

**Unaudited Condensed Interim Consolidated Financial Statements for the  
First Half Year ended 30 September 2022 and Dividend Announcement**

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## A. Business Review and Outlook

### Review of Results

For the first half year ended 30 September 2022 (“1HFY2023”), the Group’s revenue decreased by 3.8% when compared to the revenue reported for the first half last year (“1HFY2022”), due mainly to a 4.7% decrease in revenue of the Batteries Business. In terms of geographical markets, sales to Europe and the Americas decreased while sales to Asia increased.

Gross profit for 1HFY2023 dropped by 6.1% to S\$151.6 million. Gross profit margin decreased slightly from 26.08% for 1HFY2022 to 25.46% for 1HFY2023. During 1HFY2023, the Group increased prices of some of its products to mitigate the adverse effects of rising material costs. However, increase in overheads absorption due to reduced sales volume eroded part of the effect of product price increase.

Other operating income for 1HFY2023 increased to S\$39.4 million when compared to S\$8.0 million for 1HFY2022. The increase was attributable to aggregate disposal gains of S\$23.0 million reported by the Batteries Business, and an S\$8.4 million foreign currency exchange gain due mainly to the appreciation of the United States (“US”) dollar.

Distribution costs increased by S\$1.5 million or 2.1% to S\$73.0 million due mainly to an increase in advertising and promotion cost despite global shipping cost declined in 1HFY2023.

Administrative expenses increased by 8.3% to S\$80.4 million due mainly to staff cost increases on a year-on-year comparison basis and an increase in depreciation charge after the new factory of the Ningbo GP & Sonluk Battery Co., Ltd in Ningbo, China started operation. In addition, rental charge and depreciation were reported by the new factory of GP Electronics (Huizhou) Co., Ltd. (“GPEHZ”) upon its becoming operational.

Other operating expenses for 1HFY2023 increased to S\$10.0 million, compared to S\$4.6 million for 1HFY2022. The increase was due mainly to the S\$3.3 million cumulative translation deficit charged to profit or loss upon de-registration of a subsidiary of the Batteries Business and a S\$3.0 million adjustment to the estimated compensation receivable in relation to the disposal of the old GPEHZ factory of the Electronics and Acoustics Business during the financial year ended 31 March 2020 (“FY2020”).

Finance costs for 1HFY2023 was S\$12.4 million, an increase of S\$2.9 million or 30.3% from S\$9.5 million reported for 1HFY2022, due mainly to the rapidly increasing interest rates.

Total profit attributable to equity holders of the Company increased to S\$17.1 million for 1HFY2023, as compared to S\$11.7 million for 1HFY2022, which included a loss from discontinued operations of S\$3.05 million. Based on the weighted average of 483,843,482 (1HFY2022: 483,864,398) shares in issue, basic earnings per share for 1HFY2023 was 3.53 Singapore cents, as compared to 2.42 Singapore cents reported in 1HFY2022.

### Business Review

*Batteries Business* – The revenue of the Batteries Business for 1HFY2023 was S\$464.6 million, a decrease of 4.7% as compared to that of 1HFY2022. Sales of primary batteries and rechargeable batteries decreased by 3.3% and 13.7%, respectively. In geographical terms, sales to the Americas and Europe decreased by 25.2% and 11.6%, respectively, while sales to Asia increased by 5.3%.

Gross profit margin of the Batteries Business for 1HFY2023 continued to be adversely affected by the high material costs and low market demand. Despite an increase in selling prices, gross profit margin decreased due partly to an increased overheads absorption as sales volume decreased.

The decline in private label sales to US customers with Delivered Duty Paid terms and lower freight rates contributed to a lower distribution costs.

During 1HFY2023, the Batteries Business reported a total disposal gains of S\$23.0 million, representing a gain on disposal of S\$12.4 million for its entire 29.28% equity interest in the Taipei-listed

STL Technology Co., Ltd, and the gain on disposal of S\$10.6 million for its entire 100% equity interest in Huizhou Modern Battery Limited (“Modern Battery”), after relocating its rechargeable battery production to the new manufacturing campus located at Xiegang, Dongguan, China. The gain from disposal of Modern Battery was mainly attributable to the value of the land owned by Modern Battery.

*Electronics and Acoustics Business* – The revenue of the Electronics and Acoustics Business for 1HFY2023 was S\$130.9 million, compared to S\$131.4 million reported in 1HFY2022. Revenue of both the branded acoustics business and the professional audio manufacturing business decreased marginally.

Revenue of the branded acoustics business decreased by 0.3%. Sales of KEF products decreased by 4.0%, with sales to the Americas and European markets declined while sales to Asian markets increased. The Celestion brand professional speaker driver business reported an 18.4% revenue growth, due to increase in sales to Europe and Asia while sales to the Americas decreased. Revenue of the professional audio manufacturing business decreased by 0.5% with sales to the Americas decreased by 9.2% while sales to other markets increased.

Gross profit margin of the Electronic and Acoustics Business for 1HFY2023 was also adversely affected by high material costs and flat sales. Despite an increase in selling prices, profit margin decreased due partly to increased overheads absorption and partly due to higher advertising and promotion expenses for new product introduction. In April 2022, the electronic factory in Huizhou relocated its manufacturing facilities to a new location at Dongjiang Industrial Park in Huizhou, China and production was disrupted by nearly two months. This also contributed to a drop in profitability of the Electronics and Acoustics Business in 1HFY2023.

Pursuant to the property disposal agreement for the old factory site owned by GPEHZ (the “Property”), the Group is entitled to an early removal compensation and incentive based on the actual handover date of the vacated Property before the expiry of a 60-month rent free period. An estimated compensation receivable (the “Compensation Receivable”) was included in determining the related property disposal gain in FY2020. Upon handing over the Property to the buyer during 1HFY2023, the parties agreed to a final compensation which is less than the Compensation Receivable by S\$3.0 million and the difference is recognized under other operating expenses in 1HFY2023.

*Other Industrial Investments* – This business segment includes the Group’s investments in Meiloon Industrial Co., Ltd. (“Meiloon”) and XIC Innovation Limited (“XIC”). Meiloon reported a loss during 1HFY2023 while XIC also reported a small loss during 1HFY2023 due to disposal of its major subsidiary, Time Interconnect Technology Limited, in March 2022.

## **Outlook**

Business activities started to increase when more countries re-open from COVID-19 lockdowns as the pandemic started to subside. However, consumers in developed countries also started to refocus their demand on services such as holidays and dining out. Rapidly rising inflation and repeated interest rate hikes during 1HFY2023 may also adversely affect consumer spending on manufactured goods. Nevertheless, demands for the Group’s battery products may gradually increase when the major overseas private label customers start to rebuild their inventories.

