,793)**
Currency realignment	(43)	-	87	8	**52**
Balance at 31 March 2025	28,216	5	125	283	**28,629**
Accumulated impairment loss:					
Balance at 1 April 2024	394	-	-	-	**394**
Currency realignment	(7)	-	-	-	**(7)**
Lease expired	(387)	-	-	-	**(387)**
Balance at 31 March 2025	-	-	-	-	**-**
Carrying amount:					
Balance at 31 March 2025	28,567	34	129	344	**29,074**

12. Right-of–use assets (cont'd)

	Leasehold buildings S$'000	Office equipment S$'000	Machinery and equipment S$'000	Motor vehicles S$'000	Total S$'000
Group					
Cost:					
Balance at 1 April 2023	68,936	56	3,116	931	73,039
Additions	15,520	-	278	-	15,798
Modification to contracts	(2,706)	-	-	-	(2,706)
Lease expired	(4,230)	(31)	-	(265)	(4,526)
Termination of lease	(232)	-	(388)	-	(620)
Currency realignment	17	1	(168)	9	(141)
Distribution in specie (Note 41)	(14,466)	-	(133)	-	(14,599)
Balance at 31 March 2024	62,839	26	2,705	675	66,245
Accumulated depreciation:					
Balance at 1 April 2023	25,356	47	1,505	594	27,502
Charge for the financial year	11,235	8	377	165	11,785
Lease expired	(4,230)	(31)	-	(265)	(4,526)
Modification to contracts	(1,363)	-	-	-	(1,363)
Termination of lease	(129)	-	(193)	-	(322)
Currency realignment	167	1	(78)	6	96
Distribution in specie (Note 41)	(3,446)	-	(60)	-	(3,506)
Balance at 31 March 2024	27,590	25	1,551	500	29,666
Accumulated impairment loss:					
Balance at 1 April 2023	1,735	-	-	-	1,735
Currency realignment	(49)	-	-	-	(49)
Modification to contracts	(1,292)	-	-	-	(1,292)
Balance at 31 March 2024	394	-	-	-	394
Carrying amount:					
Balance at 31 March 2024	34,855	1	1,154	175	36,185

During the financial year, the Group has assessed that there is no indication of impairment for its right-of-use assets. During the financial year ended 31 March 2024, the Group carried out a review of the recoverable amount of right-of-use assets. Arising from the review, no impairment loss was recognised to reduce the carrying amount of the right-of-use assets to their recoverable amount. The recoverable amount of the relevant assets has been determined on the basis of their value in use. The discount rate used in measuring value in use for the financial year ended 31 March 2024 was 15.6% per annum.

12. Right-of–use assets (cont'd)

	Leasehold buildings S$'000
Company	
Cost:	
Balance at 1 April 2024	**2,833**
Additions	**103**
Balance at 31 March 2025	**2,936**
Accumulated depreciation:	
Balance at 1 April 2024	**768**
Charge for the financial year	**724**
Balance at 31 March 2025	**1,492**
Carrying amount:	
Balance at 31 March 2025	**1,444**
Cost:	
Balance at 1 April 2023	3,984
Lease expired	(1,151)
Balance at 31 March 2024	2,833
Accumulated depreciation:	
Balance at 1 April 2023	1,189
Charge for the financial year	730
Lease expired	(1,151)
Balance at 31 March 2024	768
Carrying amount:	
Balance at 31 March 2024	2,065

	Group	
	2025	2024
	S$'000	S$'000
Carrying amount of right-of-use assets secured over lease liabilities:		
Machinery and equipment	**-**	967

13. Interest in subsidiaries

	Company	
	2025	2024
	S$'000	S$'000
Unquoted equity shares, at cost	**576,079**	576,079
Allowance for impairment loss	**(147,398)**	(147,398)
	428,681	428,681

Details of the significant subsidiaries are set out in Note 39.

During the financial year, the Company carried out a review of the recoverable amount of its investment in subsidiaries to determine if the recoverable amount of certain subsidiaries were below its carrying amount and did not recognise any allowance for impairment loss (2024: reversal of impairment loss of S$324,000 due to the Group's internal restructuring). The impairment was based on the market conditions reflecting the recoverability of the net assets in subsidiaries.

Details of non-wholly owned subsidiaries that has material non-controlling interests are as follows:

Name of subsidiary	Place of incorporation and business	Effective percentage of equity and voting power held by the non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests - Share of net assets of subsidiaries	
		2025	2024	**2025**	2024	**2025**	2024
		%	%	**S$'000**	S$'000	**S$'000**	S$'000
Zhongyin (Ningbo) Battery Co Ltd	The People's Republic of China	**30.00**	30.00	**3,399**	3,686	**80,797**	71,416
Ningbo Fubang Battery Co Ltd	The People's Republic of China	**28.00**	28.00	**133**	44	**12,494**	11,330
Subsidiaries with immaterial non-controlling interests				**12,240**	7,982	**26,439**	15,973
				15,772	11,712	**119,730**	98,719

13. Interest in subsidiaries (cont'd)

Summarised financial information in respect of the Group's subsidiaries that has material non-controlling interests, before any intra-group elimination, is set out below:

	2025		2024	
	Zhongyin (Ningbo) Battery Co Ltd	**Ningbo Fubang Battery Co Ltd**	Zhongyin (Ningbo) Battery Co Ltd	Ningbo Fubang Battery Co Ltd
	S$'000	**S$'000**	S$'000	S$'000
Current assets	**155,732**	**38,521**	168,307	38,661
Non-current assets	**225,505**	**9,817**	219,504	4,060
Current liabilities	**(121,753)**	**(2,300)**	(125,462)	(2,255)
Non-current liabilities	**(3,468)**	**(1,418)**	(37,605)	-
Non-controlling interests	**(76,805)**	**(12,494)**	(67,423)	(11,330)
Equity attributable to equity holders of the Company	**179,211**	**32,126**	157,321	29,136
Dividend payable to non-controlling interests	**3,992**	**-**	3,993	-
Revenue	**255,282**	**3,191**	304,862	3,353
Expenses, other gains and losses	**243,952**	**2,715**	292,573	3,197
Profit attributable to:				
Equity holders of the Company	**7,931**	**343**	8,603	112
Non-controlling interests	**3,399**	**133**	3,686	44
Profit for the financial year	**11,330**	**476**	12,289	156
Other comprehensive income (loss) attributable to:				
Equity holders of the Company	**13,960**	**2,648**	60	(916)
Non-controlling interests	**5,982**	**1,030**	26	(356)
Other comprehensive income (loss) for the financial year	**19,942**	**3,678**	86	(1,272)
Total comprehensive income (loss) attributable to:				
Equity holders of the Company	**21,891**	**2,991**	8,663	(804)
Non-controlling interests	**9,381**	**1,163**	3,712	(312)
Total comprehensive income (loss) for the financial year	**31,272**	**4,154**	12,375	(1,116)
Dividends paid to non-controlling interests	**-**	**-**	6,476	-
Net cash generated from (used in) operating activities	**12,954**	**984**	33,346	(5,129)
Net cash generated from (used in) investing activities	**8,086**	**(395)**	(1,518)	(307)
Net cash used in financing activities	**(19,286)**	**-**	(50,064)	-
Net increase (decrease) in cash and cash equivalents	**1,754**	**589**	(18,236)	(5,436)

14. Interest in associates

	Group		Company	
	2025	2024	**2025**	2024
	S$'000	S$'000	**S$'000**	S$'000
Quoted equity shares, at cost	**17,741**	18,018	**-**	-
Unquoted equity shares, at cost	**33,351**	28,058	**16,586**	16,586
	51,092	46,076	**16,586**	16,586
Loan to associates	**1,409**	1,409	**-**	-
Share of post-acquisition reserves, net of dividend declared	**114,488**	110,948	**-**	-
Allowance for impairment loss	**(2,656)**	(3,179)	**-**	-
	164,333	155,254	**16,586**	16,586
Market value of quoted equity shares	**45,319**	38,817	**-**	-

Details of the significant associates are set out in Note 40.

The issued shares of some of the Group's associates are quoted:

i) The shares of Meiloon Industrial Co., Ltd. ("Meiloon") are quoted on the Taiwan Stock Exchange Corporation. The fair value of the Group's investment in Meiloon as at 31 March 2025 was S$31,865,000 (2024: S$27,821,000).

ii) The shares of Hanoi Battery Joint Stock Company ("Habaco") are quoted on the Hanoi Stock Exchange. The fair value of the Group's investment in Habaco as at 31 March 2025 was S$13,454,000 (2024: S$10,996,000).

<u>Loan to associates</u>

As at 31 March 2025 and 2024, for purpose of impairment assessment, the loan to associates is considered to have low credit risk as there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for the asset, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the ECL, management has taken into account the financial position of the associate, adjusted for factors that are specific to the associate and general economic conditions of the industry in which the associate operates, in estimating the probability of default as well as the loss upon default. Management determined that the loan to associate is subject to immaterial credit loss.

<u>Impairment of interest in the Associate</u>

During the financial years ended 31 March 2025 and 2024, the Group has obtained legal opinions on the impact of sanctions in relation to Russia in respect of the Group's relationship with the Associate and the Group's ability to realise the economic benefit in its capacity as a foreign shareholder. Taking into consideration of the external lawyer's opinion, the Associate's actual financial performance and the receipt of dividends and collection of receivables from the Associate during the year, the impact of capital control measures and the sanctions on Russia in relation to the Group's ability to realise its share of the economic benefit as a foreign shareholder, the management of the Group considers that there was no indication of impairment in relation to the Group's interest in the Associate for the financial year ended 31 March 2025 (2024: there was an indication of impairment reversal of the Group's interest in the Associate). Accordingly, the carrying amount of the interest in Associate amounted to S$17,359,000 (net of impairment loss of S$Nil) as at 31 March 2025.

For the financial year ended 31 March 2024, based on the cash flow forecast approved by management covering a five-year period of the Associate, it is anticipated that the Associate will continue business as usual. Discount rate of 27.0% per annum was used to discount the cash flow forecast. The Group appointed an independent qualified valuer (the "Valuer") to evaluate the recoverable amount of the interest in Associate based on value in use. As a result, the management of the Group recognised a reversal of impairment loss of S$7,812,000 during the financial year ended 31 March 2024 on the interest in Associate with reference to the value in use of the equity interest in the Associate. Accordingly, the carrying amount of the interest in Associate amounted to S$14,547,000 (net of impairment loss of S$Nil) as at 31 March 2024.

For the financial year ended 31 March 2024, if management's estimate of discount rate increases or decreases by 1% per annum, the amount of value in use would decrease by S$958,000 or increase by S$1,049,000 respectively.

The Group received a dividend of S$549,000 (2024: S$Nil) from the Associate and recognised share of profit of Associate of S$2,186,000 (2024: S$2,941,000) during the financial year ended 31 March 2025.

14. Interest in associates (cont'd)

The Group's share of results of associates comprised:

	Group	
	2025	2024
	S$'000	S$'000
Share of profit (loss) before taxation	**17,425**	(57,757)
Share of taxation	**(3,963)**	(1,612)
Share of results	**13,462**	(59,369)

The following are the Group's material associates:

i) XIC and its subsidiaries ("XIC Group") (Note a)

ii) Meiloon and its subsidiaries ("Meiloon Group")

Note:

a) As of 31 March 2024, the Group no longer has significant influence over XIC as a result of loss of representation by the Group in the board of directors of XIC due to the resignation of directorship on 20 March 2024. The Group has equity accounted the results of XIC for the financial year ended 31 March 2024 and discontinued the use of the equity method as at 31 March 2024. As a result, the Group's 39.13% direct equity interest in XIC was classified as financial assets at FVTOCI as at 31 March 2024. The Group's share of loss (including impairment loss of S$71,890,000) of XIC for the financial year ended 31 March 2024 was S$76,350,000. The Group's share of attributable loss (including impairment loss) of XIC for the financial year ended 31 March 2024 are non-cash and extraordinary in nature.

Summarised financial information in respect of each of the Group's material associates for the financial year ended and as at 31 March 2025 are as follows:

	Meiloon Group S$'000
2025	
Current assets	218,041
Non-current assets	116,830
Current liabilities	(81,614)
Non-current liabilities	(62,737)
Non-controlling interests	(13,901)
Equity attributable to equity holders of the associate	176,619
Revenue	108,849
Profit attributable to equity holders of the associate	9,812
Other comprehensive income	3,621
Total comprehensive income	13,433
Dividend received from the associate during the financial year	662

14. Interest in associates (cont'd)

Reconciliation of the above summarised financial information to the carrying amount of the interest in associates recognised in the consolidated financial statements:

	Meiloon Group S$'000
2025	
Equity attributable to equity holders of the associate	176,619
Proportion of the Group's ownership	20.27%
The Group's share of equity attributable to equity holders of the associate	35,795
Goodwill	6,089
Other adjustments	(1,722)
Carrying amount of the Group's interest in the associate	40,162

Summarised financial information in respect of each of the Group's material associates for the financial year ended and as at 31 March 2024 are as follows:

	XIC Group[1] S$'000	Meiloon Group S$'000
2024		
Current assets	n/a	208,755
Non-current assets	n/a	118,388
Current liabilities	n/a	(87,990)
Non-current liabilities	n/a	(58,069)
Non-controlling interests	n/a	(14,366)
Equity attributable to equity holders of the associate	n/a	166,718
Revenue	183,383	100,150
(Loss) Profit attributable to equity holders of the associate	(195,118)	1,605
Other comprehensive loss	(906)	(6,541)
Total comprehensive loss	(196,024)	(4,936)
Change in net assets other than other comprehensive income (Note a)	-	507
Dividend received from the associate during the financial year	-	1,148

Note:

a) Comprise of reserve adjustments arising from change in non-controlling interests of Meiloon during the financial year.

14. Interest in associates (cont'd)

Reconciliation of the above summarised financial information to the carrying amount of the interest in associates recognised in the consolidated financial statements:

	XIC Group[(1)] S$'000	Meiloon Group S$'000
2024		
Equity attributable to equity holders of the associate	n/a	166,718
Proportion of the Group's ownership	n/a	20.27%
The Group's share of equity attributable to equity holders of the associate	n/a	33,788
Goodwill	n/a	6,367
Other adjustments	n/a	(715)
Carrying amount of the Group's interest in the associate	n/a	39,440

(1) n/a – not applicable. As at 31 March 2024, the Group no longer has significant influence over XIC and the investment in XIC was classified as financial assets at FVTOCI. Refer to Note 15 for further details.

