

**Unaudited Condensed Interim Consolidated Financial Statements
for the Second Half Year and Financial Year ended 31 March 2022
and Dividend Announcement**

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A. Business Review and Outlook

Review of Results

During the financial year ended 31 March 2022 (“FY2022”), revenue of the Group’s continuing operations increased by S\$74.2 million or 6.5% to S\$1,222.7 million, due mainly to a S\$79.0 million or 38.9% increase in revenue of the Electronics and Acoustics Business.

On 31 August 2021, the Group completed the disposal of the subsidiaries in the Automotive Wire Harness Business. Accordingly, results of the disposed Automotive Wire Harness Business for FY2022 and prior period comparative figures for the financial year ended on 31 March 2021 (“FY2021”) were presented separately under discontinued operations.

Gross profit margin decreased from 27.0% in FY2021 to 25.9% in FY2022. The decrease was due mainly to significant increases in material costs across a wide range of raw materials and components. However, increase of selling price to customers, improvements in sales mix and increase in sales of KEF’s acoustic systems partially offset the adverse effects of the cost increases on the gross profit margin of the Group.

Administrative expenses increased by S\$18.6 million or 14.3% to S\$148.7 million due partly to staff costs increases on a year-on-year comparison basis and partly to depreciation of new facilities which have become operational during FY2022. In addition, the Group implemented aggressive short-term cost control measures and received some government subsidies from various countries during the COVID-19 lockdown period, which reduced staff costs in FY2021.

Other operating income increased by S\$29.6 million to S\$48.7 million due mainly to write-back of excess provision for restructuring of the Electronics and Acoustics Business relating to its factory relocation, and disposal gain together with compensation income of the Batteries Business.

Other operating expenses increased by S\$14.1 million to S\$37.1 million in FY2022, due mainly to the impairment charges for the business in Russia and the cost of relocating the factories of the Batteries Business from Huizhou to Dongguan, PRC, despite a decrease in exchange losses and other impairment charges.

Profit from continuing operations attributable to equity holders of the Company increased by S\$7.8 million to S\$38.3 million, or 25.7% over the profit last year.

Net loss from discontinued operations attributable to the disposed Automotive Wire Harness Business in FY2022 amounted to S\$3.05 million.

Including contributions from discontinued operations, total profit attributable to equity holders of the Company increased from S\$31.7 million for FY2021 to S\$35.3 million for FY2022. Based on the weighted average of 483,853,969 (FY2021: 484,046,682) shares in issue, basic earnings per share for FY2022 was 7.29 Singapore cents, compared to 6.55 Singapore cents reported in FY2021.

The Directors have proposed a final dividend of 2.0 Singapore cents per share.

Business Review

Batteries Business – The revenue of the Batteries Business for FY2022 was S\$940.9 million, a decrease of 0.5% when compared to FY2021. Sales of primary batteries decreased by 1.1% while sales of rechargeable batteries increased by 0.7%. In geographical terms, sales to Europe and Asia increased by 3.4% and 2.5% respectively while sales to the Americas decreased by 10.1%.

Gross profit margin of the Batteries Business, particularly the rechargeable battery products, has been affected by the rapidly increasing material costs. Disruptions to global shipping also continued to cause significant shipment delays and drastic increases in shipping costs. Although the Management worked closely with customers to increase product prices, the time delay for customers accepting the price increases lagged behind the time when material prices actually increased and this resulted in reduced gross profit margin for FY2022.

During FY2022, the Group made a total of S\$14.1 million impairment on the investment in a Russia based business and allowance for credit loss against the receivables therefrom, represented full provision against the investment and approximately 52% of the unsettled receivables.

During FY2022, the Group completed the disposal of GP Batteries China Limited (“GPBC”), a wholly owned subsidiary, after relocating the production facilities of GPBC for manufacturing Carbon Zinc 9-volt primary batteries to the new manufacturing campus located at Xiegang, Dongguan. The relocation of the Nickel Metal Hydride rechargeable batteries manufacturing facilities from Huizhou to Xiegang also started during FY2022 and is expected to be completed in the first half of the financial year ending 31 March 2023 (“FY2023”). The gain from disposal of GPBC amounted to S\$8.2 million in FY2022. On the other hand, costs related to the relocation of the above-mentioned manufacturing facilities amounted to approximately S\$12.7 million in FY2022, comprised mainly of severance payments to employees in accordance with the Labor Laws in China.

During FY2022, the 70%-owned subsidiary in Ningbo, Zhongyin (Ningbo) Battery Co Ltd (“ZYNB”) has started relocating its manufacturing facilities to a new campus. Such relocation is expected to be substantially completed in FY2023, after which the Group will dispose the land currently occupied by ZYNB. During FY2022, ZYNB reported a compensation income of S\$6.7 million for certain factory buildings of the existing campus returned to the government and costs incurred in relocating the affected operations, and a write-back of relocation costs of S\$4.2 million.

Despite the gain from disposal of GPBC, ZYNB’s compensation income and write-back of provisions, the exceptional impairment charges, relocation costs and a decrease in share of profit from associates contributed to a decline in profit contribution from the Battery Business in FY2022.

Rapid material price increases and continued disruption to the supply chain during FY2022 resulted in an increase in raw materials and finished products being held in inventory at 31 March 2022.

Electronics and Acoustics Business – The revenue of the Electronics and Acoustics Business for FY2022 was S\$281.8 million, a 38.9% increase when compared to the revenue reported in FY2021 with strong growth in both the professional audio manufacturing business and the branded acoustics business.

The professional audio manufacturing business reported a 37.9% increase in revenue in FY2022 with increased sales to all major geographical markets, including a 52.8% increase to the Americas. The increase was mainly driven by the recovery of the professional audio business after key global markets started to reopen as the pandemic gradually subsided.

Sales of KEF products increased by 37.1% in FY2022, with increases across all major geographical markets. KEF reported 49.4%, 23.8% and 37.6% revenue growth in the Americas, Europe and Asia respectively. The Celestion brand professional speaker driver business also reported a 51.6% revenue growth, as a result of a 66.3% and a 58.1% increase in sales to the Americas and Asia respectively, also mainly driven by a recovery of the professional audio market after COVID-19 started to subside in these markets.

The relocation of the manufacturing facilities of the Electronics and Acoustics Business to the new location at Dongjiang Industrial Park in Huizhou was completed in May 2022. Due to the proximity of the old and new factory sites, the costs incurred for the factory removal was less than the provision for restructuring made. Accordingly, the Group wrote back a S\$13.1 million restructuring provision previously provided.

Production at the 51%-owned subsidiary in Thailand increased during FY2022 as the COVID-19 situation in Thailand improved gradually and demand for made-in-Thailand professional audio products also increased.

Strong revenue growth of the subsidiaries, write back of excess restructuring provision and an increase in aggregate share of profit from associated companies resulted in a significant increase in profit contribution from the Electronics and Acoustics Business. The Group maintained a higher level of inventory for this business segment to support the strong sales and to prepare for the launch of new KEF products such as LS60 Wireless in the first quarter of FY2023, and to safeguard against the global supply shortages of critical electronics components and reduced global shipping capacity. While this strategy helped to support the revenue growth achieved, it also required significantly higher working capital for the business.