Rapidly rising interest rates are expected to significantly increase the Group’s finance costs. Where appropriate, the Group may fund some of its future expansions by equity financing instead of by bank borrowings in order to reduce the Group’s borrowing level.

Recent strengthening of the US dollar against the Chinese Renminbi, if it continues, may reduce some of the Group’s cost pressure and allow more flexibility for the Group to price its products and optimize its capacity utilization.

The Batteries Business will continue to be affected by volatile raw material prices and shipping challenges. However, when the project to rebalance its manufacturing facilities is completed in FY2023, the business is expected to improve with reduced redundant operations and better economies of scale in FY2024.

With a strong product program and aggressive sales expansion, demands for the Group's KEF consumer speakers, Celestion professional speaker drivers and professional audio manufacturing businesses are expected to continue growing.

Disruption to global shipping services is improving but shortages of electronics components are expected to continue posing challenges to the Group in optimizing its inventory level and working capital requirements for meeting delivery commitments.

On 28 December 2021, the Company announced the proposed distribution *in-specie* of the rechargeable batteries manufacturing business (the "Proposed Distribution"). The Proposed Distribution is conditional, *inter alia*, on the completion of the restructuring of the rechargeable batteries manufacturing business, which is still in progress. The Company will make further announcement to update the shareholders on the Proposed Distribution.

**B. Condensed Interim Consolidated Statement of Profit or Loss**

Half year ended 30 September 2022

	Note	1H ended 30.09.22 S\$'000	1H ended 30.09.21 S\$'000	Change %
<u>Continuing operations</u>				
Revenue	4	595,499	618,955	(3.8)
Cost of sales		(443,882)	(457,546)	(3.0)
Gross profit		151,617	161,409	(6.1)
Other operating income	5	39,399	8,023	391.1
Distribution costs		(72,985)	(71,464)	2.1
Administrative expenses		(80,410)	(74,273)	8.3
Write-back of (Allowance for) expected credit losses, net		153	(56)	n/m
Other operating expenses	6	(10,045)	(4,591)	118.8
Profit before finance costs and share of results of associates		27,729	19,048	45.6
Finance costs		(12,407)	(9,521)	30.3
Share of results of associates		8,482	11,921	(28.8)
Profit before taxation	7	23,804	21,448	11.0
Income tax expense	8	(3,385)	(4,235)	(20.1)
Profit after taxation from continuing operations		20,419	17,213	18.6
<u>Discontinued operations</u>				
Loss after taxation from discontinued operations	20	-	(3,050)	n/m
Profit after taxation		20,419	14,163	44.2
Attributable to:				
Equity holders of the Company				
Continuing operations		17,068	14,763	15.6
Discontinued operations		-	(3,050)	n/m
		17,068	11,713	45.7
Non-controlling interests				
Continuing operations		3,351	2,450	36.8
Discontinued operations		-	-	-
		3,351	2,450	36.8
		20,419	14,163	44.2

n/m – not meaningful

**C. Condensed Interim Consolidated Statement of Comprehensive Income****Half year ended 30 September 2022**

	<b>1H ended 30.09.22 S\$'000</b>	<b>1H ended 30.09.21 S\$'000</b>
Profit after taxation for the financial period	20,419	14,163
Other comprehensive income (loss):		
<u>Items that will not be reclassified subsequently to profit or loss:</u>		
Fair value (loss) gain on financial assets at fair value through other comprehensive income	(354)	2
Share of other comprehensive loss of associates		
- Property revaluation deficit	-	(117)
<u>Items that are or may be reclassified subsequently to profit or loss:</u>		
Foreign exchange translation		
- Exchange translation (deficit) surplus	(24,856)	8,684
- Exchange translation deficit reclassified to profit or loss upon de-registration / disposal of subsidiaries	3,948	2,246
Share of other comprehensive income of associates		
- Exchange translation deficit reclassified to profit or loss upon disposal and derecognition of interest in an associate	3,875	-
- Exchange translation surplus	4,429	5,462
Other comprehensive (loss) income for the financial period, net of tax	(12,958)	16,277
Total comprehensive income for the financial period	7,461	30,440
Attributable to:		
Equity holders of the Company	8,358	26,153
Non-controlling interests	(897)	4,287
	7,461	30,440
Total comprehensive income (loss) attributable to equity holders of the Company from:		
Continuing operations	8,358	27,174
Discontinued operations	-	(1,021)
	8,358	26,153

**D. Condensed Interim Statements of Financial Position****As at 30 September 2022**

As at	Note	Group		Company	
		30.09.22 S\$'000	31.03.22 S\$'000	30.09.22 S\$'000	31.03.22 S\$'000
<b>Non-current Assets</b>					
Property, plant and equipment	11	406,502	411,572	180	197
Right-of-use assets		43,969	47,749	224	416
Interest in subsidiaries		-	-	426,749	426,749
Interest in associates		293,202	298,892	31,943	29,031
Financial assets at fair value through other comprehensive income	12	6,754	6,739	-	-
Non-current receivables		-	3,226	14,720	20,480
Deferred tax assets		6,281	5,937	-	-
Deposits and prepayments		4,095	4,286	-	-
Intangible assets	13	11,127	10,696	-	-
		771,930	789,097	473,816	476,873
<b>Current Assets</b>					
Inventories		243,148	254,500	-	-
Receivables and prepayments		284,287	278,004	20,973	20,418
Dividend receivable		3,097	4,858	4,954	11,085
Taxation recoverable		4,723	3,837	-	-
Derivative financial instruments		-	165	-	-
Short-term investments		94	729	-	-
Bank balances, deposits and cash		206,708	188,263	32,835	29,251
		742,057	730,356	58,762	60,754
Assets classified as held for sale		-	7,413	-	-
		742,057	737,769	58,762	60,754
<b>Total Assets</b>		1,513,987	1,526,866	532,578	537,627
<b>Current Liabilities</b>					
Trade and other payables		298,413	302,851	16,947	24,995
Contract liabilities		16,174	18,883	-	-
Provision for restructuring		2,300	4,250	-	-
Lease liabilities		10,777	11,264	232	396
Income tax payable		9,343	8,070	235	246
Derivative financial instruments		513	19	-	-
Bank overdrafts, bank and other loans		425,578	461,611	62,536	96,580
		763,098	806,948	79,950	122,217
<b>Net Current Liabilities</b>		(21,041)	(69,179)	(21,188)	(61,463)
<b>Non-current Liabilities</b>					
Bank and other loans		144,457	99,823	117,471	66,759
Lease liabilities		36,861	41,681	-	32
Deferred tax liabilities		7,778	10,806	-	-
		189,096	152,310	117,471	66,791
<b>Net Assets</b>		561,793	567,608	335,157	348,619
Represented by:					
Issued capital	15	286,307	286,307	286,307	286,307
Treasury shares	15	(20,978)	(20,978)	(20,978)	(20,978)
Reserves		200,912	202,231	69,828	83,290
Equity attributable to equity holders of the Company		466,241	467,560	335,157	348,619
Non-controlling interests		95,552	100,048	-	-
<b>Total Equity</b>		561,793	567,608	335,157	348,619