Aggregate information of associates that are not individually material are as follows:

	2025 S$'000	2024 S$'000
The Group's share of:		
Results	**11,473**	16,656
Other comprehensive loss	**(421)**	(4,078)
Total comprehensive income	**11,052**	12,578
Aggregate carrying amount of the Group's interest in these associates	**124,171**	115,814

Unrecognised share of profit of associates are as follows:

	2025 S$'000	2024 S$'000
For the financial year	**-**	46

15. Financial assets at fair value through other comprehensive income

	Group		Company	
	2025 S$'000	2024 S$'000	**2025 S$'000**	2024 S$'000
Non-current assets				
Investment in unquoted equity shares	**1,284**	49,037	**-**	46,238

The investment in unquoted equity shares represents investment in companies where the recoverability of investment is uncertain and dependent on the outcome of its activities. The fair values of these equity investments were derived using market approach and adjusted net assets approach.

As at 31 March 2024, an investment of S$46,238,000 representing 39.13% equity interest in XIC (Note 14), an entity incorporated in Hong Kong which is engaged in investment holding, was classified as financial assets at FVTOCI. The Group does not participate in the daily operations and has no voting power in the directors' meetings of the company. In the opinion of the directors, the Group cannot exercise significant influence over the company and accordingly, such investment is classified as equity instrument at FVTOCI as at 31 March 2024.

During the financial year, the Group and the Company's investment in XIC has been written down to a fair value of S$Nil. A fair value loss of S$46,238,000 for the investment in XIC was recognised in other comprehensive income.

16. Financial assets at fair value through profit or loss

	Group and Company	
	2025	2024
	S$'000	S$'000
Non-current assets		
Investment in unquoted equity shares	**7,677**	3,957

The investment in unquoted equity shares represents approximately 11.40% (2024: 11.17%) interests in GPET. Further details are disclosed in Note 41 and Note 38(i) for the fair value disclosure.

17. Intangible assets

	Group	
	2025	2024
	S$'000	S$'000
Goodwill	**6,313**	6,323
Trademarks	**3,377**	3,710
Patents	**-**	25
	9,690	10,058

Goodwill

	Group	
	2025	2024
	S$'000	S$'000
Cost:		
Balance at beginning of the financial year	**15,449**	15,138
Currency realignment	**(25)**	311
Balance at end of the financial year	**15,424**	15,449
Accumulated impairment loss:		
Balance at beginning of the financial year	**9,126**	8,943
Currency realignment	**(15)**	183
Balance at end of the financial year	**9,111**	9,126
Carrying amount:		
Balance at end of the financial year	**6,313**	6,323

The recoverable amounts of the cash generating units ("CGUs") to which goodwill are allocated (the "Relevant CGUs") are determined at least annually. Where appropriate, the recoverable amount is determined from value in use calculations. The key assumptions for value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and risks specific to the CGUs. The growth rates are based on industry growth forecasts or expected market development. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

During the financial year, the Group carried out a review of the recoverable amount of the Relevant CGUs. Recoverable amount determined from value in use calculations were based on cash flow projections derived from most recent financial budget approved by management for the next year (2024: one year) and extrapolates for the following four years (2024: four years) based on a growth rates of 4.0% (2024: 4.0% to 8.0%) and a terminal growth rate of 2.0% (2024: 2.3%). Discount rate of 12.0% (2024: 15.6%) was used to discount the cash flow forecast.

If management's estimate of discount rate increases or decreases by 1%, the amount of value in use would decrease by S$5,686,000 (2024: S$2,761,000) or increase by S$5,828,000 (2024: S$2,827,000) respectively.

As at 31 March 2025, management has determined that the recoverable amounts of the Relevant CGUs are appropriate, after considering, *inter alia*, the value in use calculations based on the key assumptions and taking into account the sensitivity analysis above. In addition, any reasonably possible change to the key assumptions applied is not likely to cause the recoverable amount to be below the carrying amount of the respective CGU. Accordingly, no allowance or further allowance for impairment loss is required.

17. Intangible assets (cont'd)

Trademarks

	Group	
	2025	2024
	S$'000	S$'000
Cost:		
Balance at beginning of the financial year	**6,552**	6,420
Currency realignment	**(10)**	132
Balance at end of the financial year	**6,542**	6,552
Accumulated amortisation:		
Balance at beginning of the financial year	**2,842**	2,464
Charge for the financial year	**326**	326
Currency realignment	**(3)**	52
Balance at end of the financial year	**3,165**	2,842
Carrying amount:		
Balance at end of the financial year	**3,377**	3,710

Patents

	Group	
	2025	2024
	S$'000	S$'000
Cost:		
Balance at beginning of the financial year	**432**	423
Currency realignment	**(1)**	9
Balance at end of the financial year	**431**	432
Accumulated amortisation:		
Balance at beginning of the financial year	**407**	187
Charge for the financial year	**25**	215
Currency realignment	**(1)**	5
Balance at end of the financial year	**431**	407
Carrying amount:		
Balance at end of the financial year	**-**	25

18. Inventories

	Group	
	2025	2024
	S$'000	S$'000
Raw materials	**47,543**	53,361
Work-in-progress	**38,050**	41,470
Finished goods	**112,888**	85,623
	198,481	180,454

The cost of inventories recognised as an expense includes S$1,215,000 (2024: S$1,174,000) in respect of write-downs of inventory to net realisable value and allowance for slow moving inventories, and has been reduced by S$2,546,000 (2024: S$1,071,000) in respect of the reversal of such write-downs. Previous write-downs have been reversed as a result of increased sales price in certain markets and reduction in slow moving inventories for certain products.

19. Receivables and prepayments

	Group		Company	
	2025	2024	**2025**	2024
	S$'000	S$'000	**S$'000**	S$'000
Trade receivables:				
Third parties	**157,445**	162,075	**-**	-
Associates (Note a)	**12,703**	15,899	**-**	-
Related parties (Note a)	**201**	490	**-**	-
Less: Allowance for ECL:				
Third parties	**(5,448)**	(4,453)	**-**	-
Associates	**(1,424)**	(1,642)	**-**	-
	163,477	172,369	**-**	-
Other receivables:				
Third parties	**25,445**	32,128	**4**	23
Ultimate holding company (Note a)	**10,223**	5,828	**-**	-
Associates (Note a)	**3,302**	575	**-**	-
Subsidiaries (Note b)	**-**	-	**8,111**	8,027
Related parties (Note a)	**10,181**	19,156	**93**	91
Less: Allowance for ECL:				
Third parties	**(9,066)**	(8,711)	**-**	-
	40,085	48,976	**8,208**	8,141
Deposits and prepayments	**15,403**	17,894	**334**	343
	218,965	239,239	**8,542**	8,484

Note:

a) The amounts due from ultimate holding company, associates and related parties are unsecured, non-interest bearing and repayable on demand.

b) The amounts due from subsidiaries included loans receivable from a subsidiary amounting to S$8,000,000 (2024: S$8,000,000), with interest rates ranging from 5.1% to 5.9% (2024: 5.7% to 6.2%) per annum.

As at 1 April 2023, trade receivables from contracts with customers amounted to S$160,072,000 (net of loss allowance of S$6,817,000).

Trade receivables are generally non-interest bearing with credit terms of up to 120 days (2024: 120 days). The Group closely monitors the credit quality of its trade receivables. For receivables that are not past due, they are considered collectable and accordingly not impaired. Interest may be charged on past due trade receivables.

Movement in lifetime ECL that has been recognised for trade receivables under the simplified approach:

	Group		
	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	**Total**
	S$'000	S$'000	**S$'000**
Balance at 1 April 2024	1,356	4,739	**6,095**
Allowance for (Reversal of) ECL for the financial year, net	1,019	(329)	**690**
Currency realignment	2	85	**87**
Balance at 31 March 2025	2,377	4,495	**6,872**
Balance at 1 April 2023	3,292	3,525	6,817
(Reversal of) Allowance for ECL for the financial year, net	(1,896)	1,748	(148)
Amount utilised	-	(485)	(485)
Currency realignment	(40)	(49)	(89)
Balance at 31 March 2024	1,356	4,739	6,095

19. Receivables and prepayments (cont'd)

Other receivables

As at 31 March 2025, a loss allowance of S$9,066,000 (2024: S$8,711,000) for ECL were provided against other receivables.

Other receivables of the Company consists mainly of non-trade advances to subsidiaries. For the purpose of impairment assessment, the loss allowance is measured at an amount equal to 12-month ECL. In determining the ECL, management has taken into account the financial position of the subsidiaries, adjusted for factors that are specific to the subsidiaries and general economic conditions of the industry in which the subsidiaries operate, in estimating the probability of default of the amount due from subsidiaries as well as the loss upon default. Management determined that the default risk for the amount due from subsidiaries is low.

For purpose of impairment assessment, the other receivables of the Group are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition, except for the loan to non-controlling interests as at 31 March 2025 and 2024, which was assessed individually due to significant increase in credit risk (Note 38(d)). For the purpose of impairment assessment for other receivables with low credit risk, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the expected credit losses for these receivables, management has taken into account the historical default experience and the financial position of the counterparties and considering various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

20. Short-term investments

	Group	
	2025	2024
	S$'000	S$'000
Structured deposits	**2,589**	-
Investment in quoted equity shares	**34**	219
	2,623	219

The Group invested in principal protected financial products with banks in the PRC ("Structured deposits"). The Structured deposits interest is linked to some financial index and the maturity date is less than 6 months. The management has not identified any potential significant financial risk exposure.

The investment in quoted equity shares are held for trading which have no fixed maturity date or coupon rate. The fair value of the quoted equity shares was based on the quoted closing market price on the last market day of a reporting period.

21. Bank balances, deposits and cash

The carrying amounts of bank balances, deposits and cash approximate their fair values.

22. Trade and other payables

	Group		Company	
	2025	2024	**2025**	2024
	S$'000	S$'000	**S$'000**	S$'000
Trade payables:				
Third parties	**160,183**	155,362	**-**	-
Associates	**23,617**	18,482	**-**	-
Related parties	**6,964**	11,922	**-**	-
Other payables:				
Third parties	**26,880**	28,088	**65**	168
Associates	**126**	123	**-**	-
Subsidiaries	**-**	-	**80,700**	89,171
Related parties	**1,251**	8,707	**-**	-
Accrued charges	**39,815**	40,219	**1,861**	1,667
Deposits	**140**	-	**-**	-
	258,976	262,903	**82,626**	91,006

Trade payables have credit terms of up to 120 days (2024: 120 days).

The amounts due to associates, related parties and subsidiaries are unsecured, non-interest bearing and repayable on demand. As at 31 March 2025, included in trade payables due to related parties, an amount of S$2,483,000 bears interest rate of 6.5% per annum.

23. Contract liabilities

Contract liabilities are mainly advance payment received from customers. The amount of revenue recognised in the current reporting period which relates to brought-forward contract liabilities is S$14,961,000 (2024: S$14,789,000). For the financial year ended 31 March 2024, the remaining of the brought-forward contract liabilities of S$122,000 was written-off.

24. Lease liabilities

The maturity analysis of lease liabilities of the Group and the Company are as follows:

	Group		Company	
	2025	2024	**2025**	2024
	S$'000	S$'000	**S$'000**	S$'000
Contractual undiscounted cash flows:				
Within one year	**11,867**	12,117	**639**	680
After one year but within two years	**7,834**	10,846	**374**	581
After two years but within five years	**9,948**	10,573	**347**	687
After five years	**5,543**	8,556	**-**	-
	35,192	42,092	**1,360**	1,948
Less: Future interest expense	**(4,158)**	(5,210)	**(66)**	(127)
Present value of lease liabilities	**31,034**	36,882	**1,294**	1,821
Analysed as:				
Current	**10,431**	10,410	**599**	615
Non-current	**20,603**	26,472	**695**	1,206
	31,034	36,882	**1,294**	1,821

As at 31 March 2024, the Group's lease liabilities of S$13,000 are secured over certain right-of-use assets (Note 12).

The initial lease terms ranged between two years and ten years (2024: one year two months and ten years).

The total cash outflow for leases (including short-term, low value assets and variable leases) amounted to S$14,733,000 (2024: S$15,306,000).

24. Lease liabilities (cont'd)

In determining the lease term of certain lease arrangement for buildings with extension option, management considers all facts and circumstances that create an economic incentive to exercise the extension option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. If a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee, the above assessment will be reviewed further. As at 31 March 2025, potential future (undiscounted) cash outflows of S$3,864,000 have not been included in the lease liability because it is not reasonably certain that the related leases will be extended.

25. Bank and other loans

	Group		Company	
	2025	2024	**2025**	2024
	S$'000	S$'000	**S$'000**	S$'000
Current liabilities				
Secured				
Current portion of motor vehicle loan	**28**	27	**28**	27
Unsecured				
Current portion of long-term bank loans (Note a)	**70,267**	57,015	**9,567**	25,038
Short-term bank loans	**179,060**	223,863	**30,900**	35,270
Import and export loans	**41,147**	13,614	**-**	-
	290,502	294,519	**40,495**	60,335
Non-current liabilities				
Secured				
Motor vehicle loan	**113**	141	**113**	141
Unsecured				
Long-term bank loans due after one year (Note a)	**167,596**	196,111	**59,736**	32,139
	167,709	196,252	**59,849**	32,280
	458,211	490,771	**100,344**	92,615

Note:

a) Long-term bank loans of the Group and the Company are stated net of unamortised transaction costs, which amounted to S$1,140,000 (2024: S$1,101,000) and S$233,000 (2024: S$162,000) respectively for the current portion; and S$1,054,000 (2024: S$1,538,000) and S$464,000 (2024: S$61,000) respectively for the non-current portion. These loans are repayable within one to three years (2024: one to three years) and are based on variable interest rates.

b) As at 31 March 2025 and 2024, there were no incidence of non-compliance with the financial covenants committed under various loan facility agreements.

As at 31 March 2025, bank loans of the Company amounting to S$83,000,000 (2024: S$70,350,000) were guaranteed by certain subsidiaries of the Company.

25. Bank and other loans (cont'd)

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Note	At 1 April 2024	Financing cash flows	Non-cash changes: Foreign exchange movement	Non-cash changes: Net lease liabilities additions	Amortisation, net of transaction costs paid	**At 31 March 2025**
		S$'000	S$'000	S$'000	S$'000	S$'000	**S$'000**
Lease liabilities	24	36,882	(10,652)[1]	45	4,759	-	**31,034**
Bank and other loans	25	490,771	(29,745)[2]	(3,253)	-	438	**458,211**
		527,653	(40,397)	(3,208)	4,759	438	**489,245**

	Note	At 1 April 2023	Financing cash flows	Non-cash changes: Foreign exchange movement	Non-cash changes: Net lease liabilities additions	Non-cash changes: Others	Transaction costs paid, net of amortisation	At 31 March 2024
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Lease liabilities	24	48,146	(10,913)[1]	(1,045)	13,773	(13,079)[3]	-	36,882
Bank and other loans	25	501,859	(8,433)[2]	(565)	-	(548)[3]	(1,542)	490,771
		550,005	(19,346)	(1,610)	13,773	(13,627)	(1,542)	527,653

(1) Being repayment of principal element of lease liabilities in the consolidated statement of cash flows.