Other Industrial Investments – This business segment includes the Group’s investments in Meiloon Industrial Co., Ltd. (“Meiloon”) and XIC Innovation Limited (“XIC Innovation” which was formerly known as Linkz Industries Limited). During FY2022, Meiloon reported an increase in revenue but contributed less profit, due to the FY2021 results included a S\$13.7 million property disposal gain. In March 2022, XIC Innovation completed the disposal of its 63.58%-owned subsidiary, Time Interconnect Technology Limited, and reported a disposal gain. Therefore, profit contribution from XIC Innovation increased.

Automotive Wire Harness Business – During FY2022, profit after taxation of the Automotive Wire Harness Business amounted to S\$0.16 million, compared to S\$1.25 million in FY2021. The Automotive Wire Harness Business was disposed of on 31 August 2021 and the disposal resulted in a loss of S\$3.21 million in FY2022, which included S\$2.07 million exchange translation deficit charged to profit and loss and goodwill written-off amounted to S\$0.27 million.

Outlook

The gradual re-opening of travelling and other economic activities at major global economies after COVID-19 lockdown improves business sentiment. Rapid and continued cost increases across a wide spectrum of materials and record-high shipping and logistics costs put significant pressure on the Group’s businesses. However, recent strengthening of the US dollar against the Chinese Renminbi, if it continues, may help to reduce some of the Group’s cost pressure.

The Electronics and Acoustics Business is expected to continue its revenue growth trajectory with the launch of new products but inflation in key markets may affect consumers’ discretionary spending and slowing down revenue growth. Component supply shortages and global shipping capacity shortages may also affect the businesses’ ability in supplying products to meet market needs.

The Batteries Business will continue to be affected by material supply disruptions and steep cost increases. On the other hand, stabilizing sea freight rates might help to slow down shipping costs increases. When the project to rebalance the Group’s manufacturing facilities is completed in the early part of FY2023, the business is expected to improve from better economy of scale and reduced redundant operations.

Disruptions to global shipping services and shortages of electronics components are expected to continue to pose challenges to the Group in optimizing inventory level and working capital requirements in order to meet delivery commitments. Higher interest rates may also increase the Group’s finance costs.

The Group’s strategy to invest into building its brands, its sales and distribution capabilities, into technology and product development and into rebalancing its production capacity in China and South East Asia helped the Group maintain relatively stable business performance during the COVID-19 pandemic. The Group will continue this strategy to further strengthen the competitiveness of its brands and products in key priority markets.

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**Second Half Year ("2H") and Financial Year ("FY") ended 31 March 2022**

	Note	2H ended 31.03.22 S\$'000	2H ended 31.03.21 * S\$'000	Change %	FY ended 31.03.22 S\$'000	FY ended 31.03.21 * S\$'000	Change %
<i>Continuing operations</i>							
Revenue	4	603,794	586,301	3.0	1,222,749	1,148,508	6.5
Cost of sales		(447,938)	(426,346)	5.1	(905,484)	(838,154)	8.0
Gross profit		155,856	159,955	(2.6)	317,265	310,354	2.2
Other operating income	5	40,655	13,812	194.3	48,678	19,089	155.0
Distribution costs		(83,228)	(78,558)	5.9	(154,692)	(144,222)	7.3
Administrative expenses		(74,426)	(68,770)	8.2	(148,699)	(130,068)	14.3
Allowance for expected credit losses, net		(4,463)	(467)	855.7	(4,519)	(546)	727.7
Other operating expenses	6	(32,495)	(14,649)	121.8	(37,086)	(23,025)	61.1
Profit before finance costs and share of results of associates		1,899	11,323	(83.2)	20,947	31,582	(33.7)
Finance costs		(9,811)	(9,374)	4.7	(19,332)	(19,353)	(0.1)
Share of results of associates		37,625	26,820	40.3	49,546	42,474	16.7
Profit before taxation	7	29,713	28,769	3.3	51,161	54,703	(6.5)
Income tax expense	8	(2,503)	(7,743)	(67.7)	(6,738)	(13,668)	(50.7)
Profit after taxation from continuing operations		27,210	21,026	29.4	44,423	41,035	8.3
<i>Discontinued operations</i>							
Profit (Loss) after taxation from discontinued operations	20	-	411	n/m	(3,050)	1,248	n/m
Profit after taxation		27,210	21,437	26.9	41,373	42,283	(2.2)
Attributable to:							
Equity holders of the Company							
Continuing operations		23,548	17,593	33.8	38,311	30,472	25.7
Discontinued operations		-	411	n/m	(3,050)	1,248	n/m
		23,548	18,004	30.8	35,261	31,720	11.2
Non-controlling interests							
Continuing operations		3,662	3,433	6.7	6,112	10,563	(42.1)
Discontinued operations		-	-	-	-	-	-
		3,662	3,433	6.7	6,112	10,563	(42.1)
		27,210	21,437	26.9	41,373	42,283	(2.2)

* The comparative figures (including those of the relevant notes to the condensed interim consolidated financial statements) have been re-presented due to discontinued operations (Note 20) attributable to the disposed automotive wire harness business ("AWH Business").

n/m – not meaningful

C. Condensed Interim Consolidated Statement of Comprehensive Income

Second Half Year and Financial Year ended 31 March 2022

	2H ended 31.03.22 S\$'000	2H ended 31.03.21 S\$'000	FY ended 31.03.22 S\$'000	FY ended 31.03.21 S\$'000
Profit after taxation for the financial period	27,210	21,437	41,373	42,283
Other comprehensive income (loss):				
<u>Items that will not be reclassified subsequently to profit or loss:</u>				
Fair value gain on financial assets at fair value through other comprehensive income	4,785	473	4,787	743
Share of other comprehensive income (loss) of associates				
- Property revaluation surplus (deficit)	-	476	(117)	476
- Defined benefit plan remeasurements	13	(9)	13	(9)
<u>Items that are or may be reclassified subsequently to profit or loss:</u>				
Foreign exchange translation				
- Exchange translation surplus	6,326	6,362	15,010	7,376
- Exchange translation deficit (surplus), net, reclassified to profit or loss upon de-registration / disposal of subsidiaries	2,556	(4)	4,802	(4)
Cash flow hedges				
- Net change in fair value of cash flow hedges	-	85	-	(93)
- Realised cash flow hedge deficit reclassified to profit or loss	-	447	-	814
Share of other comprehensive (loss) income of associates				
- Exchange translation (deficit) surplus	(7,703)	1,326	(2,241)	(1,515)
Other comprehensive income for the financial period, net of tax	5,977	9,156	22,254	7,788
Total comprehensive income for the financial period	33,187	30,593	63,627	50,071
Attributable to:				
Equity holders of the Company	28,571	25,294	54,724	37,800
Non-controlling interests	4,616	5,299	8,903	12,271
	33,187	30,593	63,627	50,071
Total comprehensive income (loss) attributable to equity holders of the Company:				
From continuing operations	28,571	25,235	55,745	37,600
From discontinued operations	-	59	(1,021)	200
	28,571	25,294	54,724	37,800