## E. Condensed Interim Statements of Changes in Equity

Half year ended 30 September 2022

	Attributable to equity holders of the Company											Non-controlling interests S\$'000	Total equity S\$'000
	Issued capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Legal reserve S\$'000	Capital reserve on consolidation S\$'000	Exchange translation reserve S\$'000	Fair value reserve S\$'000	Share-based payment reserve S\$'000	Property revaluation reserve S\$'000	Retained profits S\$'000	Total S\$'000		
<b>Group</b>													
Balance at 01.04.22	286,307	(20,978)	12,092	16,761	29,602	(89,668)	3,289	1,467	955	227,733	467,560	100,048	567,608
<b><u>Total comprehensive income (loss)</u></b>													
Profit for the financial period	-	-	-	-	-	-	-	-	-	17,068	17,068	3,351	20,419
Other comprehensive loss for the financial period	-	-	-	-	-	(8,356)	(354)	-	-	-	(8,710)	(4,248)	(12,958)
<b>Total comprehensive (loss) income for the financial period</b>	-	-	-	-	-	(8,356)	(354)	-	-	17,068	8,358	(897)	7,461
<b><u>Transactions with owners, recognised directly in equity</u></b>													
Contributions by and distributions to owners:													
Dividends paid	-	-	-	-	-	-	-	-	-	(9,677)	(9,677)	(3,599)	(13,276)
Changes in ownership interests in subsidiaries:													
Disposal of a subsidiary	-	-	84	(634)	-	-	-	-	-	550	-	-	-
<b>Total transactions with owners</b>	-	-	84	(634)	-	-	-	-	-	(9,127)	(9,677)	(3,599)	(13,276)
Balance at 30.09.22	286,307	(20,978)	12,176	16,127	29,602	(98,024)	2,935	1,467	955	235,674	466,241	95,552	561,793



	Attributable to equity holders of the Company											Non-controlling interests	Total equity
	Issued capital	Treasury shares	Capital reserve	Legal reserve	Capital reserve on consolidation	Exchange translation reserve	Fair value reserve	Share-based payment reserve	Property revaluation reserve	Retained profits	Total		
<b>Group</b>													
Balance at 01.04.21	286,307	(20,865)	11,856	21,050	30,465	(104,448)	(1,498)	2,091	1,072	193,200	419,230	91,145	510,375
<b><u>Total comprehensive income (loss)</u></b>													
Profit for the financial period	-	-	-	-	-	-	-	-	-	11,713	11,713	2,450	14,163
Other comprehensive income (loss) for the financial period	-	-	-	-	-	14,555	2	-	(117)	-	14,440	1,837	16,277
<b>Total comprehensive income (loss) for the financial period</b>	-	-	-	-	-	14,555	2	-	(117)	11,713	26,153	4,287	30,440
Share of change in net assets of associates other than other comprehensive income	-	-	-	-	-	-	-	96	-	-	96	-	96
<b><u>Transactions with owners, recognised directly in equity</u></b>													
Contributions by and distributions to owners:													
Purchase of treasury shares	-	(113)	-	-	-	-	-	-	-	-	(113)	-	(113)
<b>Total transactions with owners</b>	-	(113)	-	-	-	-	-	-	-	-	(113)	-	(113)
Transfer to reserve	-	-	-	(2,753)	(863)	-	-	-	-	3,616	-	-	-
Balance at 30.09.21	286,307	(20,978)	11,856	18,297	29,602	(89,893)	(1,496)	2,187	955	208,529	445,366	95,432	540,798

	<b>Issued capital S\$'000</b>	<b>Treasury shares S\$'000</b>	<b>Capital reserve S\$'000</b>	<b>Retained profits S\$'000</b>	<b>Total equity S\$'000</b>
<b>Company</b>					
Balance at 01.04.22	286,307	(20,978)	614	82,676	348,619
<b><u>Total comprehensive loss</u></b>					
Loss for the financial period	-	-	-	(3,785)	(3,785)
<b>Total comprehensive loss for the financial period</b>	-	-	-	(3,785)	(3,785)
<b><u>Transactions with owners, recognised directly in equity</u></b>					
Dividend paid	-	-	-	(9,677)	(9,677)
Balance at 30.09.22	286,307	(20,978)	614	69,214	335,157
Balance at 01.04.21	286,307	(20,865)	614	61,739	327,795
<b><u>Total comprehensive loss</u></b>					
Loss for the financial period	-	-	-	(4,313)	(4,313)
<b>Total comprehensive loss for the financial period</b>	-	-	-	(4,313)	(4,313)
<b><u>Transactions with owners, recognised directly in equity</u></b>					
Purchase of treasury shares	-	(113)	-	-	(113)
Balance at 30.09.21	286,307	(20,978)	614	57,426	323,369

**F. Condensed Interim Consolidated Statement of Cash Flows****Half year ended 30 September 2022**

	<b>1H ended 30.09.22 S\$'000</b>	<b>1H ended 30.09.21 S\$'000</b>
<b>Operating activities</b>		
Profit before taxation from continuing operations	23,804	21,448
Loss before taxation from discontinued operations (Note 20)	-	(2,698)
Profit before taxation	23,804	18,750
Adjustments for:		
Share of results of associates	(8,482)	(11,921)
Depreciation of property, plant and equipment	16,154	14,571
Depreciation of right-of-use assets	6,374	7,626
Amortisation of intangible assets	168	164
Finance costs	12,407	9,581
Interest income	(1,669)	(1,185)
(Gain) Loss on disposal and write-off of property, plant and equipment, net	(1,977)	232
Loss on disposal of automotive wire harness business ("AWH Business") (Note 20)	-	2,891
Allowance for inventory obsolescence and write-off of inventory, net (Write-back of) Allowance for expected credit losses, net	2,269	439
Fair value (gain) loss on short-term investments, net	(7,581)	151
Gain from disposal / deemed disposal of interest in an associate	(4,241)	(12)
Gain on bargain purchase arising from purchase of additional interest in an associate	(701)	-
Reduction in compensation receivable	2,998	-
Gain from disposal of a subsidiary (Note 21)	(10,637)	-
Loss from de-registration of subsidiaries	3,345	175
Dividend income from financial assets at fair value through other comprehensive income	(30)	-
Realised gain on derivative financial instruments	-	(1,050)
Unrealised fair value loss (gain) on derivative financial instruments	615	(1,289)
Rent concession related to COVID-19	(320)	(13)
Bank loans waived <sup>(1)</sup>	-	(1,235)
Unrealised exchange (gain) loss	(2,721)	682
Operating cash flows before movements in working capital	29,622	38,613
Inventories	20,531	(42,979)
Receivables and prepayments	(4,573)	(22,403)
Trade and other payables, and contract liabilities	(18,404)	2,523
Provision for restructuring	(2,119)	-
Cash generated from (used in) operations	25,057	(24,246)
Income tax paid	(6,329)	(7,272)
Finance costs paid	(12,504)	(8,952)
Interest received	1,412	570
Net cash generated from (used in) operating activities	7,636	(39,900)