(2) The cash flow comprises the following items shown in the consolidated statement of cash flows:

	2025	2024
	S$'000	S$'000
Drawdown of bank and other loans	**75,353**	127,935
Repayment of bank and other loans	**(105,098)**	(136,368)
	(29,745)	(8,433)

(3) Being derecognised upon DIS of GPET Shares (Note 41).

26. Deferred tax assets and deferred tax liabilities

Movements in the deferred tax assets and deferred tax liabilities recognised by the Group and the Company are as follows:

	Lease Liabilities / Right-of-use assets S$'000	Accelerated tax depreciation S$'000	Revaluation of investment properties S$'000	Tax losses S$'000	Other temporary differences, net S$'000	**Total S$'000**
Group						
Deferred tax assets						
Balance at 1 April 2024	5,065	1,390	-	1,631	1,786	**9,872**
(Charge) Credit to profit or loss for the financial year	(160)	(684)	-	134	(801)	**(1,511)**
Currency realignment	20	(21)	-	(3)	(7)	**(11)**
Balance at 31 March 2025	4,925	685	-	1,762	978	**8,350**
Balance at 1 April 2023	7,194	1,805	-	1,701	2,323	13,023
Credit (Charge) to profit or loss for the financial year	463	(375)	-	(90)	(571)	(573)
Distribution in specie (Note 41)	(2,760)	-	-	-	-	(2,760)
Currency realignment	168	(40)	-	20	34	182
Balance at 31 March 2024	5,065	1,390	-	1,631	1,786	9,872
Deferred tax liabilities						
Balance at 1 April 2024	5,014	1,680	-	-	5,082	**11,776**
(Credit) Charge to profit or loss for the financial year	(251)	141	(14)	-	2,175	**2,051**
Charge to other comprehensive income	-	-	4,926	-	-	**4,926**
Currency realignment	16	71	(27)	-	(15)	**45**
Balance at 31 March 2025	4,779	1,892	4,885	-	7,242	**18,798**
Balance at 1 April 2023	7,194	1,020	-	-	5,170	13,384
Charge (Credit) to profit or loss for the financial year	448	718	-	-	(126)	1,040
Distribution in specie (Note 41)	(2,760)	-	-	-	(67)	(2,827)
Currency realignment	132	(58)	-	-	105	179
Balance at 31 March 2024	5,014	1,680	-	-	5,082	11,776

26. Deferred tax assets and deferred tax liabilities (cont'd)

	Lease Liabilities / Right-of-use assets S$'000
Company	
Deferred tax assets	
Balance at 1 April 2024	**310**
Charge to profit or loss for the financial year	**(90)**
Balance at 31 March 2025	**220**
Balance at 1 April 2023	426
Charge to profit or loss for the financial year	(116)
Balance at 31 March 2024	310
Deferred tax liabilities	
Balance at 1 April 2024	**317**
Credit to profit or loss for the financial year	**(93)**
Balance at 31 March 2025	**224**
Balance at 1 April 2023	426
Credit to profit or loss for the financial year	(109)
Balance at 31 March 2024	317

The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Group		Company	
	2025	2024	**2025**	2024
	S$'000	S$'000	**S$'000**	S$'000
Deferred tax assets	**8,350**	9,872	**220**	310
Set off of tax	**(4,731)**	(4,940)	**(220)**	(310)
Net deferred tax assets	**3,619**	4,932	**-**	-
Deferred tax liabilities	**18,798**	11,776	**224**	317
Set off of tax	**(4,731)**	(4,940)	**(220)**	(310)
Net deferred tax liabilities	**14,067**	6,836	**4**	7

As at 31 March 2025, subsidiaries of the Group had potential tax benefits of approximately S$66,422,000 (2024: S$64,628,000) arising from unutilised tax losses, unabsorbed wear and tear allowances and other temporary differences, which were available for set off against future taxable profits. These potential tax benefits were not recognised in the financial statements due to the uncertainty of future profits available to utilise these losses. The use of these potential tax benefits is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the subsidiaries operate.

Unutilised tax losses include losses of S$24,210,000 (2024: S$24,828,000) for subsidiaries operating in certain foreign tax jurisdiction that will expire within five years.

At as 31 March 2025, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries and associates for which deferred tax liabilities have not been recognised was S$107,917,000 (2024: S$119,357,000). No deferred tax liability has been recognised in respect of these temporary differences because the Group is in a position to control the timing of the reversal of the temporary differences, and it is probable that such differences will not reverse in the foreseeable future.

27. Issued capital, treasury shares, dividends and distribution in specie

a) Issued capital

	Group and Company			
	2025	2024	**2025**	2024
	Number of ordinary shares		**S$'000**	S$'000
Issued and fully paid up:				
At beginning and end of the financial year	**521,358,482**	521,358,482	**286,307**	286,307

Fully paid ordinary shares of the Company ("Shares"), which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

b) Treasury shares

	Group and Company			
	2025	2024	**2025**	2024
	Number of ordinary shares		**S$'000**	S$'000
At beginning of the financial year	**37,515,000**	37,515,000	**20,978**	20,978
On-market purchases	**3,343,700**	-	**1,623**	-
At end of the financial year	**40,858,700**	37,515,000	**22,601**	20,978

Treasury shares are Shares that are held by the Company. The Company cannot exercise the voting rights in respect of the treasury shares and the treasury shares are not entitled to dividend or other distribution to be paid by the Company.

During the financial year, the Company purchased 3,343,700 of its Shares by way of on-market purchases at share prices ranging from S$0.460 to S$0.510.

c) Dividends

	Group and Company	
	2025	2024
	S$'000	S$'000
i) Dividends paid during the financial year are as follows:		
Final tax-exempt (1-tier) dividend of 1.00 Singapore cent ("S cent") per Share for the financial year ended 31 March 2024	**4,838**	-
Final tax-exempt (1-tier) dividend of 1.50 S cents per Share for the financial year ended 31 March 2023	**-**	7,258
Interim tax-exempt (1-tier) dividend of 1.50 S cents per Share for the financial year ended 31 March 2025	**7,258**	-
Interim tax-exempt (1-tier) dividend of 1.00 S cent per Share for the financial year ended 31 March 2024	**-**	4,838
	12,096	12,096
ii) Dividends proposed before these financial statements were authorised and not included as liabilities in these financial statements are as follows:		
Final tax-exempt (1-tier) dividend of 1.50 S cents per Share for the financial year ended 31 March 2025 (2024: 1.00 S cent)	**7,207**	4,838

27. Issued capital, treasury shares, dividends and distribution in specie (cont'd)

d) Distribution in specie

	Group		Company	
	2025	2024	**2025**	2024
	S$'000	S$'000	**S$'000**	S$'000
Distribution in specie	**-**	31,658	**-**	35,418

On 29 January 2024, the Company has completed the distribution in specie of 429,834,488 ordinary shares in the issued share capital of GPET and S$3,953,512 (being the cash equivalent of 54,008,994 GPET Shares), representing the entire issued share capital of GPET. The Group's value of the DIS of S$31,658,000 represents the carrying amount of net assets distributed (Note 41).

28. Perpetual bonds

On 30 September 2024, the Company has entered into subscription agreements with certain investors for the issue of fixed rate resetting perpetual subordinated bonds up to an aggregate principal amount of US$11.0 million (equivalent to S$14,089,000) ("perpetual bonds"). Incremental costs directly attributable to the issuance of perpetual bonds incurred amounting to S$77,000 were recognised in equity, deducted against the principal amount.

In accordance with the terms and conditions of the subscription agreements, *inter alia*, (i) the distribution rate on the perpetual bonds is at 9.5% per annum and 8.5% per annum for the first and second year respectively and will reset annually thereafter; (ii) the distribution will be payable semi-annually in arrear, unless deferred at the discretion of the Company and will be cumulative; and (iii) the perpetual bonds have no fixed redemption date and are redeemable in whole at the Company's option on the third anniversary of the issue date of the perpetual bonds or any anniversary of the issue date thereafter, at their principal amount, together with any accrued, unpaid or deferred distributions.

As a result, the Company is considered to have no contractual obligations to repay its principal or to pay any distributions in respect of its perpetual bonds issue. Accordingly, the perpetual bonds do not meet the definition for classification as a financial liability under SFRS(I) 1-32 *Financial Instruments: Presentation*. The whole instrument is presented within equity, and distributions are treated as dividends.

The investors of the perpetual bonds include certain directors of the Company and a wholly owned subsidiary of Meiloon Industrial Co., Ltd. The directors of the Company (including a director who has subsequently resigned as a director during the financial year) have subscribed for an aggregate principal amount of US$4.0 million (equivalent to S$5,123,000). A wholly owned subsidiary of Meiloon Industrial Co., Ltd. has subscribed for the principal amount of US$1.0 million (equivalent to S$1,281,000).

There is no distributions to perpetual bonds holders during the financial year.

29. Simple agreements for future equity

On 26 January 2023, KEF GP Group Limited ("KGG"), a subsidiary of the Company, entered into simple agreements for future equity ("SAFE") with certain investors, who are long-term partners and business associate and supporters of KEF and Celestion branded products, for an aggregate purchase amount of US$13.7 million (equivalent to S$18,793,000). The SAFE provide the investors with rights to future equity in KGG under the terms of the agreements. The SAFE will automatically convert into preferred shares to be issued to the investors in the future capital raising transactions, which is equal to SAFE amount divided by US$1,000. The SAFE will be terminated following (i) the issuance of shares of KGG for raising capital; or (ii) repayment to SAFE investors pursuant to change in control or dissolution of KGG. The SAFE is not mandatorily redeemable and has no interest rate or maturity date.

30. Lease commitments

The Group as lessee

As at 31 March 2025, the Group has approximately S$249,000 (2024: S$240,000) of aggregate undiscounted commitments for short-term leases.

The Group as lessor

Operating leases, in which the Group is the lessor, relate to investment property owned by the Group which will be expiring in January 2027. The lessee does not have an option to purchase the property at the expiry of the lease period.

30. Lease commitments (cont'd)

Maturity analysis of operating lease payments:

	Group
	2025
	S$'000
Within 1 year	**655**
Between 1 to 2 years	**546**
	1,201

31. Capital commitments

	Group		Company	
	2025	2024	**2025**	2024
	S$'000	S$'000	**S$'000**	S$'000
Capital expenditure:				
Commitments for the acquisition of property, plant and equipment	**203**	438	**-**	-

32. Contingent liabilities (unsecured)

	Group		Company	
	2025	2024	**2025**	2024
	S$'000	S$'000	**S$'000**	S$'000
Guarantees given to certain banks in respect of banking facilities utilised by subsidiaries	**-**	-	**293,989**	312,852
Others	**3,609**	3,490	**-**	-

The maximum amount the Group and the Company could become liable is as shown above.

The financial effects relating to financial guarantee contracts issued by the Company are insignificant to the financial statements of the Company and therefore are not recognised.

33. Segment information

The Group's current businesses are organised into three segments based on the types of products that they provide, as follows:

Battery

The battery business develops, manufactures and markets primary batteries, GP brand and related battery products.

Audio

The Group designs, manufactures and sells professional audio products, KEF branded audio systems, Celestion branded professional loudspeakers and related electronic and audio products.

Other industrial investments

Comprises dormant companies, investment holding companies, the Group's associates, namely Meiloon and associates that are mainly engaged in the manufacturing of high precision parts and components used in electronics products, and the Company's investment in unquoted shares in GPET. XIC ceased to be an associated company of the Group as at 31 March 2024 and was accounted for as financial assets at FVTOCI.

The executive directors of the Company, who are the chief operating decision makers, and management monitor the results of these business segments for the purpose of making decisions about resource allocation and performance assessment. The reportable segments apply the Group's accounting policies as described in Note 2. Segment performance is evaluated based on the Group's share of profit before taxation contributed by each business segment and after allocation of central administrative costs. Investment related finance cost and income taxes, which are managed on a group basis, are not allocated to the business segments.