D. Condensed Interim Statements of Financial Position**As at 31 March 2022**

As at	Note	Group		Company	
		31.03.22 S\$'000	31.03.21 S\$'000	31.03.22 S\$'000	31.03.21 S\$'000
Non-current Assets					
Property, plant and equipment	11	411,572	386,321	197	241
Right-of-use assets		47,749	44,206	416	800
Interest in subsidiaries		-	-	426,749	433,526
Interest in associates		298,892	304,316	29,031	29,031
Financial assets at fair value through other comprehensive income	12	6,739	1,968	-	-
Non-current receivables		3,226	14,924	20,480	32,000
Deferred tax assets		5,937	4,812	-	-
Deposits and prepayments		4,286	5,843	-	-
Intangible assets	13	10,696	12,551	-	-
		789,097	774,941	476,873	495,598
Current Assets					
Inventories		254,500	206,443	-	-
Receivables and prepayments		278,004	276,294	20,418	8,880
Dividend receivable		4,858	4,299	11,085	22,003
Taxation recoverable		3,837	4,729	-	-
Derivative financial instruments		165	-	-	-
Short-term investments		729	1,291	-	-
Bank balances, deposits and cash		188,263	226,067	29,251	13,059
		730,356	719,123	60,754	43,942
Assets classified as held for sale		7,413	7,311	-	-
		737,769	726,434	60,754	43,942
Total Assets		1,526,866	1,501,375	537,627	539,540
Current Liabilities					
Trade and other payables		302,851	336,422	24,995	31,080
Contract liabilities		18,883	8,910	-	-
Provision for restructuring		4,250	-	-	-
Lease liabilities		11,264	10,490	396	383
Income tax payable		8,070	10,664	246	411
Derivative financial instruments		19	1,233	-	146
Bank and other loans		461,611	411,191	96,580	58,917
		806,948	778,910	122,217	90,937
Net Current Liabilities		(69,179)	(52,476)	(61,463)	(46,995)
Non-current Liabilities					
Bank and other loans		99,823	150,196	66,759	120,380
Lease liabilities		41,681	34,525	32	428
Provision for restructuring		-	17,318	-	-
Deferred tax liabilities		10,806	10,051	-	-
		152,310	212,090	66,791	120,808
Net Assets		567,608	510,375	348,619	327,795
Represented by:					
Issued capital	15	286,307	286,307	286,307	286,307
Treasury shares	15	(20,978)	(20,865)	(20,978)	(20,865)
Reserves		202,231	153,788	83,290	62,353
Equity attributable to equity holders of the Company		467,560	419,230	348,619	327,795
Non-controlling interests		100,048	91,145	-	-
Total Equity		567,608	510,375	348,619	327,795

E. Condensed Interim Statements of Changes in Equity

Financial Year ended 31 March 2022

	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	Hedging reserve	Retained profits	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group														
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
<u>Total comprehensive income (loss)</u>														
Profit for the financial year	-	-	-	-	-	-	-	-	-	-	35,261	35,261	6,112	41,373
Other comprehensive income (loss) for the financial year	-	-	-	-	-	14,780	4,787	-	(117)	-	13	19,463	2,791	22,254
Total comprehensive income (loss) for the financial year	-	-	-	-	-	14,780	4,787	-	(117)	-	35,274	54,724	8,903	63,627
Share of change in net assets of associates other than other comprehensive income	-	-	365	-	-	-	-	(624)	-	-	26	(233)	-	(233)
<u>Transactions with owners, recognised directly in equity</u>														
Contributions by and distributions to owners:														
Purchase of treasury shares	-	(113)	-	-	-	-	-	-	-	-	-	(113)	-	(113)
Dividend paid	-	-	-	-	-	-	-	-	-	-	(6,048)	(6,048)	-	(6,048)
Changes in ownership interests in subsidiaries:														
Disposal of subsidiaries	-	-	(129)	(5,102)	(863)	-	-	-	-	-	6,094	-	-	-
Total transactions with owners	-	(113)	(129)	(5,102)	(863)	-	-	-	-	-	46	(6,161)	-	(6,161)
Transfer to reserve	-	-	-	813	-	-	-	-	-	-	(813)	-	-	-
Balance at 31.03.22	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

Financial Year ended 31 March 2021

	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	Hedging reserve	Retained profits	Total			S\$'000	S\$'000
Group																
Balance at 01.04.20	286,307	(20,865)	5,368	21,193	30,461	(108,597)	(3,516)	1,895	596	(721)	162,327	374,448	94,087	468,535		
Total comprehensive income (loss)																
Profit for the financial year	-	-	-	-	-	-	-	-	-	-	31,720	31,720	10,563	42,283		
Other comprehensive income (loss) for the financial year	-	-	-	-	-	4,149	743	-	476	721	(9)	6,080	1,708	7,788		
Total comprehensive income for the financial year	-	-	-	-	-	4,149	743	-	476	721	31,711	37,800	12,271	50,071		
Share of change in net assets of associates other than other comprehensive income	-	-	6,767	-	-	-	-	196	-	-	14	6,977	-	6,977		
Transactions with owners, recognised directly in equity																
Contributions by and distributions to owners:																
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(15,148)	(15,148)		
Unclaimed dividends	-	-	-	-	-	-	-	-	-	-	1	1	-	1		
Changes in ownership interests in subsidiaries:																
Acquisition of additional interest in a subsidiary	-	-	-	-	4	-	-	-	-	-	-	4	(65)	(61)		
De-registration of a subsidiary	-	-	(279)	(226)	-	-	-	-	-	-	505	-	-	-		
Total transactions with owners	-	-	(279)	(226)	4	-	-	-	-	-	506	5	(15,213)	(15,208)		
Transfer from fair value reserve upon disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	1,275	-	-	-	(1,275)	-	-	-		
Transfer to reserve	-	-	-	83	-	-	-	-	-	-	(83)	-	-	-		
Balance at 31.03.21	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		

	Issued capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Hedging reserve S\$'000	Retained profits S\$'000	Total equity S\$'000
Company						
Balance at 01.04.21	286,307	(20,865)	614	-	61,739	327,795
<u>Total comprehensive income</u>						
Profit for the financial year	-	-	-	-	26,985	26,985
Total comprehensive income for the financial year	-	-	-	-	26,985	26,985
<u>Transactions with owners, recognised directly in equity</u>						
Purchase of treasury shares	-	(113)	-	-	-	(113)
Dividend paid	-	-	-	-	(6,048)	(6,048)
Balance at 31.03.22	286,307	(20,978)	614	-	82,676	348,619
Balance at 01.04.20	286,307	(20,865)	614	(721)	42,771	308,106
<u>Total comprehensive income</u>						
Profit for the financial year	-	-	-	-	18,967	18,967
Other comprehensive income for the financial year	-	-	-	721	-	721
Total comprehensive income for the financial year	-	-	-	721	18,967	19,688
<u>Transactions with owners, recognised directly in equity</u>						
Unclaimed dividends	-	-	-	-	1	1
Balance at 31.03.21	286,307	(20,865)	614	-	61,739	327,795