	<b>1H ended 30.09.22 S\$'000</b>	<b>1H ended 30.09.21 S\$'000</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(28,076)	(18,808)
Deposits paid for purchase of property, plant and equipment	(84)	(335)
Dividends received from associates	7,680	8,913
Proceeds from disposal of property, plant and equipment	4,036	344
Proceeds from disposal of AWH Business, net (Note 20)	-	9,645
Proceeds from disposal of a subsidiary, net (Note 21)	27,243	-
Additional investment in an associate	(2,912)	-
Proceeds from disposal of an associate	10,102	-
Proceeds from disposal of short-term investments	19,346	-
Dividend income from financial assets at fair value through other comprehensive income	30	-
Net cash generated from (used in) investing activities	37,365	(241)
<b>Financing activities</b>		
Drawdown of bank and other loans	70,000	47,984
Repayment of bank and other loans	(66,568)	(67,219)
Payment of lease liabilities	(5,312)	(5,912)
Dividend paid	(9,677)	-
Dividend paid to non-controlling interests	(3,599)	-
Purchase of treasury shares	-	(113)
Net cash used in financing activities	(15,156)	(25,260)
Net increase (decrease) in cash and cash equivalents	29,845	(65,401)
Cash and cash equivalents at beginning of financial period	188,263	226,067
Effects of exchange rate changes on the balance of cash held in foreign currencies	(11,564)	4,519
<b>Cash and cash equivalents at end of financial period</b>	<b>206,544</b>	<b>165,185</b>
<b>Cash and cash equivalents at end of financial period comprised:</b>		
Bank balances, deposits and cash	206,708	165,185
Less: Bank overdrafts	(164)	-
	<b>206,544</b>	<b>165,185</b>

- (1) Being bank loans obtained by certain subsidiaries incorporated in the United States pursuant to the Paycheck Protection Programme of the United States government as part of its COVID-19 relief measures and waived during the first half year ended 30 September 2021 ("1HFY2022").

## G. Notes to the Condensed Interim Consolidated Financial Statements

30 September 2022

### 1. Corporate information

GP Industries Limited (the "Company") 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 3 Fusionopolis Link, #06-11, Nexus @one-north, Singapore 138543.

These condensed interim consolidated financial statements as at and for half year ended 30 September 2022 (the "Interim Financial Statements") comprise the Company and its subsidiaries (collectively, the "Group").

The principal activities of the Company comprise those of an investment holding company and regional headquarters of the Group.

The principal activities of the Group are the development, manufacture and marketing of batteries and related products, electronic and acoustic products. During 1HFY2022, the Group disposed of its subsidiaries which are engaged in the manufacturing of automotive wire harness products (Note 20).

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 and listed on The Stock Exchange of Hong Kong Limited.

### 2. Basis of preparation

The Interim Financial Statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The Interim Financial Statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last audited annual financial statements for the financial year ended 31 March 2022 ("FY2022").

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The Interim Financial Statements are presented in Singapore dollars, which is the Company's functional currency.

#### 2.1 New and amended standards adopted by the Group

The Group has adopted all new and revised SFRS(I) pronouncements that are relevant to its operations and effective for the Company's financial year commenced on 1 April 2022. 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 period.

#### 2.2 Use of judgements and estimates

In preparing the Interim Financial Statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### 3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

### 4. Revenue

Revenue comprised product sales recognised at a point in time.

	1H ended 30.09.22 S\$'000	1H ended 30.09.21 S\$'000
Batteries and battery-related products	464,577	487,550
Electronics and acoustics products	130,922	131,405
	595,499	618,955

### 5. Other operating income

	1H ended 30.09.22 S\$'000	1H ended 30.09.21 S\$'000
Product development and engineering fee income	219	120
Interest income	1,669	1,181
Gain on disposal of property, plant and equipment <sup>(1)</sup>	2,317	19
Management fee income from associates	445	438
Operating lease income	438	216
Government grant	640	2,718
Gain on sale of parts, samples, scrap and surplus materials	706	740
Unrealised fair value gain on derivative financial instruments	-	1,289
Realised gain on derivative financial instruments	-	1,050
Gain from disposal / deemed disposal of interest in an associate <sup>(2)</sup>	4,241	12
Gain from disposal of a subsidiary <sup>(3)</sup>	10,637	-
Rent concession related to COVID-19	320	13
Recovery of bad debts	1	2
Fair value gain on short-term investments, net <sup>(4)</sup>	7,581	-
Gain on bargain purchase arising from purchase of additional interest in an associate	701	-
Royalty income	495	109
Exchange gain	8,436	-
Others	553	116
	39,399	8,023

<sup>(1)</sup> Gain for the first half year ended 30 September 2022 ("1HFY2023") comprised mainly gain on disposal of property, plant and equipment reported by the 70%-owned subsidiary, Zhongyin (Ningbo) Battery Co Ltd from sale of a staff quarter.

- (2) On 6 April 2022, the Company announced the disposal of the Group's interest in STL Technology Co., Ltd ("STL") which resulted in a decrease in shareholdings in STL from 29.28% to 15.14% (the "Retained STL Interest"). As the Group lost its significant influence over STL after the disposal, the Group ceased to apply equity accounting on the Retained STL Interest and derecognised STL as an associated company. The Retained STL interest was accounted for as financial assets at fair value through profit and loss.

During 1HFY2022, the Group's interest in STL decreased from 29.73% to 29.61% as a result of the issue of new shares by STL pursuant to its employees share option scheme.

- (3) Being gain from disposal of Huizhou Modern Battery Limited ("Modern Battery") (Note 21).
- (4) The fair value gain comprised mainly the revaluation gain of the Retained STL Interest. The Group has disposed of all of the Retained STL Interest before 30 September 2022.