33. Segment information (cont'd)

Information regarding the Group's operating segments is presented below.

a) Operating segments

	Battery S$'000	Audio S$'000	Other industrial investments S$'000	Elimination S$'000	**Total S$'000**
2025					
Revenue					
External revenue	833,279	271,421	-	-	**1,104,700**
Inter-segment revenue	9	138	-	(147)	**-**
Total revenue	833,288	271,559	-	(147)	**1,104,700**
Results					
Contribution before taxation	31,667	3,206	7,708	-	**42,581**
Other information					
Interest income	1,301	275	-	-	**1,576**
Finance costs	18,548	5,981	-	-	**24,529**
Share of results of associates	5,776	-	7,686	-	**13,462**
Depreciation and amortisation	28,891	12,338	1,241	-	**42,470**
Allowance for impairment loss on property, plant and equipment	650	-	-	-	**650**
(Write-back of) Allowance for inventory obsolescence and write-off of inventory, net	(1,405)	74	-	-	**(1,331)**
(Gain) Loss on disposal of property, plant and equipment, net	(4)	4	-	-	**-**
Allowance of expected credit losses, net	914	267	-	-	**1,181**
Fair value loss on short-term investments	-	-	183	-	**183**
Fair value gain on financial assets at fair value through profit or loss	-	-	3,638	-	**3,638**
Gain from de-registration of a subsidiary	1,991	-	-	-	**1,991**
Gain from de-registration of an associate	18	-	-	-	**18**
Fair value loss on investment properties	56	-	-	-	**56**

33. Segment information (cont'd)

	Battery S$'000	Audio S$'000	Other industrial investments S$'000	Elimination S$'000	Total S$'000
2024					
Revenue					
External revenue	836,728	271,403	-	-	1,108,131
Inter-segment revenue	9	62	-	(71)	-
Total revenue	836,737	271,465	-	(71)	1,108,131
Results					
Contribution (Loss) before taxation	30,645	1,066	(73,225)	-	(41,514)
Other information					
Interest income	1,293	344	-	-	1,637
Finance costs	18,082	7,153	-	-	25,235
Share of results of associates	11,127	-	(70,496)	-	(59,369)
Depreciation and amortisation	32,054	11,459	1,282	-	44,795
(Allowance for) Write-back of inventory obsolescence and write-off of inventory, net	(544)	441	-	-	(103)
(Loss) Gain on disposal of property, plant and equipment, net	(24)	(8)	3	-	(29)
Write-back of expected credit losses, net	174	270	-	-	444
Reversal of impairment loss on interest in an associate	7,812	-	-	-	7,812
Fair value gain on short-term investments	-	-	73	-	73
Loss from disposal and / deemed disposal of interest in associates, net	271	-	-	-	271

	Battery S$'000	Audio S$'000	Other industrial investments S$'000	Elimination S$'000	**Total S$'000**
2025					
Assets and liabilities					
Assets	960,964	265,933	145,642	(164,450)	**1,208,089**
Liabilities	538,955	192,619	105,829	(164,450)	**672,953**
Other information					
Interest in associates	59,472	-	104,861	-	**164,333**
Additions to property, plant and equipment	23,101	9,173	19	-	**32,293**
Additions to right-of-use assets	551	2,439	176	-	**3,166**

33. Segment information (cont'd)

	Battery S$'000	Audio S$'000	Other industrial investments S$'000	Elimination S$'000	Total S$'000
2024					
Assets and liabilities					
Assets	934,549	290,240	193,545	(189,411)	1,228,923
Liabilities	575,180	217,262	116,050	(189,411)	719,081
Other information					
Interest in associates	55,941	-	99,313	-	155,254
Additions to property, plant and equipment	31,544	4,997	361	-	36,902
Additions to right-of-use assets	10,017	5,781	-	-	15,798

Reconciliation of the operating segment results, interest income, finance costs, assets and liabilities are provided as follows:

	Group	
	2025 S$'000	2024 S$'000
Results		
Contribution (Loss) before taxation per reportable segments	**42,581**	(41,514)
Unallocated finance costs, net	**(3,963)**	(7,996)
Taxation	**(12,413)**	(8,246)
Share of taxation of associates	**(3,963)**	(1,612)
Taxation attributable to non-controlling interests' share of results	**2,084**	622
Profit (Loss) attributable to equity holders of the Company	**24,326**	(58,746)
Interest income		
Per reportable segments	**1,576**	1,637
Unallocated interest income	**423**	1,051
Per consolidated financial statements	**1,999**	2,688
Finance costs		
Per reportable segments	**24,529**	25,235
Unallocated finance costs	**4,386**	9,047
Per consolidated financial statements	**28,915**	34,282
Assets		
Per reportable segments	**1,208,089**	1,228,923
Other unallocated assets	**7,304**	8,019
Per consolidated financial statements	**1,215,393**	1,236,942
Liabilities		
Per reportable segments	**672,953**	719,081
Unallocated bank loans and lease liabilities	**93,638**	86,436
Other unallocated liabilities	**17,939**	8,567
Per consolidated financial statements	**784,530**	814,084

33. Segment information (cont'd)

b) Geographical information

Revenue analysed by the location of the customers or the shipment destination, where appropriate, is as follows:

	2025	2024
	S$'000	S$'000
Singapore	**6,990**	9,261
PRC	**525,696**	484,536
Other Asian countries	**58,632**	63,438
Asia	**591,318**	557,235
Germany, Netherlands, Russia and United Kingdom	**128,166**	155,569
Other European countries	**112,353**	145,364
Europe	**240,519**	300,933
United States of America	**247,339**	223,732
Other American countries	**18,415**	19,384
Americas	**265,754**	243,116
Others	**7,109**	6,847
Revenue	**1,104,700**	1,108,131

Non-current assets analysed by the geographical location in which the assets are located is as follows:

	2025	2024
	S$'000	S$'000
Singapore	**1,008**	1,482
PRC	**481,280**	459,205
Other Asian countries	**64,123**	71,396
Europe	**35,684**	28,128
Americas and others	**7,323**	6,104
	589,418	566,315

Non-current assets comprise investment properties, property, plant and equipment, right-of-use assets, interest in associates, deposits and prepayments and intangible assets.

c) No customer individually contributed more than 10% of the Group's revenue for the financial years ended 31 March 2025 and 2024.

34. Related party transactions, commitments and balances

Related companies in these financial statements refer to members of the ultimate holding company's group of companies, other than the Company and its subsidiaries.

Transactions between the Company and its subsidiaries, and among its subsidiaries, have been eliminated on consolidation and are not disclosed in this note.

In addition to the related party information disclosed elsewhere in the financial statements, the Group has significant transactions and commitments with related parties on terms agreed between the parties as follows:

	Group			
	Associates		Related companies	
	2025	2024	**2025**	2024
	S$'000	S$'000	**S$'000**	S$'000
Sales	**44,476**	49,650	**2,221**	289
Purchases	**(86,000)**	(86,544)	**(20,774)**	(8,188)
Interest income	**-**	-	**474**	-
Rental income	**42**	35	**343**	228
Royalty income	**135**	117	**-**	-
Rental expenses	**-**	-	**(257)**	(43)
Utilities expenses	**-**	-	**(390)**	(56)
Commission expenses	**-**	(125)	**-**	-
Marketing expenses	**(770)**	(902)	**-**	-

In addition to the related party information disclosed elsewhere in the financial statements, the Group and the Company have dividend receivable from related parties as at the end of the financial year as follows:

	Group		Company	
	2025	2024	**2025**	2024
	S$'000	S$'000	**S$'000**	S$'000
Associates	**4,130**	2,600	**1,006**	1,378
Subsidiaries	**-**	-	**14,844**	5,288
	4,130	2,600	**15,850**	6,666

The remuneration of the directors and key management personnel is as follows:

	Group	
	2025	2024
	S$'000	S$'000
Short-term benefits (including directors' fees)	**7,955**	7,906
Post-employment benefits	**288**	293
	8,243	8,199

35. Adoption of new and revised standards

During the financial year, the Group has adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations and effective for the Company's annual period beginning on 1 April 2024. The adoption of these new / revised SFRS(I) pronouncements does not result in any substantial change to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current and prior financial years.

36. New and revised financial reporting standards

At the date of authorisation of these financial statements, the following SFRS(I) pronouncements that are relevant to the Group and the Company were issued but not effective:

- Amendments to SFRS(I) 1-21 *Lack of Exchangeability* (1)
- Amendments to SFRS(I) 9 and SFRS(I) 7 *Amendments to the Classification and Measurement of Financial Instruments* (2)
- Annual Improvements to SFRS(I)s-Volume 11 (2)
- Amendments to SFRS(I) 9 and SFRS(I) 7 *Contracts Referencing Nature-dependent Electricity* (2)
- SFRS(I) 18 *Presentation and Disclosure in Financial Statements* (3)
- SFRS(I) 19 *Subsidiaries without Public Accountability: Disclosures* (3)
- Amendments to SFRS(I) 10 and SFRS(I) 1-28 *Sale or Contribution of Assets between Investor and its Associate or Joint Venture* (4)

(1) Applies to annual periods beginning on or after 1 January 2025.
(2) Applies to annual periods beginning on or after 1 January 2026.
(3) Applies to annual periods beginning on or after 1 January 2027.
(4) Effective date not yet announced.

Management anticipates that the adoption of the above standards in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

37. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's material accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgements in Applying the Group's Material Accounting Policies

The critical judgements, apart from those involving estimations reported (see below), that management has made in the process of applying the Group's material accounting policies and that have the most significant effect on the amounts reported in the financial statements are as follows below.

<u>Impairment Assessment on Interest in AZ Limited (the "Associate")</u>

During the financial year ended 31 March 2025, taking into consideration the Associate's actual financial performance, the receipt of dividends and collection of receivables from the Associate, the Group considers that there was no impairment indicator from a quantitative perspective in relation to the Group's interest in the Associate.

However, as the Associate operates in Russia, it is exposed to sanction risks which may affect the Group's ability to realise the benefits from the investment in Associate. Arising from geopolitical situation, the Group has obtained legal opinions on the sanction risks in respect of the Group's relationship with the Associate and the effects of the sanctions on Russia on the Group's ability to realise the economic benefit in its capacity as a foreign shareholder. Based on the legal opinions received, the management has concluded that there is no impairment required.

Key Sources of Estimation Uncertainty

In addition to the estimates and underlying assumptions mentioned elsewhere in the financial statements, the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

37. Critical accounting judgements and key sources of estimation uncertainty (cont'd)

ECL on Trade Receivables due from the Associate

During the financial year ended 31 March 2025, taking into consideration the Associate's actual financial performance and the collection of receivables from the Associate, there was a decrease in credit risk in respect of the trade receivables due from the Associate. The management of the Group appointed the Valuer to individually assess the ECL on the trade receivables due from the Associate.

Based on management's assessment, a reversal of ECL provision of S$216,000 (2024: S$244,000) was made on the trade receivables due from the Associate. Details of the above assessments are disclosed in Note 38(d).

Allowance for ECL

The Group use provision matrix to calculate ECL for the trade receivables. The provision rates are based on internal credit ratings for each grouping of debtors that have similar credit risk characteristics. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable, and available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, certain material balances of trade receivables and those credit-impaired are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in Notes 19 and 38(d).

Impairment of Goodwill

The Group estimates the value in use of the cash-generating units to which the goodwill is allocated in determining whether goodwill requires any impairment. This requires the Group to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. Details of the carrying amount of goodwill are stated in Note 17.

Allowance for Inventory Obsolescence

The carrying amount of inventories, stated in Note 18, is progressively reduced based on the age and type of inventories. These estimates of realisable values are made by management after taking into account historical and forecast selling prices.

Income Taxes

The Group is subject to income taxes in numerous jurisdictions. Judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

As at 31 March 2025, the carrying amounts of taxation recoverable of the Group is S$3,685,000 (2024: S$3,087,000). The carrying amounts of income tax payable of the Group and the Company are S$3,872,000 (2024: S$1,731,000) and S$10,000 (2024: S$29,000) respectively. The carrying amounts of deferred tax assets and deferred tax liabilities are stated in Note 26.

Fair value measurement of Investment Properties

Investment properties are stated at fair value based on the valuation performed by independent professional valuers. The determination of fair value involves certain assumptions of market conditions which are set out in Note 10.

In relying on the valuation report, the directors of the Company have exercised their judgement and are satisfied that the assumption used in the valuation is reflective of the current market conditions. Changes to these assumptions, including the potential risk of any market violation, policy, geopolitical and social changes or other unexpected incidents as a result of change in macroeconomic environment would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to the amount of gain or loss and revaluation surplus which reported in the consolidated statement of profit or loss and other comprehensive income.

As at 31 March 2025, the carrying amount of the Group's investment properties is S$72,096,000 (2024: S$Nil). Immediately before the transfer from property, plant and equipment to investment properties, the Group remeasured the investment properties to fair value and recognised a revaluation surplus of S$28,920,000 (2024: S$Nil) in other comprehensive income.

Fair value measurement of financial assets at FVTPL

As at 31 March 2025, the fair value of the equity instrument is estimated based on discounted cashflow under the income approach, market approach and adjusted net assets approach. If there are changes in facts and circumstances which results in the revision of future cash flows, or there are adjustments in the discount rates or other assumptions, material changes in fair value may arise. As at 31 March 2025, the fair value of financial assets at FVTPL is S$7,677,000 (2024: S$3,957,000) and fair value gain on financial assets at FVTPL is S$3,638,000 (2024: S$Nil).

38. Financial instruments, financial risk and capital risk management

a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2025	2024	**2025**	2024
	S$'000	S$'000	**S$'000**	S$'000
Financial assets				
Financial assets at FVTOCI	**1,284**	49,037	**-**	46,238
Financial assets at FVTPL	**10,300**	4,176	**7,677**	3,957
Financial assets at amortised cost	**393,203**	411,047	**30,582**	29,328
Financial liabilities				
Financial liabilities at amortised cost	**719,381**	756,313	**183,667**	183,844

b) Financial risk management policies and objectives

The Group's major financial instruments include trade and other receivables, trade and other payables, bank balances and bank and other loans. The Group's financial assets at FVTOCI are not held for trading purposes. Details of these financial instruments are disclosed in the respective notes. The Group uses derivative financial instruments to manage its exchange rate, interest rate and raw material price exposures. Such financial instruments are not for speculative purposes.

The risks associated with the Group's major financial instruments include equity price risk, credit risk, interest rate risk, foreign currency risk and liquidity risk. The policies on how to manage these risks are set out in this Note 38.

Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and an effective manner. The Group's overall strategy remains unchanged from prior year.

c) Equity price risk management

As at 31 March 2025 and 2024, the Group is exposed to equity price risk arising from investment in equity shares classified as financial assets at FVTOCI, financial assets at FVTPL and short-term investments. Further details of these investments can be found in Notes 15, 16 and 20.

Equity price sensitivity for financial assets at FVTOCI

If the quoted price or inputs to the valuation model had been 5% higher or lower, while all other variables were held constant, the Group's fair value reserve at 31 March 2025 would increase or decrease by S$149,000 (2024: S$2,528,000).

Equity price sensitivity for financial assets at FVTPL

If the equity price or observable inputs had been 5% higher or lower, while all other variables were held constant, the Group's profit or loss for the financial year would increase or decrease by S$384,000 (2024: S$198,000).

Equity price sensitivity for short-term investments

If the quoted price had been 5% higher or lower, while all other variables were held constant, the Group's profit or loss for the financial year would increase or decrease by S$2,000 (2024: S$11,000).

d) Credit risk management

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets stated in the consolidated statement of financial position.

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

In addition, in assessing counterparty's risk, the Group also takes into consideration the possible impact of other significant events or factors which are not directly related to the creditworthiness of the debtor but may ultimately adversely affect the Group's collection of the receivables.

38. Financial instruments, financial risk and capital risk management (cont'd)

Trade receivables

In order to minimise the credit risk, the directors of the Company have delegated the management to be responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Before accepting any new customer, the Group uses an internal credit rating system to assess the potential customer's credit quality and defines credit limits by customer. Limits and rating attributed to customers are reviewed twice a year. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. In addition, the Group performs impairment assessment under ECL model on trade balances individually or based on a collective basis.

The Group has no major concentration of credit risk over trade receivables. Trade receivables consist of a large number of customers and spread across diverse industries.

As part of the Group's credit risk management, the Group applies internal credit rating for its customers. As at 31 March 2025, credit-impaired trade receivables (excluding trade receivables from the Associate) with gross carrying amount of S$4,835,000 (2024: S$5,088,000) were assessed individually and a loss allowance of S$4,495,000 (2024: S$4,739,000) was recorded for high risk customers. High risk represents there is evidence indicating the asset is credit-impaired.