F. Condensed Interim Consolidated Statement of Cash Flows**Financial Year ended 31 March 2022**

	FY ended 31.03.22 S\$'000	FY ended 31.03.21 S\$'000
Operating activities		
Profit before taxation from continuing operations *	51,161	54,703
(Loss) Profit before taxation from discontinued operations * (Note 20)	(2,698)	1,578
Profit before taxation	48,463	56,281
Adjustments for:		
Share of results of associates	(49,546)	(42,474)
Depreciation of property, plant and equipment	30,625	26,746
Depreciation of right-of-use assets	15,164	14,082
Amortisation of intangible assets	329	334
Finance costs	19,392	19,357
Interest income	(2,301)	(2,522)
Loss on disposal and write-off of property, plant and equipment, net	2,875	11
Loss on disposal of AWH Business (Note 20)	2,891	-
Restructuring charges written back	(13,056)	-
Relocation costs written back	(4,205)	-
Allowance for impairment loss on property, plant and equipment	-	2,362
Allowance for impairment loss on right-of-use assets	-	1,340
Allowance for impairment loss on interest in an associate	10,380	108
Allowance for inventory obsolescence and write-off of inventory, net	448	970
Allowance for expected credit losses, net	4,519	549
Fair value loss on short-term investments	566	596
Gain from deemed disposal of interest in associate	(53)	(29)
Gain from disposal of a subsidiary	(8,182)	-
Fair value gain from investment property	-	(3,783)
Loss (Gain) from de-registration of subsidiaries, net	170	(4)
Realised gain on derivative financial instruments	-	(783)
Unrealised fair value (gain) loss on derivative financial instruments	(1,233)	924
Rent concession related to COVID-19	(29)	(514)
Gain on lease modification	(153)	-
Gain on lease early termination	(8)	-
Bank loans waived ⁽¹⁾	(1,315)	-
Unrealised exchange loss (gain)	1,717	(3,114)
Operating cash flows before movements in working capital	57,458	70,437
Inventories	(54,985)	(47,688)
Receivables and prepayments	(7,643)	(78,879)
Trade and other payables, and contract liabilities	12,762	94,969
Cash generated from operations	7,592	38,839
Income tax paid	(10,035)	(7,693)
Finance costs paid	(18,004)	(20,235)
Interest received	1,033	1,445
Net cash (used in) generated from operating activities	(19,414)	12,356

	FY ended 31.03.22 S\$'000	FY ended 31.03.21 S\$'000
Investing activities		
Purchase of property, plant and equipment	(51,657)	(76,173)
Deposits received / proceeds from sale of assets classified as held for sale or property, plant and equipment, net of expenses	-	20,532
Deposits paid for purchase of property, plant and equipment	(467)	(2,142)
Dividends received from associates	41,232	14,454
Proceeds from disposal of property, plant and equipment	1,510	2,825
Proceeds from disposal of AWH Business, net (Note 20)	9,645	-
Loan to an associate	-	(1,233)
Additional investment in associates	-	(265)
Compensation received for disposal of assets classified as held for sale	-	14,426
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	1,135
Purchase of short-term investments	-	(2,050)
Proceeds from disposal of short-term investments	-	145
Cash and cash equivalents of subsidiary disposed	(7,252)	-
Net cash used in investing activities	(6,989)	(28,346)
Financing activities		
Drawdown of bank and other loans	78,585	190,608
Repayment of bank and other loans	(82,630)	(144,933)
Payment of lease liabilities	(11,770)	(10,679)
Dividend paid	(6,048)	-
Dividend paid to non-controlling interests	-	(15,148)
Acquisition of additional interest in a subsidiary	-	(61)
Purchase of treasury shares	(113)	-
Unclaimed dividends	-	1
Net cash (used in) generated from financing activities	(21,976)	19,788
Net (decrease) increase in cash and cash equivalents	(48,379)	3,798
Cash and cash equivalents at beginning of financial year	226,067	221,098
Effects of exchange rate changes on the balance of cash held in foreign currencies	10,575	1,171
Cash and cash equivalents at end of financial year, representing bank balances, deposits and cash	188,263	226,067

* The comparative figures have been re-presented due to discontinued operations (Note 20).

(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 financial year ended 31 March 2022 ("FY2022").

G. Notes to the Condensed Interim Consolidated Financial Statements

31 March 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 the second half year and financial year ended 31 March 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. In August 2021, the Group completed the disposal of its subsidiaries which were 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 (formerly known as Gold Peak Industries (Holdings) 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 2021 (“FY2021”).

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 2021. 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 2021.

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.

	2H ended 31.03.22 S\$'000	2H ended 31.03.21 S\$'000	FY ended 31.03.22 S\$'000	FY ended 31.03.21 S\$'000
Batteries and battery-related products	453,359	463,469	940,909	945,624
Electronics and acoustics products	150,435	122,832	281,840	202,884
	603,794	586,301	1,222,749	1,148,508

5. Other operating income

	2H ended 31.03.22 S\$'000	2H ended 31.03.21 S\$'000	FY ended 31.03.22 S\$'000	FY ended 31.03.21 S\$'000
Product development and engineering fee income	96	1,039	216	1,213
Interest income	1,116	1,151	2,297	2,503
(Loss) Gain on disposal of property, plant and equipment	(2)	2,466	17	2,472
Management fee income from associates	289	289	727	541
Operating lease income	302	224	518	456
Tooling income	-	340	-	340
Government grant	2,929	2,833	5,647	3,725
Gain on sale of parts, samples, scrap and surplus materials	770	694	1,510	1,196
Fair value gain from investment property	-	3,783	-	3,783
Unrealised fair value (loss) gain on derivative financial instruments	(56)	(446)	1,233	-
Realised gain on derivative financial instruments	2,598	783	3,648	783
Gain from deemed disposal of interest in associate ⁽¹⁾	41	29	53	29
Gain from disposal of a subsidiary ⁽²⁾	8,182	-	8,182	-
Gain from de-registration of a subsidiary	-	4	-	4
Restructuring charges written back ⁽³⁾	13,056	-	13,056	-
Compensation income from customer for cancelled order	-	177	-	554
Compensation for relocation ⁽⁴⁾	6,739	-	6,739	-
Relocation costs written back ⁽⁵⁾	4,205	-	4,205	-
Rent concession related to COVID-19	16	338	29	514
Gain on lease modification	153	-	153	-
Recovery of bad debts	1	-	3	-
Others	220	108	445	976
	40,655	13,812	48,678	19,089

- (1) During the FY ended 31 March 2022 (“FY2022”) and FY2021, the Group’s interest in STL Technology Co., Ltd (“STL”) decreased from 29.73% to 29.28% and from 30.08% to 29.73% respectively, as a result of the issue of new shares by STL pursuant to its employees share option scheme.
- (2) Being the gain from disposal of GP Batteries (China) Limited (“GPB (China)”) (Note 21).
- (3) Being write back of excess provision for restructuring costs for the relocation of the operations of GP Electronics (Huizhou) Co., Ltd. (“GPEHZ”) to Dongjiang, Huizhou, People’s Republic of China (“China” or “PRC”). The statutory compensation payable to the affected employees were significantly less than the original estimate due to the relative proximity of the current and previous location.
- (4) Being compensation income reported by the 70%-owned subsidiary, Zhongyin (Ningbo) Battery Co Ltd (“ZYNB”) for certain factory buildings returned to the government and costs incurred in relocating the affected operations.
- (5) Being write back of relocation costs by ZYNB.