## 6. Other operating expenses

	1H ended 30.09.22 S\$'000	1H ended 30.09.21 S\$'000
Property, plant and equipment written-off	340	251
Bank charges	866	897
Fair value loss on short-term investments	-	151
Unrealised fair value loss on derivative financial instruments	615	-
Realised loss on derivative financial instruments	1,373	-
Closure and relocation costs <sup>(1)</sup>	306	1,809
Exchange loss	-	1,124
Loss from de-registration of subsidiaries <sup>(2)</sup>	3,345	175
Transaction costs incurred for disposal of short-term investments	86	-
Reduction in compensation receivable <sup>(3)</sup>	2,998	-
Others	116	184
	10,045	4,591

- (1) Costs were incurred for relocation of the rechargeable batteries manufacturing factories located in Huizhou and Dongguan, China.

- (2) Being exchange translation deficit reclassified to profit or loss upon de-registration of subsidiaries.

- (3) Pursuant to the property disposal agreement for the old factory site owned by GP Electronics (Huizhou) Co., Ltd. ("GPEHZ") (the "Property"), the Group is entitled to an early removal compensation and incentive based on the actual handover date of the vacated Property before the expiry of a 60-month rent free use period. An estimated compensation receivable (the "Compensation Receivable") was included in determining the related property disposal gain in FY2020. Upon handing over the Property to the buyer during 1HFY2023, the parties agreed to a final compensation which is less than the Compensation Receivable by S\$3.0 million and the difference is recognised under other operating expenses in 1HFY2023.

**7. Profit before taxation**

Profit before taxation from continuing operations was arrived at after crediting (charging) the following:

	<b>1H ended 30.09.22 S\$'000</b>	<b>1H ended 30.09.21 S\$'000</b>
Depreciation and amortisation	(22,696)	(22,081)
Write-back of (Allowance for) expected credit losses and bad debts recovered, net	154	(54)
Allowance for inventory obsolescence and write-off of inventory, net	(2,269)	(430)

**8. Income tax expense**

The Group calculates the income tax expense from continuing operations for the financial period using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense are:

	<b>1H ended 30.09.22 S\$'000</b>	<b>1H ended 30.09.21 S\$'000</b>
Current taxation:		
Provision for taxation in respect of profit for the financial period	4,079	4,467
Over-provision in respect of prior years	(84)	(323)
Withholding tax on overseas income	2,451	639
Deferred taxation:		
Credit for the financial period	(3,061)	(548)
	<b>3,385</b>	<b>4,235</b>

**9. Earnings per ordinary shares**

<b>Earnings per share ("EPS")</b>	<b>1H ended 30.09.22 Singapore cents</b>	<b>1H ended 30.09.21 Singapore cents</b>
<b>Basic and Diluted earnings per share ("EPS"):</b>		
From continuing operations	3.53	3.05
From discontinued operations	-	(0.63) ^
Total	<b>3.53</b>	<b>2.42</b>

^ Loss per share



Basic EPS is computed based on the weighted average number of shares in issue during the financial period. The weighted average number of ordinary shares represents the number of ordinary shares in issue at the beginning of the financial period, adjusted for new ordinary shares issued during the financial period multiplied by a time-weighted factor. The adjustments to the weighted average number of shares for computing diluted EPS are as follows:

	1H ended 30.09.22	1H ended 30.09.21
Weighted average number of ordinary shares used in calculating basic and diluted EPS	483,843,482	483,864,398

There were no dilutive potential voting shares for 1HFY2023 and 1HFY2022.

#### 10. Net asset value

As at	Group		Company	
	30.09.22 Singapore cents	31.03.22 Singapore cents	30.09.22 Singapore cents	31.03.22 Singapore cents
Net asset value per ordinary share based on 483,843,482 issued shares excluding treasury shares and subsidiary holdings as at 30 September 2022 (31 March 2022: 483,843,482)	96.36	96.63	69.27	72.05

#### 11. Property, plant and equipment

During the 1HFY2023, the Group acquired property, plant and equipment amounting to S\$28,146,000 (1HFY2022: S\$19,083,000) of which S\$70,000 (1HFY2022: S\$275,000) were transferred from deposits paid for assets. Net book value of property, plant and equipment disposed and written-off during the 1HFY2023 was S\$2,059,000 (1HFY2022: S\$581,000).

#### 12. Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income ("FVTOCI") comprise the following:

As at	Group	
	30.09.22 S\$'000	31.03.22 S\$'000
<b>Non-current assets</b>		
Investment in unquoted equity shares	6,754	6,739

The Group classifies financial assets measured at fair value through profit or loss ("FVTPL") or at FVTOCI using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- 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

c) Level 3 inputs are unobservable inputs for the asset or liability.

The fair values of financial assets and financial liabilities approximate their respective carrying amounts. 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
<b>30 September 2022</b>				
<u>Financial assets</u>				
Financial assets at FVTOCI	-	-	6,754	6,754
Financial assets at FVTPL	94	-	-	94
	94	-	6,754	6,848
<u>Financial liabilities</u>				
Derivative financial instruments	-	513	-	513
<b>31 March 2022</b>				
<u>Financial assets</u>				
Financial assets at FVTOCI	-	-	6,739	6,739
Financial assets at FVTPL	729	-	-	729
Derivative financial instruments	-	165	-	165
	729	165	6,739	7,633
<u>Financial liabilities</u>				
Derivative financial instruments	-	19	-	19

### 13. Intangible assets

	Goodwill S\$'000	Trademarks S\$'000	Total S\$'000
<b>Group</b>			
<b>Cost</b>			
At 1 April 2022	15,461	6,557	22,018
Currency realignment	874	370	1,244
At 30 September 2022	16,335	6,927	23,262
<b>Accumulated impairment loss and amortisation</b>			
At 1 April 2022	9,133	2,189	11,322
Charge for the period	-	168	168
Currency realignment	517	128	645
At 30 September 2022	9,650	2,485	12,135
<b>Carrying amounts</b>			
At 30 September 2022	6,685	4,442	11,127
At 1 April 2022	6,328	4,368	10,696

### 13.1 Goodwill impairment

The recoverable amounts of the cash generating units (“CGUs”) to which goodwill are allocated (the “Relevant CGUs”) are determined from value in use calculations, where appropriate. 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.

The recoverable amounts of the Relevant CGUs are estimated annually unless impairment indicators exist. As at 30 September 2022, as there was no indication of significant change to these key assumptions, the recoverable amounts approximate their carrying values.

### 13.2 Trademarks

Trademarks are measured initially at purchase cost and are amortised on a straight line basis over their estimated useful lives, which are estimated to be 20 years.

### 14. Aggregate amount of Group’s borrowings and debt securities

As at	30.09.22 S\$'000	31.03.22 S\$'000
Amount repayable in one year or less, or on demand:		
Secured <sup>(1)</sup>	581	660
Unsecured	425,578	461,608
	426,159	462,268
Amount repayable after one year:		
Secured <sup>(2)</sup>	269	545
Unsecured	144,457	99,823
	144,726	100,368

<sup>(1)</sup> Included lease liabilities of S\$581,000 which were secured against leased assets (31 March 2022: S\$657,000).