The following table provides information about the exposure to credit risk for trade receivables which are assessed based on a collective basis within lifetime ECL (not credit-impaired). As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

Internal credit rating	Gross trade receivables S$'000	Range of loss rates %	ECL S$'000	**Net trade receivables S$'000**
31 March 2025				
Very low risk *	79,548	0.01 to 0.29	102	**79,446**
Low risk	36,253	0.30 to 1.00	236	**36,017**
Average risk	33,307	1.01 to 3.50	683	**32,624**
Moderate risk	5,386	3.51 to 50.00	940	**4,446**
	154,494		1,961	**152,533**
31 March 2024				
Very low risk *	109,605	0.01 to 0.29	173	109,432
Low risk	25,541	0.30 to 1.00	168	25,373
Average risk	23,361	1.01 to 3.50	359	23,002
Moderate risk	489	3.51 to 50.00	24	465
	158,996		724	158,272

* Included bills receivables amounting to S$5,054,000 (2024: S$2,041,000).

Internal credit rating definition:

"Very low risk"	The counterparty has a very low risk of default due to strong financial background and a prompt payment pattern.
"Low risk"	The counterparty has a low risk of default with strong financial background but occasionally repays after due dates.
"Average risk"	Debtor frequently repays after due dates but usually settle in full.
"Moderate risk"	There have been significant increases in credit risk since initial recognition through information developed internally or external resources.

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

38. Financial instruments, financial risk and capital risk management (cont'd)

Trade and other receivables due from the Associate

As at 31 March 2025 and 2024, the management has individually assessed the ECL of the trade receivables due from the Associate amounting to S$11,020,000 (2024: S$14,380,000). Management had appointed the Valuer to assist in the estimation of the ECL provision of the trade and other receivables due from the Associate as at 31 March 2025 and 2024, where applicable, by determining expected loss rate and forward-looking adjustments based on market available information. Based on the results of the assessment, a reversal of ECL provision was made on the trade and non-trade receivables due from the Associate of S$216,000 and S$Nil (31 March 2024: Reversal of ECL provision of S$225,000 and S$19,000) respectively. As at 31 March 2025, the ECL provision on the trade receivables due from the Associate amounted to S$416,000 (2024: S$632,000), and the carrying value of the trade receivables was S$10,604,000 (2024: S$13,748,000).

Loan to non-controlling interests

As at 31 March 2025 and 2024, the management has individually assessed the ECL of the loan to non-controlling interests of S$7,550,000 (2024: S$7,563,000). Management considered that due to the past due events of the loan to non-controlling interests, there is significant increase in credit risk in the loan to non-controlling interests. The management estimates the estimated loss rates of loan receivables based on historical credit loss experience of the debtors as well as the fair value of the collateral pledged by non-controlling interests to the loan receivables. Based on assessment by the management, a full ECL provision of S$7,550,000 (2024: S$7,563,000) was made on the loan to non-controlling interests.

Other receivables

In determining the ECL for other receivables, the management has made periodic individual assessment on the recoverability of other receivables, based on historical settlement records, past experience, and also forward-looking information, as appropriate, for example, the Group has considered the consistently low historical default rate in connection with payments, and concluded the credit risk inherent in the Group's outstanding other receivables is insignificant, except for other receivables due from the Associate as described in "Trade and other receivables due from the Associate" and "Loan to non-controlling interests" above.

The Group has no major concentration of credit risk in respect of its trade and other receivables.

Bank balances

The Group places its cash and fixed deposits with reputable financial institutions.

e) Interest rate risk management

The interest rate risk exposure of the Group mainly arises from its interest bearing debts and interest bearing assets, which are substantially bearing interest at floating rates. The Group considers, where appropriate, to use derivative financial instruments to mitigate the financial impact associated with interest rates fluctuations relating to certain actual or forecasted transactions.

The Group is exposed to variable interest rates arising from borrowings denominated in various currencies such as Singapore dollars, Hong Kong dollars, United States dollars and Renminbi.

The Group has certain variable interest bearing term loans which are subject to covenants requiring compliance with interest coverage ratios. The Group utilises short-term revolving credit facilities that are subject to variable interest rates. Management has evaluated the risk of non-compliance with these interest coverage covenants amidst a high interest rate environment and concluded based on the available information, that any reasonable change in the interest rates subsequent to reporting period up to June 2026 will not result in any non-compliance of covenant. The Group may also look into funding some of its future expansions by equity financing, where appropriate, to reduce the Group's borrowing level.

Interest rate sensitivity analysis

If interest rate had been 50 basis points higher or lower and all other variables were held constant:

i) consolidated interest income for the financial year would increase or decrease by S$102,000 (2024: S$166,000).

ii) consolidated finance costs for the financial year would increase or decrease by S$2,273,000 (2024: S$2,800,000).

f) Foreign currency risk management

The Group's monetary assets and liabilities are mainly denominated in United States dollar, Euro, Hong Kong dollar, Japanese Yen, Malaysian Ringgit, Renminbi and Singapore dollar. Exposures to foreign currency risks are managed as far as possible by matching monetary assets and liabilities in the same currency denomination and supplemented with appropriate financial instruments where necessary. The Group considers, where appropriate, to use derivative financial instruments to mitigate the financial impact associated with foreign currency fluctuations relating to certain forecasted transactions.

38. Financial instruments, financial risk and capital risk management (cont'd)

The Group's significant net foreign currency denominated monetary assets (liabilities) exposures relative to the respective functional currency of the Company and its subsidiaries at the end of the reporting period are summarised below:

	Group	
	2025	2024
	S$'000	S$'000
Euro	**7,176**	1,106
Hong Kong dollar	**(12,251)**	(70,875)
Japanese Yen	**9,550**	8,924
Malaysian Ringgit	**(17,232)**	(11,724)
Renminbi	**(27,351)**	(16,042)
Singapore dollar	**(831)**	(991)
United States dollar	**33,975**	7,623

The Company's significant net foreign currency denominated monetary assets (liabilities) exposures relative to its functional currency at the end of the reporting period are summarised below:

	Company	
	2025	2024
	S$'000	S$'000
Hong Kong dollar	**(16,444)**	(45,831)
Japanese Yen	**(1,186)**	(1,479)
United States dollar	**5,134**	12,323

If the respective functional currency of the Company and its subsidiaries strengthens or weakens by 5% (2024: 5%) against the following major relevant foreign currencies with all other variables held constant, the Group would record additional exchange gain (loss) as follows:

	Group			
	2025		2024	
	Strengthen	**Weaken**	Strengthen	Weaken
	S$'000	**S$'000**	S$'000	S$'000
Euro	**(361)**	**361**	(55)	55
Hong Kong dollar	**550**	**(638)**	3,455	(3,690)
Japanese Yen	**(471)**	**471**	(443)	443
Malaysian Ringgit	**862**	**(862)**	586	(586)
Renminbi	**1,364**	**(1,364)**	798	(798)
Singapore dollar	**42**	**(42)**	50	(50)
United States dollar	**(1,696)**	**1,696**	(381)	381

If the functional currency of the Company strengthens or weakens by 5% (2024: 5%) against the following major relevant foreign currencies with all other variables held constant, the Company would record additional exchange gain (loss) as follows:

	Company			
	2025		2024	
	Strengthen	**Weaken**	Strengthen	Weaken
	S$'000	**S$'000**	S$'000	S$'000
Hong Kong dollar	**783**	**(865)**	2,182	(2,412)
Japanese Yen	**59**	**(59)**	74	(74)
United States dollar	**(257)**	**257**	(616)	616

38. Financial instruments, financial risk and capital risk management (cont'd)

In management's opinion, the sensitivity analyses are unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year due to seasonal effects of its business activities.

The Group's foreign currency translation risk arises mainly from the Company's foreign incorporated subsidiaries and associates, whose net assets are denominated in currencies other than Singapore dollar, the Company's reporting currency.

g) Liquidity risk management

The Group and the Company finances its operations through a combination of borrowings and equity. Adequate lines of credit are maintained to ensure the necessary liquidity is available when required. There are measures to monitor compliance with existing loan covenants imposed by the banks. The Group and the Company closely monitors their compliance with financial covenants and undertakings to identify any potential covenant issues and obtain waivers from the banks where necessary. As at the date of authorisation of these financial statements, the Group had sufficient headroom on its loan covenants (Note 25). Also, to respond to a severe downside scenario, management has plans to reduce non-essential capital expenditure and deferring or cancelling discretionary spending to reduce costs, and explore alternative strategies which may include monetising assets and raising capital fundings, optimise the Group's cash flow and preserve liquidity.

In preparing the consolidated financial statements, the management and Board of Directors have given careful consideration to the future liquidity of the Group in light of these circumstances. After considering the cash flow projection up to June 2026 prepared by management, which took into consideration the internally generated funds, continued support from the Group's existing bankers in providing banking and other credit facilities and that the Group will continue to have access to the short-term revolving credit facilities which are expected to be rolled over as and when they fall due, the Board of Directors has concluded that the Group and the Company will have sufficient financial resources to manage its liquidity risk for at least the next twelve months up to June 2026. As at the date of authorisation of these financial statements, the Group has available uncommitted credit facilities of approximately S$406,231,000.

The remaining contractual maturity for non-derivative financial liabilities at the end of the reporting period is as follows:

	Group					
	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	More than 5 years	Adjustments	**Total**
	%	S$'000	S$'000	S$'000	S$'000	**S$'000**
31 March 2025						
Non-interest bearing		256,493	-	-	-	**256,493**
Trade payables due to related parties	6.5	2,644	-	-	(161)	**2,483**
Lease liabilities	5.6	11,867	17,782	5,543	(4,158)	**31,034**
Variable interest rate instruments	5.1	309,199	182,362	-	(31,156)	**460,405**
		580,203	200,144	5,543	(35,475)	**750,415**
31 March 2024						
Non-interest bearing		262,903	-	-	-	262,903
Lease liabilities	5.4	12,117	21,419	8,556	(5,210)	36,882
Variable interest rate instruments	5.7	315,644	216,690	-	(38,924)	493,410
		590,664	238,109	8,556	(44,134)	793,195

38. Financial instruments, financial risk and capital risk management (cont'd)

	Company				
	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	Adjustments	**Total**
	%	S$'000	S$'000	S$'000	**S$'000**
31 March 2025					
Non-interest bearing		82,626	-	-	**82,626**
Lease liabilities	4.4	639	721	(66)	**1,294**
Variable interest rate instruments	5.4	44,566	65,040	(8,565)	**101,041**
Financial guarantee contracts		293,989	-	(293,989)	**-**
		421,820	65,761	(302,620)	**184,961**
31 March 2024					
Non-interest bearing		91,006	-	-	91,006
Lease liabilities	4.5	680	1,268	(127)	1,821
Variable interest rate instruments	6.4	63,355	33,153	(3,670)	92,838
Financial guarantee contracts		312,852	-	(312,852)	-
		467,893	34,421	(316,649)	185,665

Liabilities pertaining to financial guarantee contracts are the Company's contingent liabilities arising from guarantees given to banks (Note 32).

h) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to its stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 25, and equity attributable to the equity holders of the Company.

Management reviews the Group's capital structure from time to time and recommends to the Board of Directors appropriate actions such as payment of dividend, new share issues, share buy-back and utilisation of available banking facilities.

The Group's overall strategy remains unchanged from the financial year ended 31 March 2024. The Group and the Company were in compliance with externally imposed capital requirements which include PRC legal requirement to set aside a legal reserve as at 31 March 2025 and 2024.

The Group and the Company closely monitors their compliance with financial covenants and undertakings required by certain financial institutions for the loans and banking facilities granted to the Group and the Company. As at 31 March 2025 and 2024, the Group and the Company complied with all the financial covenants and undertakings.

38. Financial instruments, financial risk and capital risk management (cont'd)

i) Fair values of financial assets and financial liabilities

The fair values of financial assets and financial liabilities approximate their respective carrying amounts recorded in the financial statements, determined in accordance with the accounting policies disclosed in Note 2.

The financial instruments carried at fair value, analysed by fair value hierarchy, are as follows:

	Group			
	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	**Total** **S$'000**
31 March 2025				
<u>Financial assets</u>				
Financial assets at FVTOCI	-	-	1,284	**1,284**
Financial assets at FVTPL	34	2,589	7,677	**10,300**
	34	2,589	8,961	**11,584**
31 March 2024				
<u>Financial assets</u>				
Financial assets at FVTOCI	-	-	49,037	49,037
Financial assets at FVTPL	219	3,957	-	4,176
	219	3,957	49,037	53,213

	Company			
	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	**Total** **S$'000**
31 March 2025				
<u>Financial assets</u>				
Financial assets at FVTPL	-	-	7,677	**7,677**
31 March 2024				
<u>Financial assets</u>				
Financial assets at FVTOCI	-	-	46,238	46,238
Financial assets at FVTPL	-	3,957	-	3,957
	-	3,957	46,238	50,195

There was a transfer of financial assets at FVTPL from Level 2 to Level 3 for the financial year ended 31 March 2025 relating to the Company's direct interest in GPET. As at 31 March 2024, the fair value of the 11.17% equity interest in GPET was estimated by the market value of recent investment transactions.

As GPET is an investment holding company with varied investments in subsidiaries and equity investments, the values of GPET's subsidiaries and equity investments were assessed separately and added up for the total fair value of the 11.40% equity interest in GPET as at 31 March 2025. Depending on the operating status and nature of the subsidiaries or equity investments, different approaches were adopted by the independent professional valuer, including discounted cashflow under the income approach, market approach and adjusted net assets approach.

There were no transfers between the different level of fair value hierarchy during the financial year ended 31 March 2024.

38. Financial instruments, financial risk and capital risk management (cont'd)

Fair value of the Group's and Company's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each financial year. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation techniques and inputs used).

Group

Financial assets	Fair value as at		Fair value hierarchy	Basis of fair value measurement/valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	2025 S$'000	2024 S$'000				
1. Short-term investments - Quoted equity shares	**34**	219	Level 1	The fair value of the equity securities is estimated by the price quotation available on the New York Stock Exchange in United States.	N/A	N/A
2. Short-term investments - Structured deposits	**2,589**	-	Level 2	The fair value of the equity instrument is approximate to their carrying amounts.	N/A	N/A
3. Equity instruments at FVTPL - Investment in GPET	**-**	3,957	Level 2	The fair value of the equity instrument is estimated by market value of the recent investment transactions.	N/A	N/A
	7,677	-	Level 3	The fair value of the equity instrument is estimated by the combination of income approach, market approach and adjusted net assets approach.	Discount rate in the discounted cash flow model.	The higher the discount rate in the discounted cash flow model, the lower the fair value of the equity instrument.
					Long-term growth rate in the discounted cash flow model.	The higher the long-term growth rate in the discounted cash flow model, the higher the fair value of the equity instrument.
					The discount for lack of marketability.	The higher the discount for lack of marketability, the lower the fair value of the equity instrument.