6. Other operating expenses

	2H ended 31.03.22 S\$'000	2H ended 31.03.21 S\$'000	FY ended 31.03.22 S\$'000	FY ended 31.03.21 S\$'000
Property, plant and equipment written-off	2,641	2,290	2,892	2,482
Bank charges	992	935	1,889	1,637
Fair value loss on short-term investments	415	596	566	596
Allowance for impairment loss on property, plant and equipment	-	2,362	-	2,362
Allowance for impairment loss on right-of-use assets	-	1,340	-	1,340
Unrealised fair value loss on derivative financial instruments	-	924	-	924
Closure and relocation costs ⁽¹⁾	13,122	3,356	14,931	4,953
Allowance for impairment loss on interest in an associate ⁽²⁾	10,380	108	10,380	108
Realised gain on derivative financial instruments	-	(278)	-	-
Restructuring charges ⁽³⁾	1,030	-	1,030	-
Exchange loss	3,777	2,733	4,901	8,158
(Gain) Loss from de-registration of a subsidiary	(5)	-	170	-
Others	143	283	327	465
	32,495	14,649	37,086	23,025

- (1) Costs were incurred mainly by the Batteries Business in relocating its manufacturing facilities located in Huizhou, to Dongguan, China.
- (2) Allowance for impairment loss for 2HFY2022 and FY2022 was against the carrying value of the Group’s 40%-owned AZ Limited (Note 22).
- (3) Restructuring charges are costs for the proposed distribution *in-specie* of shares in GP Energy Tech Limited and the proposed acquisition of Light Engine Technologies Limited by XIC Innovation Limited (formerly known as Linkz Industries Limited), an associated company which is considered as an entity at risk for the purpose of the listing manual of the Singapore Exchange Securities Trading Limited.

7. Profit before taxation

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

	2H ended 31.03.22 S\$'000	2H ended 31.03.21 S\$'000	FY ended 31.03.22 S\$'000	FY ended 31.03.21 S\$'000
Depreciation and amortisation	23,757	21,348	45,838	40,520
Allowance for expected credit losses and bad debts recovered, net	4,462	467	4,516	546
Allowance for inventory obsolescence and write-off of inventory, net	9	183	439	753

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:

	2H ended 31.03.22 S\$'000	2H ended 31.03.21 S\$'000	FY ended 31.03.22 S\$'000	FY ended 31.03.21 S\$'000
Current taxation:				
Provision for taxon in respect of profit for the financial period	2,321	2,833	6,788	9,384
(Over) Under -provision in respect of prior years	(2,001)	444	(2,324)	(215)
Withholding tax on overseas income	2,032	1,203	2,671	2,372
Deferred taxation:				
Charge (Credit) for the financial period	134	3,529	(414)	2,606
Under (Over) -provision in respect of prior years	17	(266)	17	(479)
	2,503	7,743	6,738	13,668

9. Earnings per ordinary shares

Earnings per share ("EPS")	2H ended 31.03.22 Singapore cents	2H ended 31.03.21 Singapore cents	FY ended 31.03.22 Singapore cents	FY ended 31.03.21 Singapore cents
Basic and Diluted EPS:				
From continuing operations	4.87	3.64	7.92	6.30
From discontinued operations	-	0.08	(0.63) ^	0.25
Total	4.87	3.72	7.29	6.55

^ 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:

	2H ended 31.03.22	2H ended 31.03.21	FY ended 31.03.22	FY ended 31.03.21
Weighted average number of ordinary shares used in calculating basic and diluted EPS	483,843,482	484,046,682	483,853,969	484,046,682

There were no dilutive potential voting shares for FY2022 and FY2021.

10. Net asset value

As at	Group		Company	
	31.03.22 Singapore cents	31.03.21 Singapore cents	31.03.22 Singapore cents	31.03.21 Singapore cents
Net asset value per ordinary share based on 483,843,482 issued shares excluding treasury shares and subsidiary holdings as at 31 March 2022 (31 March 2021: 484,046,682)	96.63	86.61	72.05	67.72

11. Property, plant and equipment

During the FY2022, the Group acquired property, plant and equipment amounting to S\$52,157,000 (FY2021: S\$80,441,000) of which S\$500,000 (FY2021: S\$4,268,000) were transferred from deposits paid for assets. Net book value of property, plant and equipment disposed of and written-off during FY2022 was S\$4,402,000 (FY2021: S\$2,770,000).

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	
	31.03.22 S\$'000	31.03.21 S\$'000
Non-current assets		
Investment in unquoted equity shares	6,739	1,968

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
- 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
31 March 2022				
<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
31 March 2021				
<u>Financial assets</u>				
Financial assets at FVTOCI	-	-	1,968	1,968
Financial assets at FVTPL	1,291	-	-	1,291
	1,291	-	1,968	3,259
<u>Financial liabilities</u>				
Derivative financial instruments	-	1,233	-	1,233

	Company			
	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
31 March 2021				
<u>Financial liabilities</u>				
Derivative financial instruments	-	146	-	146

13. Intangible assets

	Goodwill S\$'000	Trademarks S\$'000	Total S\$'000
Group			
Cost			
At 1 April 2021	17,193	6,572	23,765
Disposal of subsidiaries	(1,498)	-	(1,498)
Amount written-off	(196)	-	(196)
Currency realignment	(38)	(15)	(53)
At 31 March 2022	15,461	6,557	22,018
Accumulated impairment loss and amortisation			
At 1 April 2021	9,349	1,865	11,214
Charge for the period	-	329	329
Amount written-off	(196)	-	(196)
Currency realignment	(20)	(5)	(25)
At 31 March 2022	9,133	2,189	11,322
Carrying amounts			
At 31 March 2022	6,328	4,368	10,696
At 1 April 2021	7,844	4,707	12,551

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.

During FY2022, 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 (2021: one year) and extrapolates for the following four years (2021: four years) based on a growth rates of -0.5% to 4.0% (2021: -5.7% to -2.3%). Discount rate of 12.6% (2021: 12.7%) was used to discount the cash flow forecast.

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	31.03.22 S\$'000	31.03.21 S\$'000
Amount repayable in one year or less, or on demand:		
Secured ⁽¹⁾	660	701
Unsecured	461,608	411,156
	462,268	411,857
Amount repayable after one year:		
Secured ⁽²⁾	545	1,216
Unsecured	99,823	150,193
	100,368	151,409

⁽¹⁾ Included lease liabilities of S\$657,000 which were secured against leased assets (31 March 2021: S\$666,000).

⁽²⁾ Included lease liabilities of S\$545,000 which were secured against leased assets (31 March 2021: S\$1,213,000).

Details of any collateral

As at	31.03.22 S\$'000	31.03.21 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	214	407
(ii) Machinery and equipment	1,745	2,123

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 2021 and 31 March 2022	521,358,482	286,307
<u>Treasury shares</u>		
At 1 April 2021	37,311,800	20,865
On-market purchases At 31 March 2022	203,200	113
	37,515,000	20,978

As at	Group and Company	
	31.03.22	31.03.21
Total number of issued shares excluding treasury shares and subsidiary holdings	483,843,482	484,046,682
Treasury shares held	37,515,000	37,311,800
Subsidiary holdings held	-	-
	37,515,000	37,311,800
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%	7.71%

- There was no change in the Company's issued capital during FY2022.
- There were no shares that may be issued on conversion of any outstanding convertibles as at 31 March 2022 and 2021.
- As at 31 March 2022, there were no sales, transfers, cancellation and/or use of treasury shares.
- As at 31 March 2022, there were no sales, transfers, cancellation and/or use of subsidiary holdings.