<sup>(2)</sup> Included lease liabilities of S\$269,000 which were secured against leased assets (31 March 2022: S\$545,000).

Details of any collateral

As at	30.09.22 S\$'000	31.03.22 S\$'000
Net book value of property, plant and equipment held under secured borrowings / right-of-use assets secured over lease liabilities:		
(i) Motor vehicles	25	214
(ii) Machinery and equipment	1,502	1,745

**15. Issued capital, treasury shares and dividend****15.1 Issued capital and treasury shares**

	Group and Company	
	Number of ordinary shares	S\$'000
<u>Issued capital</u> Issued and fully paid up: At 1 April 2022 and 30 September 2022	521,358,482	286,307
<u>Treasury shares</u> At 1 April 2022 and 30 September 2022	37,515,000	20,978

As at	Group and Company	
	30.09.22	30.09.21
Total number of issued shares excluding treasury shares and subsidiary holdings	483,843,482	483,843,482
Treasury shares held	37,515,000	37,515,000
Subsidiary holdings held	-	-
	37,515,000	37,515,000
Percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of issued shares excluding treasury shares and subsidiary holdings	7.75%	7.75%

- a) There was no change in the Company's issued capital during 1HFY2023.
- b) As at 30 September 2022, the total number of issued shares excluding treasury shares was 483,843,482 (31 March 2022: 483,843,482).
- c) There were no shares that may be issued on conversion of any outstanding convertibles as at 30 September 2022 and 2021.
- d) As at 30 September 2022, there were no sales, transfers, cancellation and/or use of treasury shares.
- e) As at 30 September 2022, there were no sales, transfers, cancellation and/or use of subsidiary holdings.

## 15.2 Dividend

Dividend paid during the financial period is as follows:

	Group and Company	
	1H ended 30.09.22 S\$'000	1H ended 30.09.21 S\$'000
Final tax-exempt (1-tier) dividend of 2.0 Singapore cents per ordinary share for FY2022	9,677	-
	9,677	-

## 16. Segment and revenue information

The Group's businesses are organised into four segments based on the types of products that they provide, as follows:

**Batteries** - The batteries business manufactures, develops and markets batteries and battery-related products.

**Electronics and Acoustics** - The Group designs, manufactures and sells professional audio products and KEF brand loudspeakers and related products. Associates of this business segment are mainly engaged in the manufacturing of high precision parts and components used in electronics products.

**Other Industrial Investments** - Comprises mainly the Group's associates, XIC Innovation Limited and Meiloon Industrial Co., Ltd.

**Automotive Wire Harness** - As announced on 31 August 2021, the Group had completed the disposal of the automotive wire harness business (Note 20). Accordingly, the results of operations of the automotive wire harness business for 1HFY2022 is presented under discontinued operations in the Interim Financial Statements.

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. 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.

## 16.1 Operating segments

	Batteries S\$'000	Electronics and acoustics S\$'000	Other industrial investments S\$'000	Elimination S\$'000	Total continuing operations S\$'000
<b>1H ended 30.09.22</b>					
<b>Revenue</b>					
<u>Continuing operations</u>					
External revenue	464,577	130,922	-	-	595,499
Inter-segment revenue	3	-	-	(3)	-
Total revenue	464,580	130,922	-	(3)	595,499
<b>Results</b>					
<u>Continuing operations</u>					
Contribution before taxation	22,085	2,625	559	-	25,269
<b>Other information</b>					
<u>Continuing operations</u>					
Interest income	942	531	-	-	1,473
Finance costs	7,034	2,717	-	-	9,751
Share of results of associates	2,364	6,408	(290)	-	8,482
Depreciation and amortisation	17,538	5,158	-	-	22,696
Allowance for inventory obsolescence and write-off of inventory, net	1,987	282	-	-	2,269
Gain on disposal of property, plant and equipment, net	2,289	28	-	-	2,317
Write-back of expected credit losses, net	143	10	-	-	153
Closure and relocation costs	306	-	-	-	306

	Batteries S\$'000	Electronics and acoustics S\$'000	Other industrial investments S\$'000	Elimination S\$'000	Total S\$'000
<b>30 September 2022</b>					
<b>Assets and liabilities</b>					
Assets	982,204	336,017	189,715	(4,953)	1,502,983
Liabilities	606,268	187,416	15	(4,953)	788,746
<b>Other information</b>					
Interest in associates	35,932	67,595	189,675	-	293,202
Additions to property, plant and equipment	19,980	8,166	-	-	28,146
Additions to right-of-use assets	1,851	1,469	-	-	3,320

	Batteries S\$'000	Electronics and acoustics S\$'000	Other industrial investments S\$'000	Elimination S\$'000	Total continuing operations S\$'000
<b>1H ended 30.09.21</b>					
<b>Revenue</b>					
<u>Continuing operations</u>					
External revenue	487,550	131,405	-	-	618,955
Inter-segment revenue	15	56	-	(71)	-
Total revenue	487,565	131,461	-	(71)	618,955
<b>Results</b>					
<u>Continuing operations</u>					
Contribution before taxation	8,025	13,187	3,006	-	24,218
<b>Other information</b>					
<u>Continuing operations</u>					
Interest income	327	854	-	-	1,181
Finance costs	5,805	1,178	-	-	6,983
Share of results of associates	1,256	5,653	5,012	-	11,921
Depreciation and amortisation	16,717	5,364	-	-	22,081
Allowance for inventory obsolescence and write-off of inventory, net	241	189	-	-	430
(Loss) Gain on disposal of property, plant and equipment, net	(9)	28	-	-	19
Allowance for expected credit losses, net	25	31	-	-	56
Closure and relocation costs	1,257	552	-	-	1,809

	Batteries S\$'000	Electronics and acoustics S\$'000	Automotive wire harness S\$'000	Other industrial investments S\$'000	Elimination S\$'000	Total S\$'000
<b>31 March 2022</b>						
<b>Assets and liabilities</b>						
Assets	1,013,335	322,142	-	186,096	(4,481)	1,517,092
Liabilities	634,989	185,658	-	12	(4,481)	816,178
<b>Other information</b>						
Interest in associates	48,296	64,530	-	186,066	-	298,892
Additions to property, plant and equipment	42,951	9,131	75	-	-	52,157
Additions to right-of-use assets	22,130	18,703	2,625	-	(17,458)	26,000

Reconciliation of the operating segment results, interest income, finance costs, assets and liabilities are provided as follows:

	1H ended 30.09.22 S\$'000	1H ended 30.09.21 S\$'000
<b>Results</b>		
<u>Continuing operations</u>		
Contribution before taxation per reportable segments	25,269	24,218
Unallocated finance costs, net	(2,460)	(2,538)
Taxation	(3,385)	(4,235)
Share of taxation of associates	(3,058)	(3,200)
Taxation attributable to non-controlling interests' share of results	702	518
Profit attributable to equity holders of the Company	17,068	14,763
<b>Interest income</b>		
<u>Continuing operations</u>		
Per reportable segments	1,473	1,181
Unallocated interest income	196	-
Per consolidated Interest income	1,669	1,181
<b>Finance costs</b>		
<u>Continuing operations</u>		
Per reportable segments	9,751	6,983
Unallocated finance costs	2,656	2,538
Per consolidated finance costs	12,407	9,521
<b>As at</b>	<b>30.09.22</b> <b>S\$'000</b>	<b>31.03.22</b> <b>S\$'000</b>
<b>Assets</b>		
Per reportable segments	1,502,983	1,517,092
Other unallocated assets	11,004	9,774
Per consolidated total assets	1,513,987	1,526,866
<b>Liabilities</b>		
Per reportable segments	788,746	816,178
Unallocated bank loans and lease liabilities	146,327	124,204
Other unallocated liabilities	17,121	18,876
Per consolidated total liabilities	952,194	959,258



**16.2 Geographical segments**

Revenue analysed by the location of the customers or the shipment destination, where appropriate, is as follows:

	<b>1H ended 30.09.22 S\$'000</b>	<b>1H ended 30.09.21 S\$'000</b>
Singapore	5,066	7,021
PRC	263,891	248,020
Other Asian countries	40,524	37,400
<b>Asia</b>	<b>309,481</b>	<b>292,441</b>
Germany, Netherlands, Russia and United Kingdom	82,096	78,341
Other European countries	85,699	109,928
<b>Europe</b>	<b>167,795</b>	<b>188,269</b>
United States of America	104,391	136,635
Other American countries	9,192	11,250
<b>Americas</b>	<b>113,583</b>	<b>147,885</b>
Others	4,640	4,894
Less: discontinued operations	-	(14,534)
<b>Revenue from continuing operations</b>	<b>595,499</b>	<b>618,955</b>

**17. Capital commitments**

<b>As at</b>	<b>Group</b>	
	<b>30.09.22 S\$'000</b>	<b>31.03.22 S\$'000</b>
Commitments for the acquisition of property, plant and equipment	3,031	9,613

**18. Contingent liabilities (unsecured)**

<b>As at</b>	<b>Group</b>		<b>Company</b>	
	<b>30.09.22 S\$'000</b>	<b>31.03.22 S\$'000</b>	<b>30.09.22 S\$'000</b>	<b>31.03.22 S\$'000</b>
Guarantees given to certain banks in respect of banking facilities utilised by subsidiaries	-	-	259,719	268,000
Others	2,284	2,226	-	-

## 19. Related party transactions

Related companies in the Interim Financial Statements refer to members of the ultimate holding company's group of companies, other than the Company and its subsidiaries.

In addition to the related party information disclosed elsewhere in the Interim Financial Statements, the Group has significant transactions and commitments with related parties on terms agreed between the parties as follows:

	Group			
	Associates		Related companies	
	1H ended 30.09.22 S\$'000	1H ended 30.09.21 S\$'000	1H ended 30.09.22 S\$'000	1H ended 30.09.21 S\$'000
	30.09.22 S\$'000	31.03.22 S\$'000	30.09.22 S\$'000	31.03.22 S\$'000
Sales	18,855	15,185	-	-
Purchases	(29,183)	(34,357)	-	-
Interest income	-	23	-	-
Rental income	35	172	154	25
Royalty income	61	109	-	-
Outsourcing fee	-	(178)	-	-
Consultancy fee	-	(171)	-	-
<b>As at</b>	<b>30.09.22 S\$'000</b>	<b>31.03.22 S\$'000</b>	<b>30.09.22 S\$'000</b>	<b>31.03.22 S\$'000</b>
Rental commitments as lessor under non-cancellable operating leases	-	29	-	-

## 20. Discontinued operations

On 31 May 2021, the Company, as seller, entered into a sale and purchase agreement with Time Interconnect Investment Limited to sell the entire issued share capital of GP Industries Marketing Limited ("GPIM"), a wholly-owned subsidiary of the Company, *inter alia*, conditional upon the satisfaction of various conditions precedent on or before 30 September 2021 (the "AWH Business Disposal"). As a condition of the AWH Business Disposal, GPIM and Huizhou GP Wiring Technology Ltd. ("GPWT"), another wholly-owned subsidiary of the Company, shall undergo a reorganisation such that GPWT shall become a wholly-owned subsidiary of GPIM at completion. GPIM and GPWT comprised the Group's automotive wire harness business. The AWH Business Disposal was completed on 31 August 2021.

According to SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* ("SFRS(I) 5"), profit after taxation attributable to the AWH Business for 1HFY2022 and loss from disposal of AWH Business, net of taxation, were presented under loss after taxation from discontinued operations in the profit or loss for 1HFY2022.

The results of discontinued operations were as follows:

	<b>1H ended 30.09.21 S\$'000</b>
Revenue	14,534
Net expenses	(14,341)
Profit before taxation	193
Income tax expense	(32)
Profit after taxation attributable to discontinued operations	161
Loss before taxation on AWH Business Disposal	(2,891)
Income tax expense on AWH Business Disposal	(320)
Loss on AWH Business Disposal, net of taxation	(3,211)
Loss after taxation from discontinued operations	(3,050)

The net assets of the AWH Business at the date of disposal were as follows:

	<b>1H ended 30.9.21 S\$'000</b>
<u>Assets (Liabilities)</u>	
Property, plant and equipment	2,027
Right-of-use assets	2,537
Inventories	5,532
Receivables and prepayments	14,865
Cash and cash equivalents	2,276
Trade and other payables	(12,154)
Lease liabilities	(2,554)
Income tax payable	(61)
Net assets of the AWH Business derecognised	12,468
Attributable goodwill	273
Total net assets derecognised	12,741

Loss before taxation from discontinued operations and net cash inflow from disposal of AWH Business during 1HFY2022 were arrived as follows:

	<b>1H ended 30.9.21 S\$'000</b>
<b><u>Loss before taxation from discontinued operations</u></b>	
Consideration received	12,006
Total net assets derecognised	(12,741)
Adjustment to exchange translation reserve	(2,071)
Disposal costs paid	(85)
Loss before taxation on AWH Business Disposal	(2,891)
Profit before taxation from discontinued operations	193
Loss before taxation from discontinued operations	(2,698)
<b><u>Net cash inflow from disposal</u></b>	
Consideration received	12,006
Less: Disposal costs paid	(85)
Less: Cash and cash equivalents disposed of	(2,276)
Net cash inflow from disposal	9,645

The cash outflows attributable to the discontinued operations were as follows:

	<b>1H ended 30.09.21 S\$'000</b>
Operating activities	(1,312)
Investing activities	(75)
Financing activities	(62)

The above does not include the net cash inflow from disposal of S\$9,645,000 for 1HFY2022.