38. Financial instruments, financial risk and capital risk management (cont'd)

Group

Financial assets	Fair value as at		Fair value hierarchy	Basis of fair value measurement/valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	2025 S$'000	2024 S$'000				
4. Equity instruments at FVTOCI - Investment in XIC	**-**	46,238	Level 3	Asset-based approach. The approach considers the fair values or liquidation values of all assets and liabilities of the target group, along with the net value attributable to shareholders. The fair value of the assets of the target group considers a market participant's ability to generate economic benefits by utilising the asset in its highest and best use, and it involves estimating the price at which an orderly transaction would take place in the principal or most advantageous market, while the liquidation value of the assets of the target group assumes the value under liquidation basis.	Default rate and recovery rate. Capitalisation rate of land and building. Discount rate on inventory.	The higher the default rate, the lower the fair value of receivable. The higher the recovery rate, the higher the fair value of receivable. The higher the capitalisation rate of the land and building, the lower the fair value of the property. The higher the discount rate on the inventory replacement cost, the lower the fair value of inventory.
5. Equity instruments at FVTOCI - Unquoted equity shares	**1,284**	2,799	Level 3	Market approach. The market approach was used to determine the valuation by the average estimated values using the following multiples: enterprise value to earnings before interest, taxes, depreciation and amortisation ratio, enterprise value to earnings before interest, taxes ratio and price to earnings ratio of selected comparable listed companies in a similar business and similar business model and adjusted for the lack of marketability.	The discount of lack of marketability and applied multiples.	The higher the discount of lack of marketability, the lower the fair value. The higher the applied multiples, the higher the fair value.

Information in the above table for investments No. 3 and No. 4 relates to the Company's equity instruments at FVTPL of S$7,677,000 (2024: S$3,957,000) (Note 16) and equity instruments at FVTOCI of S$Nil (2024: S$46,238,000) (Note 15) respectively. As at 31 March 2025, the equity instruments at FVTOCI was fully impaired.

39. Subsidiaries

Significant subsidiaries of the Group are as follows:

Name of company	Place of incorporation and business	Principal activities	Effective percentage of equity and voting power held	
			2025	2024
			%	%
Battery segment [(5)]				
GP Batteries International Limited [(a)]	Singapore	Manufacture, development and marketing of batteries and battery-related products	**100**	100
Dongguan GP Batteries Ltd. [(2) (b)]	The People's Republic of China	Manufacturing of batteries	**100**	100
GP Batteries (Americas) Inc [(b)]	United States of America	Marketing and trading in batteries	**100**	100
GP Batteries (Malaysia) Sdn Bhd [(b)]	Malaysia	Manufacturing of batteries	**100**	100
GP Batteries (Shenzhen) Co., Ltd [(2)]	The People's Republic of China	Manufacturing of batteries	**100**	100
GP Batteries (U.K.) Limited [(g)]	England and Wales	Marketing and trading in batteries	**100**	100
GP Batteries (Vietnam) Limited Liability Company [(b)]	Vietnam	Manufacturing of batteries	**96.00**	96.00
GP Battery Marketing (H.K.) Limited [(b)]	Hong Kong	Marketing and trading in batteries	**100**	100
GP Battery Marketing (Korea) Limited [(g)]	South Korea	Marketing and trading in batteries	**100**	100
GP Battery Marketing (Malaysia) Sdn Bhd [(g)]	Malaysia	Marketing and trading in batteries	**100**	100
GP Battery Marketing (Singapore) Pte Ltd [(a)]	Singapore	Marketing and trading in batteries	**100**	100
GP Battery (Poland) Sp. z.o.o. [(g)]	Poland	Marketing and trading in batteries	**100**	100
GP Battery Technology (HK) Limited [(b)]	Hong Kong	Investment holding	**100**	100
GPI International Limited [(b)]	Hong Kong	Marketing and trading in batteries	**100**	100
GPPD Pte. Ltd. [(a)]	Singapore	Investment holding	**70.00**	70.00
GPPD Energy Company Limited [(2)]	Vietnam	Manufacturing and trading of batteries	**70.00**	70.00
Huizhou Chao Ba Batteries Co Ltd [(2)]	The People's Republic of China	Marketing and trading in batteries	**90.00**	90.00
Ningbo Fubang Battery Co Ltd [(h)]	The People's Republic of China	Manufacturing of batteries	**72.00**	72.00
Ningbo GP Energy Co., Ltd [(h)]	The People's Republic of China	Manufacturing of batteries	**90.00**	90.00

39. Subsidiaries (cont'd)

Name of company	Place of incorporation and business	Principal activities	Effective percentage of equity and voting power held 2025 %	2024 %
Ningbo GP & Sonluk Battery Co., Ltd (h)	The People's Republic of China	Manufacturing of batteries	**70.00**	70.00
Zhongyin (Ningbo) Battery Co Ltd (2) (b)	The People's Republic of China	Manufacturing of batteries	**70.00**	70.00
Audio segment				
Celestion Music Asia Limited (7) (b)	Hong Kong	Marketing and distribution of acoustic products	**100**	100
GP Acoustics GmbH (1) (c)	Germany	Marketing and distribution of acoustic and electronic products	**100**	100
GP Acoustics (HK) Limited (1) (b)	Hong Kong	Marketing, retailing and distribution of acoustic and electronic products	**100**	100
GP Acoustics International Limited (1) (b)	Hong Kong	Investment holding, design, marketing and distribution of acoustic and electronic products	**100**	100
GP Acoustics Limited (3) (7)	British Virgin Islands	Investment holding	**100**	100
GP Acoustics (Taiwan) Limited (1) (3)	Taiwan	Marketing and distribution of acoustic and electronic products	**100**	100
GP Acoustics (UK) Limited (1) (b)	England and Wales	Investment holding, design, marketing and distribution of acoustic and electronic products	**100**	100
GP Acoustics (US), Inc. (1) (c)	United States of America	Marketing and distribution of acoustic and electronic products	**100**	100
GP Electronics (HK) Limited (7) (b)	Hong Kong	Marketing and trading of audio products	**100**	100
GP Electronics (Huizhou) Co., Ltd. (2) (7) (d)	The People's Republic of China	Manufacturing of acoustic and electronic products	**100**	100
金柏電子有限公司 (1) (2) (4) (e)	The People's Republic of China	Marketing and distribution of acoustic and electronic products	**100**	100
GP Electronics (SZ) Limited (2) (7) (e)	The People's Republic of China	Development of electronic products	**100**	100
GP Electronics & Acoustics Co., Ltd. (1) (6) (f)	Thailand	Manufacturing and trading of acoustic and electronic products	**90.00**	90.00
KEF Celestion Corporation (3) (7)	Cayman Islands	Holding of trademarks	**100**	100
KEF GP Group Limited (3)	Cayman Islands	Investment holding	**100**	100
KEF Japan, Inc. (1) (3)	Japan	Trading of acoustics products	**100**	100

39. Subsidiaries (cont'd)

Name of company	Place of incorporation and business	Principal activities	Effective percentage of equity and voting power held	
			2025	2024
			%	%
Other industrial investments segment				
Bowden Industries Limited [(1)] [(b)]	Hong Kong	Investment holding	**100**	100
CIH Limited [(a)]	Singapore	Investment holding	**100**	100
Faith Capital Investment Limited [(b)]	Hong Kong	Investment holding	**100**	100
Famingo Pte Ltd [(a)]	Singapore	Investment holding	**100**	100
Fancy Luck Investment Limited [(1)] [(b)]	Hong Kong	Investment holding	**100**	100
Giant Fair Investment Limited [(1)] [(b)]	Hong Kong	Investment holding	**100**	100
GP Electronics (China) Limited [(b)]	Hong Kong	Investment holding	**100**	100
GP Global Marketing Corporation [(3)]	Cayman Islands	Holding of trademarks	**100**	100
GP Global Marketing Limited [(1)] [(b)]	Hong Kong	Marketing	**100**	100
GP Marketing Services (Shenzhen) Company Limited [(1)] [(2)] [(e)]	The People's Republic of China	Marketing	**100**	100
GPE International Limited [(b)]	Hong Kong	Investment holding	**100**	100
Key Win Industrial Limited [(b)]	Hong Kong	Investment holding	**100**	100
Nike Enterprises Limited [(b)]	Hong Kong	Investment holding	**100**	100

Note:

(1) Equity interest is held by subsidiaries of the Company.

(2) These subsidiaries, in compliance with their local statutory requirement, adopt 31 December as their financial year end. Such financial year end is not co-terminous with that of the Company. Adjustments are made for the effect of any significant transactions that occur between 1 January and 31 March. A member firm of Deloitte Touche Tohmatsu Limited has audited the financial statements of these subsidiaries for the purposes of the Group's consolidated financial statements for the financial year ended and as at 31 March 2025 ("2025 Consolidated Financial Statements").

(3) The financial statements of these subsidiaries are not audited as there are no statutory audit requirements in their countries of incorporation. The financial statements of these subsidiaries, with the exception of GP Acoustics (Taiwan) Limited and KEF Japan, Inc., have been audited by a member firm of Deloitte Touche Tohmatsu Limited for the purposes of the 2025 Consolidated Financial Statements.

(4) For identification purpose, the translated name for this subsidiary is "GP Acoustics (China) Limited".

(5) Other than GP Batteries International Limited ("GP Batteries") which is a directly held subsidiary of the Company, equity interest in other subsidiaries of the battery segment is held by GP Batteries or their subsidiaries. For the preparation of the 2025 Consolidated Financial Statements purposes, the consolidation of GP Batteries have been audited by a member firm of Deloitte Touche Tohmatsu Limited.

(6) The financial statements of this subsidiary have been audited by a member firm of Deloitte Touche Tohmatsu Limited for the purposes of the 2025 Consolidated Financial Statements.

(7) Equity interests that were previously held by the Company are held by KGG after the Group reassessed and reorganised its Audio business segment during the financial year ended 31 March 2024.

39. Subsidiaries (cont'd)

[a] Audited by Deloitte & Touche LLP, Singapore, which are the auditors of all Singapore incorporated subsidiaries.
[b] Audited by member firms of Deloitte Touche Tohmatsu Limited.
[c] Subsidiary of GP Acoustics (UK) Limited. The consolidated financial statements of GP Acoustics (UK) Limited are audited by a member firm of Deloitte Touche Tohmatsu Limited.
[d] Local statutory audit performed by HuizhouShuLunPan Yangcheng C.P.A. Partnership.
[e] Local statutory audit performed by Shenzhen ZhiGong Certified Public Accountants.
[f] Local statutory audit performed by Bangkok Audit & Tax Consultants Company Limited.
[g] Local statutory audit performed by other accounting firms as these subsidiaries are not significant.
[h] Audited by Grant Thornton China, Zhejiang Office for consolidation purposes.

40. Associates

Significant associates of the Group are as follows:

Name of company	Place of incorporation and business	Principal activities	Effective percentage of equity and voting power held 2025 %	2024 %
Battery segment [7]				
AZ Limited [e]	Russia	Marketing and trading in batteries	**40.00**	40.00
Changzhou Lithium Batteries Ltd [f]	The People's Republic of China	Manufacturing of batteries	**55.00**	55.00
Gold Yi Industries Company Limited [d]	Hong Kong	Investment holding and trading of batteries	**39.35**	39.35
GP Battery Marketing (Germany) GmbH [d]	Germany	Marketing and trading in batteries	**50.00**	50.00
GP Battery Marketing (Middle East) Limited (FZC) [d]	United Arab Emirates	Marketing and trading in batteries	**50.00**	50.00
Hanoi Battery Joint Stock Company [10] [c]	Vietnam	Manufacturing of batteries	**49.00**	49.00
Huizhou Gold Yi Industries Co., Ltd. [12] [d]	The People's Republic of China	Manufacturing of batteries	**39.35**	39.35
Ningbo Fengyin Battery Co., Ltd [d]	The People's Republic of China	Marketing and trading in battery materials	**32.00**	32.00
T.G. Battery Co. (China) Ltd [11]	The People's Republic of China	Manufacturing of batteries	**42.50**	42.50
T.G. Battery Co. (Hong Kong) Limited [a]	Hong Kong	Investment holding and provision of logistic support	**50.00**	50.00
Other industrial investments segment				
Dongguan Jifu Metallic Products Co., Ltd. [1] [2]	The People's Republic of China	Manufacturing of metallic products for thermal management and structural support	**30.00**	30.00
Julong Technology Limited [1] [b]	British Virgin Islands	Investment holding	**30.00**	30.00
Shinwa Industries (China) Ltd. [1] [4]	The People's Republic of China	Manufacturing of electronic components	**10.50**	10.50
Shinwa Industries (Hangzhou) Limited [1] [4]	The People's Republic of China	Manufacturing of electronic components	**10.50**	10.50

40. Associates (cont'd)

Name of company	Place of incorporation and business	Principal activities	Effective percentage of equity and voting power held	
			2025	2024
			%	%
Shinwa Industries (H.K.) Limited [(6) (b)]	Hong Kong	Trading of electronic components	**15.00**	15.00
Wisefull Technology Limited [(1) (b)]	Hong Kong	Investment holding and trading of metallic products for thermal management and structural support	**30.00**	30.00
Youjia Technology Limited [(1) (b)]	British Virgin Islands	Investment holding	**30.00**	30.00
Yousheng Technology Limited [(1) (3) (b)]	Hong Kong	Trading of metallic products	**30.00**	30.00
Meiloon Industrial Co., Ltd. [(1) (5)]	Taiwan	Development, manufacturing and marketing of acoustics and audio-visual equipment	**20.27**	20.27
JWS Technology Co., Ltd. [(1) (8) (b)]	Taiwan	Development, manufacturing and trading of thermal management solutions and cosmetic metallic parts/products	**30.00**	-
JWS America, Inc. [(1) (9) (b)]	United States of America	Wholesales and aftersales service of thermal management products	**30.00**	-
Jihui Technology Development Co., Ltd. [(1) (8) (b)]	Republic of Seychelles	Investment holding	**30.00**	-
东莞智惠科技开发有限公司 [(1) (8) (13) (b)]	The People's Republic of China	Investment holding	**30.00**	-
JWS Technology Pte. Ltd. [(1) (9) (b)]	Singapore	Investment holding	**30.00**	-
Duty Jifu Vietnam Precision Industrial Company Limited [(1) (8) (14) (b)]	Vietnam	Manufacturing and trading of metallic products for thermal management and structural support	**21.00**	-

Note:

(1) Equity interest is held by subsidiaries or associates of the Company.