15.2 Dividend

Dividend paid during the financial year is as follows:

	Group and Company	
	FY ended 31.03.22 S\$'000	FY ended 31.03.21 S\$'000
Interim tax-exempt (1-tier) dividend of 1.25 Singapore cents per ordinary share for FY2022	6,048	-
	6,048	-

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 (formerly known as Linkz Industries Limited) and Meiloon Industrial Co., Ltd.

Automotive Wire Harness - The Group manufactures and sells automotive wire harness products. 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 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
2H ended 31.03.22					
Revenue					
<u>Continuing operations</u>					
External revenue	453,359	150,435	-	-	603,794
Inter-segment revenue	64	295	-	(359)	-
Total revenue	453,423	150,730	-	(359)	603,794
Results					
<u>Continuing operations</u>					
Contribution before taxation	(16,508)	23,260	25,639	-	32,391
Other information					
<u>Continuing operations</u>					
Interest income	103	1,012	-	-	1,115
Finance costs	5,860	1,490	-	-	7,350
Share of results of associates	1,340	8,771	27,514	-	37,625
Depreciation and amortisation	17,818	5,939	-	-	23,757
Allowance for (write-back of) inventory obsolescence and write-off of inventory, net	326	(317)	-	-	9
(Loss) Gain on disposal of property, plant and equipment, net	(11)	9	-	-	(2)
Allowance for expected credit losses, net	4,443	20	-	-	4,463
Closure and relocation costs	12,014	1,108	-	-	13,122
Allowance for impairment loss on interest in an associate	10,380	-	-	-	10,380
2H ended 31.03.21					
Revenue					
<u>Continuing operations</u>					
External revenue	463,469	122,832	-	-	586,301
Inter-segment revenue	5	-	-	(5)	-
Total revenue	463,474	122,832	-	(5)	586,301
Results					
<u>Continuing operations</u>					
Contribution before taxation	7,423	5,796	25,474	-	38,693
Other information					
<u>Continuing operations</u>					
Interest income	349	802	-	-	1,151
Finance costs	6,336	680	-	-	7,016
Share of results of associates	3,836	3,056	19,928	-	26,820
Depreciation and amortisation	16,432	4,916	-	-	21,348
Impairment loss on property, plant and equipment	2,362	-	-	-	2,362
Impairment loss on right-of-use assets	1,340	-	-	-	1,340
Allowance for (write-back of) inventory obsolescence and write-off of inventory, net	261	(78)	-	-	183
Gain on disposal of property, plant and equipment, net	2,443	23	-	-	2,466
Allowance for expected credit losses, net	348	119	-	-	467
Closure and relocation costs	3,356	-	-	-	3,356
Allowance for impairment loss on interest in an associate	108	-	-	-	108

	Batteries S\$'000	Electronics and acoustics S\$'000	Other industrial investments S\$'000	Elimination S\$'000	Total continuing operations S\$'000
<u>FY ended 31.03.22</u>					
Revenue					
<u>Continuing operations</u>					
External revenue	940,909	281,840	-	-	1,222,749
Inter-segment revenue	79	351	-	(430)	-
Total revenue	940,988	282,191	-	(430)	1,222,749
Results					
<u>Continuing operations</u>					
Contribution before taxation	(8,483)	36,447	28,645	-	56,609
Other information					
<u>Continuing operations</u>					
Interest income	430	1,866	-	-	2,296
Finance costs	11,665	2,668	-	-	14,333
Share of results of associates	2,596	14,424	32,526	-	49,546
Depreciation and amortisation	34,535	11,303	-	-	45,838
Allowance for (write-back of) inventory obsolescence and write-off of inventory, net	567	(128)	-	-	439
(Loss) Gain on disposal of property, plant and equipment, net	(20)	37	-	-	17
Allowance for expected credit losses, net	4,468	51	-	-	4,519
Closure and relocation costs	13,271	1,660	-	-	14,931
Allowance for impairment loss on interest in an associate	10,380	-	-	-	10,380

	Batteries S\$'000	Electronics and acoustics S\$'000	Automotive wire harness S\$'000	Other industrial investments S\$'000	Elimination S\$'000	Total S\$'000
<u>31 March 2022</u>						
Assets and liabilities						
Assets	1,013,335	322,142	-	186,096	(4,481)	1,517,092
Liabilities	634,989	185,658	-	12	(4,481)	816,178
Other information						
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

	Batteries S\$'000	Electronics and acoustics S\$'000	Other industrial investments S\$'000	Elimination S\$'000	Total continuing operations S\$'000
FY ended 31.03.21					
Revenue					
<u>Continuing operations</u>					
External revenue	945,624	202,884	-	-	1,148,508
Inter-segment revenue	7	4	-	(11)	-
Total revenue	945,631	202,888	-	(11)	1,148,508
Results					
<u>Continuing operations</u>					
Contribution before taxation *	26,255	5,800	29,491	-	61,546
Other information					
<u>Continuing operations</u>					
Interest income	808	1,681	-	-	2,489
Finance costs	12,498	1,546	-	-	14,044
Share of results of associates	8,295	8,457	25,722	-	42,474
Depreciation and amortisation	30,394	10,126	-	-	40,520
Impairment loss on property, plant and equipment	2,362	-	-	-	2,362
Impairment loss on right-of-use assets	1,340	-	-	-	1,340
Allowance for inventory obsolescence and write-off of inventory, net	551	202	-	-	753
Gain on disposal of property, plant and equipment, net	2,449	23	-	-	2,472
Allowance for expected credit losses, net	439	107	-	-	546
Closure and relocation costs	4,953	-	-	-	4,953
Allowance for impairment loss on interest in an associate	108	-	-	-	108

* Certain comparative figure has been re-presented for the segment results – contribution before taxation due to discontinued operations.

	Batteries S\$'000	Electronics and acoustics S\$'000	Automotive wire harness S\$'000	Other industrial investments S\$'000	Elimination S\$'000	Total S\$'000
31 March 2021						
Assets and liabilities						
Assets	1,056,207	316,985	26,866	188,487	(96,711)	1,491,834
Liabilities	691,878	223,682	10,662	9	(96,711)	829,520
Other information						
Interest in associates	59,019	56,843	-	188,454	-	304,316
Additions to property, plant and equipment	77,971	2,267	203	-	-	80,441
Additions to right-of-use assets	24,317	9,935	-	-	-	34,252

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

	2H ended 31.03.22 S\$'000	2H ended 31.03.21 S\$'000	FY ended 31.03.22 S\$'000	FY ended 31.03.21* S\$'000
Results				
<u>Continuing operations</u>				
Contribution before taxation per reportable segments	32,391	38,693	56,609	61,546
Unallocated finance costs, net	(2,460)	(2,358)	(4,998)	(5,295)
Taxation	(2,503)	(7,743)	(6,738)	(13,668)
Share of taxation of associates	(4,040)	(11,649)	(7,240)	(13,908)
Taxation attributable to non-controlling interests' share of results	160	650	678	1,797
Profit attributable to equity holders of the Company	23,548	17,593	38,311	30,472
Interest income				
<u>Continuing operations</u>				
Per reportable segments	1,115	1,151	2,296	2,489
Unallocated interest income	1	-	1	14
Per consolidated Interest income	1,116	1,151	2,297	2,503
Finance costs				
<u>Continuing operations</u>				
Per reportable segments	7,350	7,016	14,333	14,044
Unallocated finance costs	2,461	2,358	4,999	5,309
Per consolidated finance costs	9,811	9,374	19,332	19,353