## 21. Changes in ownership interest in subsidiaries with loss of control

Changes in ownership interest in subsidiaries that resulted in a loss of control during 1HFY2023:

- (i) The Group de-registered an inactive subsidiary during the 1HFY2023, which resulted in a loss of S\$3,345,000 reported in other operating expenses (Note 6), being cumulative exchange translation deficit reclassified to profit or loss.
- (ii) During the 1HFY2023, the Group completed the disposal of Modern Battery.

The net assets of Modern Battery disposed and the net cash inflow from disposal were as follows:

	<b>1H ended 30.9.22 S\$'000</b>
<u>Assets (Liabilities)</u>	
Assets classified as held for sale	7,294
Receivables and prepayments	11,138
Cash and cash equivalents	27
Trade and other payables	(27)
Deferred tax liabilities	(392)
Net assets disposed	18,040
<u>Net cash inflow from disposal</u>	
Net assets disposed	18,040
Adjustment to exchange translation reserve	603
Gain from disposal of subsidiary	10,637
Disposal proceeds	29,280
Less: Cash and cash equivalents disposed	(27)
Less: Deposits received in financial year ended 31 March 2022	(2,010)
Net cash inflow from disposal	27,243

## 22. Subsequent events

There are no known subsequent events which have led to adjustments to the Interim Financial Statements.

## H. Other Information Required by Listing Rule Appendix 7.2

1. **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed.

2. **Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).**

Not applicable.

3. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

**(a) Updates on the efforts taken to resolve each outstanding audit issue.**

Not applicable.

**(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

Not applicable.

### 4. Financial Review

Material variances of the items disclosed in the statement of profit or loss, statement of comprehensive income and statements of financial position of these Interim Financial Statements and which have not been discussed in other parts of these Interim Financial Statements are explained as follows:

#### **(a) Statement of profit or loss - Group**

- (i) "Finance costs": The increase was due mainly to the increase in interest rates.
- (ii) "Share of results of associates": The decrease was due mainly to the net effect of decrease in profit contributed by XIC Innovation Limited ("XIC") and Meiloon Industrial Co., Ltd., ("Meiloon") and the increase in profit contribution by the associates of the batteries business and the electronics and acoustics business. XIC contributed less profit following its disposal of its entire shareholding interest in Time Interconnect Technology Limited in March 2022.
- (iii) "Income tax expense": The decrease was mainly the net result of (i) withholding tax paid on gain from disposal of Modern Battery; and (ii) decrease in deferred tax liabilities due to the reduction in Compensation receivable and decrease in share of undistributed earnings of Meiloon as a result of dividend paid and the small loss reported during 1HFY2023.
- (iv) "Profit after taxation attributable to non-controlling interests": The increase was due mainly to the increase in profit of the 70%-owned Zhongyin (Ningbo) Battery Co Ltd.

#### **(b) Statement of financial position - Group**

- (i) "Non-current receivables": Loan to the non-controlling interests of the 51%-owned subsidiary of the electronics and acoustics business incorporated in Thailand was reclassified to current assets during 1HFY2023.
- (ii) "Assets classified as held for sale": The decrease was a result of completion of the disposal of Modern Battery during 1HFY2023.

- (iii) "Bank overdrafts, bank and other loans": The decrease in amount repayable within one year was due mainly to repayment.
- (iv) "Bank and other loans": The increase in amount repayable after one year was the net effect of drawdown of a S\$70 million term loan in 1HFY2023 by the Company, and reclassification of amounts to current liabilities.
- (v) "Net current liability position": The improvement in net current liabilities position as at 30 September 2022 was due mainly to the drawdown of a S\$70 million term loan during 1HFY2023, which reduced the adverse effect of funding part of the capital expenditure incurred in recent years with cash and short term borrowings.

**(c) Statement of financial position – Company**

- (i) "Non-current receivables": This comprised a loan receivable from a subsidiary, which is receivable by instalments over a period up to March 2024. Decrease was due to reclassification of amount due within a year to current assets.
- (ii) "Trade and other payables": The decrease was due mainly to decrease in amounts due to subsidiaries.
- (iii) "Bank overdrafts, bank and other loans": The decrease in amount repayable within one year was due mainly to repayment.
- (iv) "Bank and other loans": The increase in amount repayable after one year was the net effect of drawdown of a S\$70 million term loan in 1HFY2023, and reclassification of amounts to current liabilities.

**5. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

**6. Dividend****(a) Current financial period reported on**

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

<b>Name of Dividend</b>	<b>Interim</b>
Dividend Type Dividend Amount per Share	Cash 1.00 Singapore cent per ordinary share tax-exempt (1-tier)

**(b) Corresponding period of the immediately preceding financial year**

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

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

**(c) Date payable**

To be announced later.

**(d) Record date**

To be announced later.

**(e) Other comments relating to dividend**

The Directors are pleased to recommend an interim tax-exempt (1-tier) dividend of 1.00 Singapore cent (30 September 2021: 1.25 Singapore cents) per share amounting to approximately S\$4.8 million for its financial year ending 31 March 2023. The dividend will be paid in cash and the dividend was not included as liabilities as at 30 September 2022.

**7. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

Not applicable.

## 8. Interested person transactions

Pursuant to the shareholders' mandate on interested person transactions approved by the shareholders at the Annual General Meeting held on 29 July 2022, the interested person transactions entered into by the Group during the 1HFY2023 are as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 during the financial period under review (excluding transactions less than S\$100,000)	
		1H ended 30.09.22 S\$'000	1H ended 30.09.21 S\$'000	1H ended 30.09.22 S\$'000	1H ended 30.09.21 S\$'000
<b>Sales:</b> Huizhou Light Engine Limited	(Note a)	67	-	63	-
<b>Purchases:</b> Light Engine Limited	(Note a)	137	-	314	-
<b>Consideration received for disposal of a subsidiary:</b> Time Interconnect Investment Limited	(Note a)	-	12,468	-	-

(Note a) An associate of a director / controlling shareholder.

## 9. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

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

We, Victor Lo Chung Wing and Lam Hin Lap, being two directors of GP Industries Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the unaudited financial statements for the financial period ended 30 September 2022 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

**Victor Lo Chung Wing**  
Chairman and Chief Executive Officer

**Lam Hin Lap**  
Vice Chairman and Executive Vice President

8 November 2022