(2) Subsidiary of Wisefull Technology Limited.

(3) Subsidiary of Youjia Technology Limited.

(4) Subsidiary of Shinwa Industries (H.K.) Limited.

(5) Meiloon is listed on the Taiwan Stock Exchange Corporation. The consolidated financial statements of Meiloon are audited by PKF Taiwan. Meiloon has been equity accounted for in the consolidated financial statements based on results ended 31 December, the financial year end of Meiloon. Adjustments are made for the effect of any significant transactions that occur between 1 January and 31 March.

(6) The Group has significant influence in Shinwa Industries (H.K.) Limited ("Shinwa") through the Company's representation on Shinwa's board of directors.

(7) Equity interest is held by GP Batteries, its subsidiaries or associates. For the preparation of the 2025 Consolidated Financial Statements purposes, the consolidation of GP Batteries have been audited by a member firm of Deloitte Touche Tohmatsu Limited.

(8) Acquired during the financial year.

(9) Incorporated during the financial year.

(10) Listed on the Hanoi Stock Exchange.

(11) Subsidiary of T.G. Battery Co. (Hong Kong) Limited.

(12) Subsidiary of Gold Yi Industries Company Limited.

(13) For identification purpose, the translated name for this associate is "Dongguan Jihui Technology Development Co., Ltd.".

(14) This associate has not commenced manufacturing and trading as at 31 March 2025.

40. Associates (cont'd)

[a] Audited by a member firm of Deloitte Touche Tohmatsu Limited.

[b] These associates adopt a different financial year end from that of the Group. For the purposes of applying the equity method of accounting, the financial statements of these associates for the twelve months period ended 31 March have been used. The local statutory consolidated financial statements of Shinwa Industries (H.K.) Limited and Wisefull Technology Limited are audited by a member firm of Deloitte Touche Tohmatsu Limited and Au Choi Yuen & Co., respectively. The financial statements of Julong Technology Limited, Youjia Technology Limited and Jihui Technology Development Co., Ltd. are not audited as there are no statutory audit requirements in their countries of incorporation. The local statutory financial statements of Yousheng Technology Limited are audited by Au Choi Yuen & Co. The local statutory financial statements of JWS Technology Co., Ltd., JWS America, Inc., Dongguan Jihui Technology Development Co., Ltd. and Duty Jifu Vietnam Precision Industrial Company Limited are audited by Honesty CPA Firm, VSR Accountancy Corp. CPAs, Dongguan Tianrui Certified Public Accountants and ITA Valuation and Auditing Company Limited, respectively. The financial statement of JWS Technology Pte. Ltd. is not audited as it qualifies for audit exemption.

[c] Local statutory audit performed by AASC Auditing Firm Company Limited.

[d] Local statutory audit performed by other accounting firms as these associates are not significant.

[e] Local statutory audit performed by Group Finance LLC.

[f] Local statutory audit performed by Changzhou Yongcheng United Certified Public Accountants.

41. Changes in ownership interest in subsidiaries

a) Changes in ownership interest in subsidiary that did not result in a loss of control

During the financial year ended 31 March 2024, the Group increased (i) its shareholding in GP Electronics & Acoustics Co., Ltd from 51% to 90% and (ii) its effective shareholding in GP Batteries (Vietnam) Limited Liability Company from 95.0% to 96.0%. The difference between the amount by which the non-controlling interests were adjusted and the consideration paid was recognised in equity.

b) Changes in ownership interest in subsidiaries that resulted in a loss of control

During the financial year ended 31 March 2025, the Group de-registered an inactive subsidiary and recognised a gain from de-registration of a subsidiary of S$1,991,000 in other operating income (Note 4), comprising cumulative exchange translation surplus.

During the financial year ended 31 March 2024, the Group has completed the proposed distribution representing the entire issued share capital of GPET by the Company. The net assets of GPET Group was transferred to Gold Peak, as Gold Peak holds 85.59% of GPET Shares at the date of DIS. Included in the carrying amount of net assets distributed is a financial asset at FVTOCI of S$1,285,000, and the cumulative loss of S$791,000 was reclassified from fair value reserve to retained profits. The capital reserve surplus and legal reserve surplus of S$466,000 and S$2,974,000 respectively relating to the GPET Group was also reclassified to retained profits.

As at 31 March 2024, following the DIS of GPET Shares, the resultant retained interest in GPET and subsequent re-purchases of GPET Shares from GPET's shareholders by the Company, the Group and the Company holds equity interests of 11.17% in GPET which has been classified as financial assets at FVTPL (Note 16).

41. Changes in ownership interest in subsidiaries (cont'd)

The net assets of GPET Group at date of DIS were as follows:

	Group
	2024
	S$'000
Net assets distributed	
Property, plant and equipment	23,293
Right-of-use assets	11,093
Interest in associates	2,955
Financial asset at FVTOCI	1,285
Deposits and prepayments (non-current)	475
Inventories	14,011
Receivables and prepayments	19,780
Cash and cash equivalents	6,200
Trade and other payables	(33,682)
Lease liabilities	(13,079)
Income tax payable	(58)
Bank and other loans	(548)
Deferred tax liabilities	(67)
Carrying amount of net assets distributed (Note 27(d))	31,658
Adjustment to exchange translation reserve (Note 5)	(8,269)

Additional Information on Directors Seeking Re-election

The information required under Rule 720(6) and Appendix 7.4.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in respect of the Directors seeking re-election at the 2025 AGM of the Company to be convened on 29 July 2025 is set out below:

Name of Director and appointment	**Mr LAM Hin Lap**
Date of first appointment	1 October 2016
Date of last re-appointment (if applicable)	29 July 2022
Age	63
Country of principal residence	Hong Kong Special Administrative Region, PRC
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board reviewed and concurred with the recommendation of the Nominating Committee on the re-election of Mr Lam as an Executive Director of the Company, which took into account, *inter alia*, his contribution to the effectiveness of the Board (which includes his participation and candour at Board and Nominating Committee meetings), as well as his time commitment and contribution to the Board's collective skill set based on the Company's Board diversity policy and targets.
Whether appointment is executive, and if so, the area of responsibility	Executive
Job Title	• Vice Chairman • Executive Vice President • Executive Director • Nominating Committee - Member • Sustainability Steering Committee - Co-chairman
Professional qualifications	Refer to section on "Board of Directors and Senior Management" on page 18 of this Annual Report.
Working experience and occupation(s) during the past 10 years	• The Company Vice Chairman (since 2021) Executive Vice President (since 2021) Executive Director (since October 2016) Group General Manager, Business Development (since 2014)
Shareholding interest in the listed issuer and its subsidiaries	None
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr Lam is the Managing Director and an Executive Director of Gold Peak Technology Group Limited, a substantial shareholder of the Company.
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments* including Directorship – Past (for the last 5 years)	• GP Acoustics (Middle East) DWC-LLC • GP Acoustics (Singapore) Pte Limited • Shinwa Industries (Chongqing) Limited
Other Principal Commitments* including Directorship – Present	• Gold Peak Technology Group Limited, Managing Director and Executive Director • Hanoi Battery Joint Stock Company, Chairman of the Board • Meiloon Industrial Co., Ltd, Authorised representative of a director (Famingo Pte Ltd) Please refer to Table A for a list of other present directorships of Mr Lam
Information required pursuant to Listing Rule 704(7) - Confirmation under items (a) to (k) in Appendix 7.4.1 of the SGX-ST Listing Manual	Responses to questions (a) to (k) are negative

* "Principal Commitments" has the same meaning as defined in the CG Code.

Name of Director and appointment	Mr Brian LI Yiu Cheung
Date of first appointment	18 October 1995
Date of last re-appointment (if applicable)	29 July 2022
Age	71
Country of principal residence	Hong Kong Special Administrative Region, PRC
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board reviewed and concurred with the recommendation of the Nominating Committee on the re-election of Mr Li as an Executive Director of the Company, which took into account, *inter alia*, his contribution to the effectiveness of the Board (which includes his participation and candour at Board meetings), as well as his time commitment and contribution to the Board's collective skill set based on the Company's Board diversity policy and targets.
Whether appointment is executive, and if so, the area of responsibility	Executive
Job Title	• Executive Vice President • Executive Director • Sustainability Steering Committee - Co-chairman
Professional qualifications	Refer to section on "Board of Directors and Senior Management" on page 19 of this Annual Report.
Working experience and occupation(s) during the past 10 years	• The Company Executive Director (since 1995) Executive Vice President (since 2018) Managing Director (2002 to 2018)
Shareholding interest in the listed issuer and its subsidiaries	1,465,000 ordinary shares in the Company
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr Li is the Vice Chairman, Executive Vice President and an Executive Director of Gold Peak Technology Group Limited, a substantial shareholder of the Company.
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments* including Directorship – Past (for the last 5 years)	• GP Acoustics (Middle East) DWC-LLC • GP Acoustics (Singapore) Pte Limited • GP Industries Marketing Limited • Huizhou GP Wiring Technology Ltd
Other Principal Commitments* including Directorship – Present	Gold Peak Technology Group Limited, Vice Chairman, Executive Vice President and Executive Director Please refer to Table B for a list of other present directorships of Mr Li
Information required pursuant to Listing Rule 704(7) - Confirmation under items (a) to (k) in Appendix 7.4.1 of the SGX-ST Listing Manual	Responses to questions (a) to (k) are negative

* "Principal Commitments" has the same meaning as defined in the CG Code.

Name of Director and appointment	Mr Timothy TONG Wai Cheung
Date of first appointment	1 April 2020
Date of last re-appointment (if applicable)	29 July 2022
Age	71
Country of principal residence	Hong Kong Special Administrative Region, PRC
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board reviewed and concurred with the recommendation of the Nominating Committee on the re-election of Mr Tong as a Non-executive Independent Director of the Company, which took into account, *inter alia*, his contribution to the effectiveness of the Board (which includes his participation and candour at Board and Board Committee meetings), his time commitment as well as his independence with regards to the provisions in the applicable Rule 210(5)(d) of the Listing Manual and Provision 2.1 of the CG Code.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive Independent
Job Title	• Non-Executive Independent Director • Audit and Risk Committee - Member • Nominating Committee - Member • Remuneration Committee - Chairman
Professional qualifications	Refer to section on "Board of Directors and Senior Management" on page 20 of this Annual Report.
Working experience and occupation(s) during the past 10 years	AMTD Foundation, Chief Executive Officer (since 2019)
Shareholding interest in the listed issuer and its subsidiaries	None
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr Tong is an Independent Non-Executive Director of Gold Peak Technology Group Limited.
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments* including Directorship – Past (for the last 5 years)	Xiaomi Corporation, Independent Non-Executive Director
Other Principal Commitments* including Directorship – Present	• Airstar Bank Limited, Independent Non-Executive Director • AMTD Digital Inc., Chairman of the board and Independent Non-Executive Director • AMTD Digital Solutions Power Pte. Ltd., Independent Non-Executive Director • AMTD Foundation, Chief Executive Officer • AMTD IDEA Group, Independent Non-Executive Director • Applaud Digital Solutions Pte. Ltd., Independent Non-Executive Director • Freetech Road Recycling Technology (Holdings) Limited, Non-Executive Director • Gravitation Fintech HK Limited, Independent Non-Executive Director
Information required pursuant to Listing Rule 704(7) - Confirmation under items (a) to (k) in Appendix 7.4.1 of the SGX-ST Listing Manual	Responses to questions (a) to (k) are negative

* "Principal Commitments" has the same meaning as defined in the CG Code.

Name of Director and appointment	Ms Charlene-Jayne CHANG Wei-Ying
Date of first appointment	1 February 2025
Date of last re-appointment (if applicable)	N/A
Age	39
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board reviewed and concurred with the recommendation of the Nominating Committee on the re-election of Ms Chang as a Non-executive Independent Director of the Company, which took into consideration her track record, experience and capabilities and factors which are relevant and contribute to the Board's collective skill set based on the Company's Board diversity policy and targets, her time commitment as well as her independence with regards to the provisions in the applicable Rule 210(5)(d) of the Listing Manual and Provision 2.1 of the CG Code.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive Independent
Job Title	• Non-Executive Independent Director • Audit and Risk Committee - Member • Nominating Committee - Member • Remuneration Committee - Member
Professional qualifications	Refer to section on "Board of Directors and Senior Management" on page 22 of this Annual Report.
Working experience and occupation(s) during the past 10 years	• ESR-REIT, Head of Capital Markets & Investor Relations (since 2017) • SEA Real Estate Investment Banking, Standard Chartered Bank, Director (2012 to 2017)
Shareholding interest in the listed issuer and its subsidiaries	None
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments* including Directorship – Past (for the last 5 years)	None
Other Principal Commitments* including Directorship – Present	ESR-REIT, Head of Capital Markets & Investor Relations
Information required pursuant to Listing Rule 704(7) - Confirmation under items (a) to (k) in Appendix 7.4.1 of the SGX-ST Listing Manual	Responses to questions (a) to (k) are negative

* "Principal Commitments" has the same meaning as defined in the CG Code.