As at	31.03.22 S\$'000	31.03.21 S\$'000
Assets		
Per reportable segments	1,517,092	1,491,834
Other unallocated assets	9,774	9,541
Per consolidated total assets	1,526,866	1,501,375
Liabilities		
Per reportable segments	816,178	829,520
Unallocated bank loans and finance lease obligations	124,204	140,765
Other unallocated liabilities	18,876	20,715
Per consolidated total liabilities	959,258	991,000

16.2 Geographical segments

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

	2H ended 31.03.22 S\$'000	2H ended 31.03.21 S\$'000	FY ended 31.03.22 S\$'000	FY ended 31.03.21 S\$'000
Singapore	6,619	4,915	13,640	8,499
PRC	237,476	239,395	485,496	473,414
Other Asian countries	37,065	38,093	74,465	72,160
Asia	281,160	282,403	573,601	554,073
Germany, Netherlands, Russia and United Kingdom	76,389	69,538	154,730	138,346
Other European countries	95,743	106,439	205,671	197,736
Europe	172,132	175,977	360,401	336,082
United States of America	135,128	116,232	271,763	237,644
Other American countries	11,122	22,365	22,372	36,603
Americas	146,250	138,597	294,135	274,247
Others	4,252	8,896	9,146	17,699
Less: discontinued operations	-	(19,572)	(14,534)	(33,593)
Revenue from continuing operations	603,794	586,301	1,222,749	1,148,508

16.3 A breakdown of sales

	Group		
	FY ended 31.03.22 S\$'000	FY ended 31.03.21 S\$'000	Change %
Revenue:			
First half year	618,955	562,207	10.1
Second half year	603,794	586,301	3.0
	1,222,749	1,148,508	6.5
Profit after taxation:			
First half year	14,163	20,846	(32.1)
Second half year	27,210	21,437	26.9
	41,373	42,283	(2.2)

17. Capital commitments

As at	Group	
	31.03.22 S\$'000	31.03.21 S\$'000
Commitments for the acquisition of property, plant and equipment	9,613	3,335

18. Contingent liabilities (unsecured)

As at	Group		Company	
	31.03.22 S\$'000	31.03.21 S\$'000	31.03.22 S\$'000	31.03.21 S\$'000
Guarantees given to certain banks in respect of banking facilities utilised by subsidiaries	-	-	268,000	240,861
Others	2,226	2,161	-	-

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			
	2H ended 31.03.22 S\$'000	2H ended 31.03.21 S\$'000	FY ended 31.03.22 S\$'000	FY ended 31.03.21 S\$'000
Associates:				
Sales	10,485	12,823	25,670	24,701
Purchases	(36,839)	(40,243)	(71,196)	(82,884)
Interest income	-	18	23	201
Rental income	95	200	267	392
Royalty income	95	130	204	234
Outsourcing fee	(33)	(178)	(211)	(337)
Consultancy fee	-	(107)	(171)	(247)
Related companies:				
Sales	-	7	-	10
Rental income	108	24	133	50
As at			31.03.22 S\$'000	31.03.21 S\$'000
Rental commitments as lessor under non-cancellable operating leases			29	481

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 AWH 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 FY2022 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 FY2022. Prior period comparative figures were re-presented pursuant to the requirement of SFRS(I) 5.

The results of discontinued operations are as follows:

	2H ended 31.03.22 S\$'000	2H ended 31.03.21 S\$'000	FY ended 31.03.22 S\$'000	FY ended 31.03.21 S\$'000
Revenue	-	19,572	14,534	33,593
Net expenses	-	(18,985)	(14,341)	(32,015)
Profit before taxation	-	587	193	1,578
Income tax expense	-	(176)	(32)	(330)
Profit after taxation attributable to discontinued operations	-	411	161	1,248
Loss before taxation on disposal of AWH Business	-	-	(2,891)	-
Income tax expense on AWH Business	-	-	(320)	-
Loss on disposal of AWH Business, net of taxation	-	-	(3,211)	-
Profit (Loss) after taxation from discontinued operations	-	411	(3,050)	1,248

The major classes of assets and liabilities attributable to AWH Business and derecognised are as follows:

	S\$'000
<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 disposed	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 are as follows:

	S\$'000
Loss before taxation from discontinued operations	
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 disposal of AWH Business	(2,891)
Profit before taxation for the period from discontinued operations	193
Loss before taxation from discontinued operations	(2,698)
Net cash inflow from disposal	
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 are as follows:

	2H ended 31.03.22 S\$'000	2H ended 31.03.21 S\$'000	FY ended 31.03.22 S\$'000	FY ended 31.03.21 S\$'000
Operating activities	-	(764)	(1,312)	(1,046)
Investing activities	-	(32)	(75)	(203)
Financing activities	-	(93)	(62)	(189)

The above does not include the net cash inflow from disposal of S\$9,645,000 for FY2022.

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 FY2022:

- (i) The Group disposed of its AWH Business, which comprised two subsidiaries (Note 20).
- (ii) The Group de-registered an inactive subsidiary and struck off another inactive subsidiary. The de-registration of a subsidiary resulted in a loss of S\$170,000 reported in other operating expenses (Note 6), being cumulative exchange translation deficit recycled to profit or loss.
- (iii) The Group completed the disposal of GPB (China), following the announcement issued on 31 January 2021 in relation to its proposed disposal.

The net assets of GPB (China) derecognised and the net cash outflow from disposal are as follows:

	S\$'000
<u>Assets</u>	
Assets classified as held for sale	75
Cash and cash equivalents	7,252
Net assets disposed	7,327
Attributable goodwill	1,225
Total net assets derecognised	8,552
<u>Net cash out flow from disposal</u>	
Total net assets derecognised	8,552
Adjustment to exchange translation reserve	2,561
Gain on disposal of subsidiary	8,182
Disposal proceeds	19,295
Less: Cash and cash equivalents derecognised	(7,252)
Less: Deposits received in advance	(19,295)
Cash and cash equivalents of subsidiary disposed	(7,252)

22. Impairment of Interest in associate

The Group's interest in associates is reviewed for impairment whenever there is any indication that the investment may be impaired.

During FY2022, the Group carried out a review of the recoverable amount of its interest in the 40%-owned AZ Limited. Arising from the review, an impairment loss of S\$10.4 million, being the entire carrying value of the Group's interest in AZ Limited as at 31 March 2022, was recognised.

23. 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) "Administrative expenses":** The increase for FY2022 was due partly to staff costs increases on a year-on-year comparison basis and partly to depreciation of new facilities which have become operational during FY2022. During the financial year ended 31 March 2021 ("FY2021"), the Group implemented aggressive cost control measures and received some government subsidies from various countries during COVID-19 lockdown period, which reduced staff cost in FY2021.
- (ii) "Allowance for expected credit losses, net":** The increase for both 2H ended 31 March 2022 ("2HFY2022") and FY2022 was due mainly to a S\$3.7 million allowance against the receivables from AZ Limited.
- (iii) "Share of results of associates":** The increase for both 2HFY2022 and FY2022 was due mainly to the increase in profit contributed by XIC Innovation Limited (formerly known as Linkz Industries Limited) and the associates of the electronics and acoustics business.
- (iv) "Income tax expenses":** The decrease for 2HFY2022 due partly to the decrease in deferred tax provided on the profits of the 20.27%-owned associate, Meiloon Industrial Co., Ltd ("Meiloon"), which contributed less profit during 2HFY2022, and write-back of taxation overprovided. The decrease for FY2022 was due partly to the decrease in profit of the 70%-owned Zhongyin (Ningbo) Battery Co Ltd ("ZYNB"), the decrease in deferred tax provided on Meiloon's profit and write-back of taxation over-provided.
- (v) "Profit after taxation attributable to non-controlling interests":** The decrease for FY2022 was due mainly to the decrease in profit of ZYNB.