Table A

Mr Lam Hin Lap

Other present directorships

GP Industries Limited Group Companies

1 Bowden Industries Limited
2 Celestion Music Asia Limited
3 CIH Limited
4 Dragon Star Enterprises Limited
5 GP Acoustics (China) Limited
6 GP Acoustics (HK) Limited
7 GP Acoustics (Taiwan) Limited
8 GP Acoustics (UK) Limited
9 GP Acoustics (US), Inc.
10 GP Acoustics GmbH
11 GP Acoustics International Limited
12 GP Acoustics Limited
13 GP Batteries International Limited
14 GP Battery (Poland) Sp. z.o.o *
15 GP Global Marketing Corporation
16 GP Global Marketing Limited
17 GP Marketing Services (Shenzhen) Company Limited
18 GPI International Limited
19 Julong Technology Limited
20 KEF Celestion Corporation
21 KEF Japan, Inc.
22 Ningbo Biba Energy Co., Ltd
23 Ningbo Fubang Battery Co Ltd
24 Ningbo GP & Sonluk Battery Co., Ltd
25 Ningbo GP Energy Co., Ltd
26 Shinwa Industries (H.K.) Limited
27 Wisefull Technology Limited
28 Youjia Technology Limited

Non-GP Industries Limited Group Companies

1 Worldgreen Limited
2 The KEF Foundation (Asia) Limited

* Supervisor of the company/entity

Table B

Mr Brian Li Yiu Cheung

Other present directorships

GP Industries Limited Group Companies

1 Celestion International Limited
2 Celestion Music Asia Limited
3 Famingo Pte Ltd
4 GP Acoustics (HK) Limited
5 GP Acoustics (Taiwan) Limited
6 GP Acoustics (UK) Limited
7 GP Acoustics (US), Inc.
8 GP Acoustics International Limited
9 GP Acoustics Limited
10 GP Electronics & Acoustics Co., Ltd.
11 GP Electronics (China) Limited
12 GP Electronics (HK) Limited
13 GP Electronics (Huizhou) Co., Ltd.
14 GP Electronics (Huizhou) Limited
15 GP Electronics (SZ) Limited
16 GPE International Limited
17 KEF Audio (UK) Limited
18 KEF Celestion Corporation
19 KEF Japan, Inc.
20 Key Win Industrial Limited
21 Nike Enterprises Limited
22 金柏電子有限公司

Non-GP Industries Limited Group Companies

1 Celestion (China) Limited
2 Hong Kong Electronics Promotions Limited
3 The Hong Kong Electronic Industries Association Limited

Statistics of Ordinary Shareholdings

As at 16 June 2025

Class of equity securities	:	Ordinary Shares
Number of issued Ordinary Shares	:	521,358,482
Number of issued Ordinary Shares (excluding treasury shares and subsidiary holdings)	:	480,499,782
Number of Treasury Shares	:	40,858,700 (representing 8.5% of the total number of issued shares, excluding treasury shares)
Number of Subsidiary Holdings#	:	Nil
Voting Rights	:	One vote per Ordinary Share. The Company cannot exercise any voting rights in respect of the shares held as treasury shares.

Subject to the Companies Act 1967, subsidiaries cannot exercise any voting rights in respect of shares held by them as subsidiary holdings#.

Distribution of shareholdings

Range of Ordinary Shareholdings	Number of shareholders	%	Number of Ordinary Shares	%
1 - 99	45	3.38	1,634	0.00
100 - 1,000	223	16.75	184,425	0.04
1,001 - 10,000	614	46.13	2,896,255	0.60
10,001 - 1,000,000	440	33.06	30,975,640	6.45
1,000,001 and above	9	0.68	446,441,828	92.91
	1,331	100.00	480,499,782	100.00

Top 20 Ordinary Shareholders as at 16 June 2025

No.	Name of Ordinary Shareholders	Number of shares	%*
1.	Gold Peak Technology Group Limited	414,098,443	86.18
2.	UOB Kay Hian Private Limited	14,583,327	3.04
3.	Ablewood International Limited	5,830,000	1.21
4.	DBS Nominees (Private) Limited	3,476,159	0.72
5.	Koh Beng Ling	2,300,750	0.48
6.	ABN Amro Clearing Bank N.V.	1,896,051	0.39
7.	Citibank Nominees Singapore Pte Ltd	1,602,498	0.33
8.	Brian Li Yiu Cheung	1,465,000	0.30
9.	Heng Siew Eng	1,189,600	0.25
10.	Jack Investment Pte Ltd	898,000	0.19
11.	Ng Poh Mui	850,100	0.18
12.	Woo Koon Chee	782,300	0.16
13.	Tan Seok Ling	673,409	0.14
14.	Phillip Securities Pte Ltd	669,446	0.14
15.	Quah Biow Chye	593,140	0.12
16.	Hobee Print Pte Ltd	570,000	0.12
17.	Chiam Toon Chew	517,224	0.11
18.	iFAST Financial Pte. Ltd.	514,800	0.11
19.	HSBC (Singapore) Nominees Pte Ltd	511,860	0.11
20.	Koh Family Trading Pte Ltd	500,000	0.10
		453,522,107	94.38

* The percentage of Ordinary Shares held is based on the total number of issued Ordinary Shares, excluding treasury shares as at 16 June 2025.

"Subsidiary Holdings" is defined in the Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act 1967.

Substantial shareholders
(as recorded in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
Name of substantial shareholder	Number of shares	% [2]	Number of shares	% [2]
Gold Peak Technology Group Limited ("Gold Peak")	414,098,443	86.18	-	-
Victor Lo Chung Wing ("Mr Victor Lo") [1]	300,000	0.06	414,098,443	86.18

Note:

[1] Mr Victor Lo's deemed interest in 414,098,443 issued shares of the Company arises pursuant to his direct interest in the issued shares of Gold Peak of approximately 26.92%, and Gold Peak's direct interest in 414,098,443 issued shares of the Company.

[2] Percentages are calculated based on 480,499,782 issued Shares (excluding treasury shares) as at 24 June 2025. Percentage figures have been rounded to 2 decimal places.

Public float
Based on the information available to the Company as at 16 June 2025, approximately 13.40% of the issued Ordinary Shares (excluding treasury shares and subsidiary holdings) is held by the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Five-year Financial Summary

Consolidated Income Statement

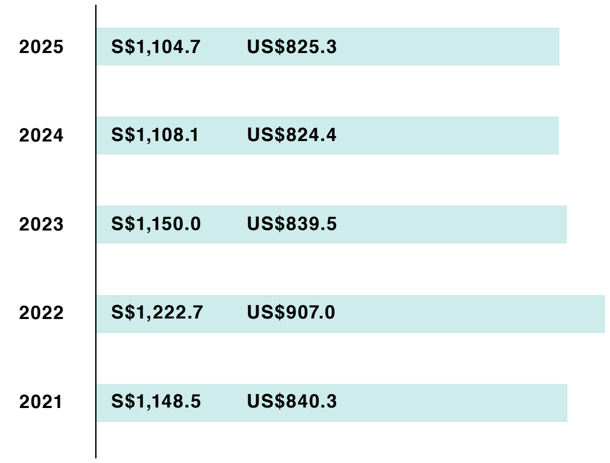
Year ended 31 March	2025 S$'000	2024 S$'000	2023 S$'000	2022 S$'000 (Restated)	2021 S$'000
Revenue - Continuing operations	**1,104,700**	1,108,131	1,150,046	1,222,749	1,148,508
Profit (Loss) after taxation					
- Continuing operations	**40,098**	(47,034)	27,437	49,178	41,035
- Discontinued operations	**-**	-	-	(3,050)	1,248
	40,098	(47,034)	27,437	46,128	42,283
Non-controlling interests	**(15,772)**	(11,712)	(5,393)	(6,112)	(10,563)
Profit (Loss) attributable to equity holders	**24,326**	(58,746)	22,044	40,016	31,720

Consolidated Statement of Financial Position

As at 31 March	2025 S$'000	2024 S$'000	2023 S$'000	2022 S$'000 (Restated)	2021 S$'000
Investment properties	**72,096**	-	-	-	-
Property, plant and equipment	**311,027**	361,620	392,085	411,572	386,321
Right-of-use assets	**29,074**	36,185	43,802	47,749	44,206
Interest in associates	**164,333**	155,254	268,581	355,145	304,316
Financial assets at fair value through other comprehensive income	**1,284**	49,037	4,191	6,739	1,968
Financial assets at fair value through profit or loss	**7,677**	3,957	-	-	-
Deposits and prepayments	**3,198**	3,198	3,333	4,286	5,843
Non-current receivables	**-**	-	-	3,226	14,924
Deferred tax assets	**3,619**	4,932	5,829	5,937	4,812
Intangible assets	**9,690**	10,058	10,387	10,696	12,551
Current assets	**613,395**	612,701	643,798	737,769	726,434
Total assets	**1,215,393**	1,236,942	1,372,006	1,583,119	1,501,375
Non-current liabilities	**202,379**	229,560	183,228	152,310	212,090
Current liabilities	**582,151**	584,524	660,972	806,948	778,910
Total liabilities	**784,530**	814,084	844,200	959,258	991,000
Net assets	**430,863**	422,858	527,806	623,861	510,375
Shareholders' funds	**292,340**	305,346	416,136	523,813	419,230
Non-controlling interests	**138,523**	117,512	111,670	100,048	91,145
Total equity	**430,863**	422,858	527,806	623,861	510,375

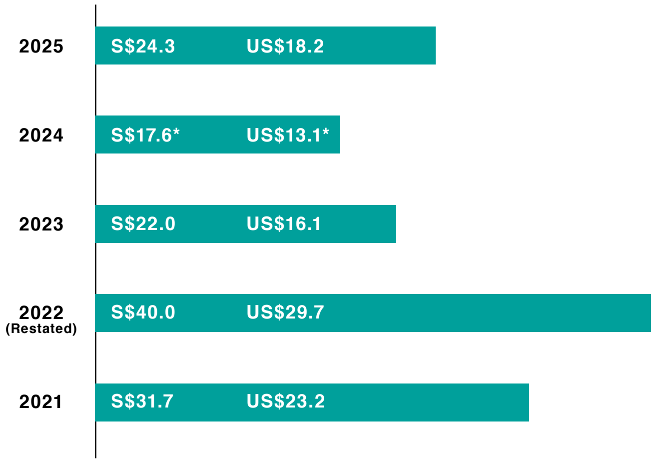
REVENUE - CONTINUING OPERATIONS

Year ended 31 March (million)



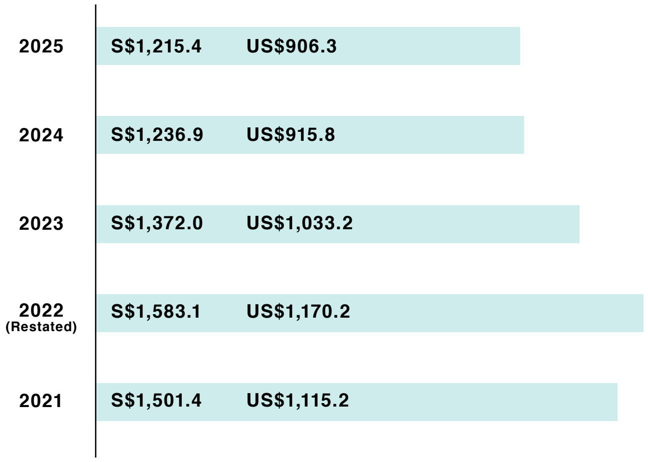
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

Year ended 31 March (million)



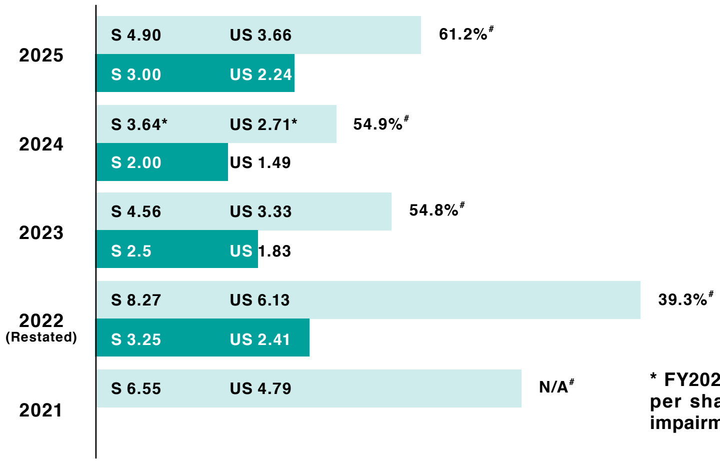
TOTAL ASSETS

As at 31 March (million)



EARNINGS PER SHARE & DIVIDENDS PER SHARE

Year ended 31 March (cents)



Earnings per share (cents)

Dividends per share (cents)

% - Payout ratio

* FY2024 Profit attributable to equity holders and earnings per share exclude share of attributable loss (including impairment loss) of XIC Innovation of S$76.4 million.

Definitions & Glossary

2024 AGM | Annual General Meeting of the Company held on 26 July 2024

2025 AGM | Annual General Meeting of the Company to be held on Tuesday, 29 July 2025 at 2:30 p.m. at Ocean 4-5, Level 2, Pan Pacific Singapore, 7 Raffles Boulevard, Marina Square, Singapore 039595

AGM | Annual General Meeting of the Company or any adjournment thereof

AR2025 | Annual Report for FY2025

Audit and Risk Committee or ARC | The audit and risk committee of the Company

Board | The board of Directors of the Company

Board Committees | Committee(s) formed under the Board, including but not limited to the Audit and Risk Committee, Nominating Committee, Remuneration Committee and Sustainability Steering Committee of the Company

CG Code | Revised Code of Corporate Governance 2018, as amended

China or PRC | The People's Republic of China

Companies Act | The Singapore Companies Act 1967

DIS | Distribution in specie for the NiMH rechargeable batteries manufacturing business to the Shareholders of the Company, completed on 29 January 2024

Directors | The directors of the Company

ESG | Environmental, social and governance

FY | The financial year, 1 April of a year to 31 March of the following year

FY2024 | The financial year ended 31 March 2024

FY2025 | The financial year ended 31 March 2025

FY2026 | The financial year ending 31 March 2026

Gold Peak | Gold Peak Technology Group Limited, a corporate incorporated and listed in Hong Kong and the ultimate holding company of the Company

GP Batteries | GP Batteries International Limited, a wholly-owned subsidiary of the Company

GP Energy Tech or GPET | GP Energy Tech Limited

GP Industries or the Company | GP Industries Limited

GPEHZ | GP Electronics (Huizhou) Co., Ltd, a wholly-owned subsidiary of the Group

Group | The Company and its subsidiaries

Hong Kong or HKSAR | Hong Kong Special Administrative Region, China

IPTs | Interested Person Transactions

KGG | KEF GP Group Limited, a wholly-owned subsidiary of the Company

Listing Manual | Rules of the listing manual of the SGX-ST

Meiloon | Meiloon Industrial Co., Ltd., an associate of the Company, listed on The Taiwan Stock Exchange Corporation and engaged in the development, manufacturing and marketing of acoustics and audio-visual equipment

NiMH | Nickel Metal Hydride

Nominating Committee or NC | The nominating committee of the Company

Remuneration Committee or RC | The remuneration committee of the Company

SGX-ST | Singapore Exchange Securities Trading Limited

S$ and cents | Singapore dollars and cents, respectively

Shares | Ordinary shares of the Company

Shareholders | Shareholders of the Company

Sustainability Steering Committee or SSC | The sustainability steering committee of the Company

U.K. | United Kingdom

U.S. or USA | United States of America

Wisefull | Wisefull Technology Limited., an associate of the Company, engaged in the manufacturing of high precision parts and components used in electronics products for thermal management and structural support

XIC Innovation | XIC Innovation Limited

ZYNB | Zhongyin (Ningbo) Battery Co Ltd, a 70%-owned subsidiary of the Group

% | Per centum or percentage

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