(b) Statement of financial position - Group

- (i) “Right-of-use assets” and Total of current and non-current portion of “Lease liabilities”: The increase was due mainly to the lease of the factory building located at Xiegang, Dongguan, China by the Batteries Business.
- (ii) “Financial assets at fair value through other comprehensive income”: The increase was due to increase in fair value.
- (iii) “Non-current receivables”: The decrease was due mainly to the reclassification of the following from non-current assets at 31 March 2021, with an aggregate carrying value of approximately S\$13 million as at 31 March 2021, to current assets as at 31 March 2022:
 - a. loan receivable from the non-controlling interest of the 51%-owned subsidiary of the electronics and acoustics business incorporated in Thailand; and
 - b. the expected early removal compensation and incentive, included in determining the property disposal gain of GP Electronics (Huizhou) Co., Ltd. (“GPEHZ”) during the financial year ended 31 March 2020, based on the intended removal date of June 2022.
- (iv) “Inventories”: The increase was due mainly to:
 - a. increase in sales of the Electronics and Acoustics Business; and
 - b. additional stock maintained due to shortages of components and disruptions to the global shipping services.
- (v) “Bank balances, deposits and cash”: The decrease was due mainly to funding of increase in working capital and capital expenditure.
- (vi) “Provision for restructuring”: As at 31 March 2021, the provision for restructuring was presented as non-current liabilities as related liabilities was expected to materialize in the financial year ending 31 March 2023 when GP Electronics (Huizhou) Co., Ltd. (“GPEHZ”) relocates to a new location. Accordingly, the provision was presented as current liabilities as at 31 March 2022. In May 2022, GPEHZ vacated from its previous location and moved to the current location in Dongjiang, also within Huizhou. In addition, excess provision amounted to S\$13.1 million was written back during FY2022.
- (vii) “Net current liability position”: The net current liabilities position as at 31 March 2022 and 2021 was due mainly to the the Group’s strategy to consolidate some of the Group’s older factories into new highly automated mega factories and to rebalance the Group’s manufacturing capacity in Asia which led to a period of higher investments in property, plant and equipment (“CAPEX”) in the past few years. From 1 April 2017 to 31 March 2022, the Group’s CAPEX amounted to approximately S\$363 million in aggregate. These investments were funded primarily by the Group’s internal resources, including cash and short-term banking facilities.

(c) Statement of cash flows – Group

- (i) “Net cash used in operating activities”: The deficit from operations of S\$19,414,000 for FY2022 was due mainly to cash used to fund an increase in working capital. Before taking into account movements in working capital, taxation paid, finance costs paid and interest received, cash generated from operations amounted to S\$57,458,000.

(d) 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. The decrease was due to reclassification of amount due within a year to current assets.
- (ii) “Receivables and prepayments”: The increase was due mainly to reclassification of loan receivable from a subsidiary from non-current assets to current assets as at 31 March 2022.
- (iii) “Bank balances, deposits and cash”: The increase was due mainly to dividend received from associates.
- (iv) “Trade and other payables”: The decrease was due mainly to decrease in amounts due to subsidiaries.
- (v) “Total borrowings”: The decrease was due mainly to repayment.

(e) Revenue by geographical segments - Group

- (i) “Discontinued operations”: The disposed AWH Business contributed to revenue in the entire FY2021 but ceased to contribute revenue from 2HFY2022 onwards as it was disposed of on 31 August 2021. Revenue of the AWH Business mainly came from the Americas and Asia.
- (ii) “Asia”: The slight decrease for 2HFY2022 was mainly the net effect of increase in sales of electronics and acoustics products, decrease in sales of battery products and the effect of the disposed AWH Business as above-mentioned. The increase for FY2022 was the net effect of the increase in sales of electronics, acoustics and battery products and the effect of the disposed AWH Business as above-mentioned.
- (iii) “Americas”: The increase for 2HFY2022 and FY2022 was mainly the net effect of increase in sales of the electronics and acoustics products, the decrease in sales of batteries products and the effect of the disposed AWH Business as above-mentioned.
- (iv) “Others”: The decrease for 2HFY2022 and FY2022 was due mainly to decrease in sales of batteries products.

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

Name of Dividend	Final	Interim
Dividend Type Dividend Amount per Share	Cash 2.0 Singapore cents per ordinary share tax-exempt (1-tier)	Cash 1.25 Singapore cents per ordinary share tax-exempt (1-tier)

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?
No

(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 a final tax-exempt (1-tier) dividend of 2.0 Singapore cents (2021: Nil) per share amounting to approximately S\$9.7 million (2021: Nil) for its financial year ended 31 March 2022. The dividend will be paid in cash and the dividend was not included as liabilities as at 31 March 2022.

(f) A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	FY ended 31.03.22 S\$'000	FY ended 31.03.21 S\$'000
Ordinary	15,725	-
Preference	-	-
Total	15,725	-

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 27 July 2021, the interested person transactions entered into by the Group during the FY2022 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)	
		FY ended 31.03.22 S\$'000	FY ended 31.03.21 S\$'000	FY ended 31.03.22 S\$'000	FY ended 31.03.21 S\$'000
Sales:					
Huizhou Light Engine Limited	(Note a)	202	-	-	12
Time Interconnect Technology (Huizhou) Limited	(Note a)	-	-	-	50
Purchases:					
Light Engine Limited	(Note a)	137	-	-	-
Consideration received for disposal of a subsidiary:					
Time Interconnect Investment Limited	(Note a)	12,468	-	-	-
Consideration payable by an associate for proposed acquisition:					
United Luminous International (Holdings) Limited	(Note a, b)	72,626	-	-	-

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

(Note b) Completion of the proposed acquisition, which was announced on 31 March 2022, is subject to, *inter alia*, approval by independent shareholders of the Company at a meeting to be convened.

9. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Alan Lo Yeung Kit	41	Son of Mr Victor Lo Chung Wing (Chairman and Chief Executive Officer of the Company and a deemed substantial shareholder of the Company), and brother of Ms Grace Lo Kit Yee (Executive Director of the Company)	Head of Corporate Development and Strategic Investment - Asia (since 2021) Director of the following subsidiaries: GP Energy Tech Limited (since 2021) GP Energy Tech International Pte. Limited (formerly known as GP Energy Tech (Singapore) Pte. Limited) (since 2021)	Appointed as Director of GP Energy Tech Limited on 19 November 2021 and GP Energy Tech International Pte. Limited on 28 December 2021.

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

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

BY ORDER OF THE BOARD

Victor Lo Chung Wing
Chairman and Chief Executive Officer

Lam Hin Lap
Vice Chairman and Executive Vice President

30 May 2022