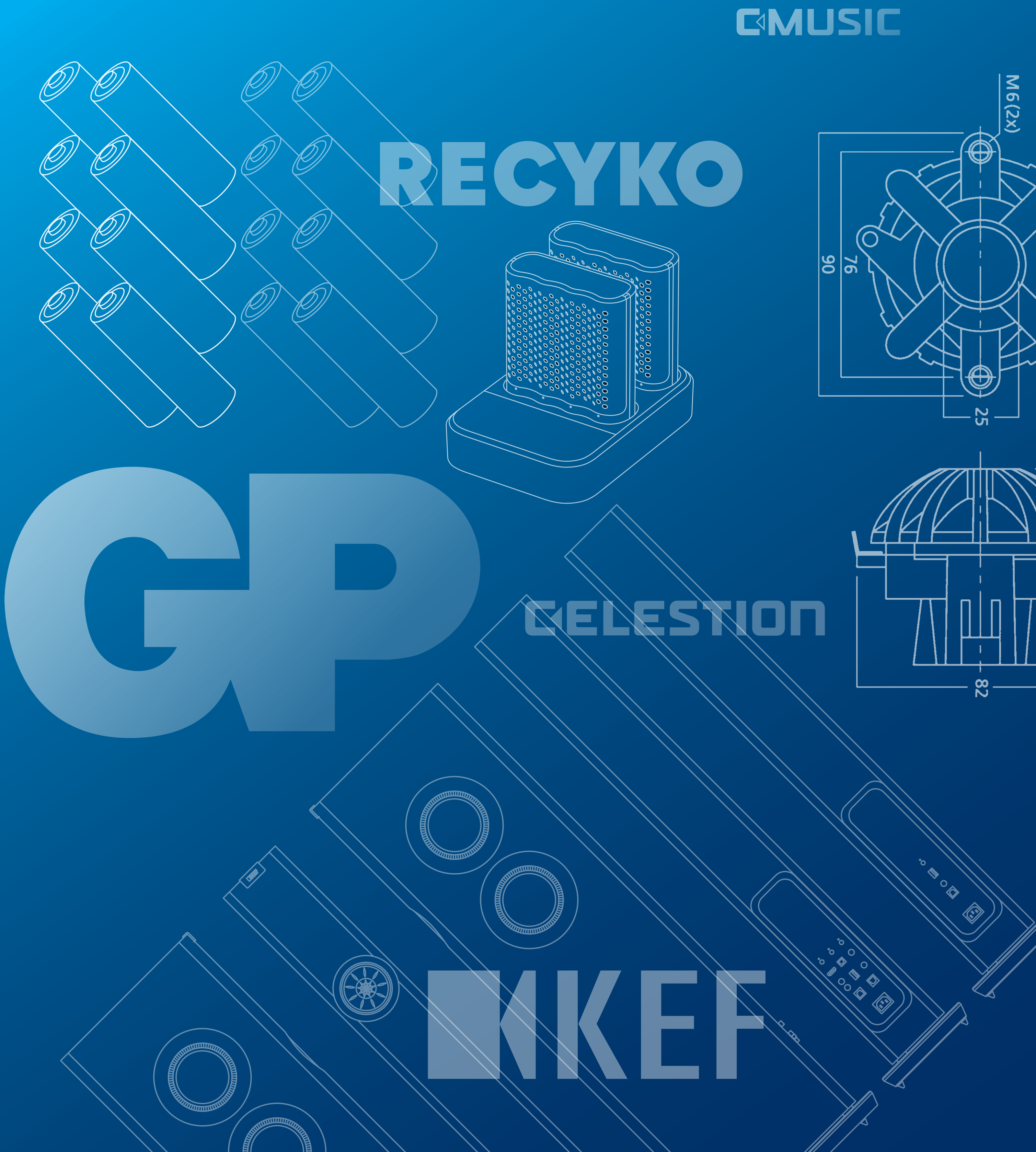
GP Industries Limited
Annual Report 2023 – 2024

GP INDUSTRIES



Calendar of Financial Events

Financial Year Ended 31 March 2024 ("FY2024")

Date	Event
Announcement of FY2024 Results:	
14 November 2023	Announcement of First Half Year Results
30 May 2024	Announcement of Second Half Year and Full Year Results
11 July 2024	Website Publication of FY2024 Annual Report
Record and Dividend Payment Dates:	
Paid on 19 December 2023	FY2024 Interim Dividend
5:00 pm, 8 August 2024	Record Date for FY2024 Proposed Final Dividend*
22 August 2024	Payment Date for FY2024 Proposed Final Dividend*
Shareholders' Meeting:	
11 July 2024	2024 AGM Notice Issue Date
23 July 2024	Voting at 2024 AGM Book Close Date
26 July 2024	29^{th} Annual General Meeting

Notes:
* The declaration and payment of the FY2024 Final Dividend is subject to the approval of Ordinary shareholders at the 29^{th} Annual General Meeting.

GP Industries Limited
Annual Report
2023-2024

Content

Corporate Information

BOARD OF DIRECTORS

Executive

Victor LO Chung Wing | Chairman and Chief Executive Officer
LAM Hin Lap | Vice Chairman and Executive Vice President
Brian LI Yiu Cheung | Executive Vice President
Waltery LAW Wang Chak | Chief Financial Officer and Chief Risk Officer
Grace LO Kit Yee

Non-Executive Independent

LIM Ah Doo | Lead Independent Director
Allan CHOY Kam Wing
LIM Jiew Keng
GOH Boon Seong
Timothy TONG Wai Cheung
Eric YIM Chi Ming
(appointed on 1 August 2023)
SEAH Han Leong
(appointed on 20 June 2024)
HUNG Cheung Fuk
(appointed on 20 June 2024)

AUDIT AND RISK COMMITTEE

LIM Ah Doo | Chairman
Allan CHOY Kam Wing
LIM Jiew Keng
GOH Boon Seong
Timothy TONG Wai Cheung
Eric YIM Chi Ming
(appointed on 1 August 2023)
SEAH Han Leong
(appointed on 20 June 2024)
HUNG Cheung Fuk
(appointed on 20 June 2024)

NOMINATING COMMITTEE

LIM Jiew Keng | Chairman
Victor LO Chung Wing
LIM Ah Doo
Allan CHOY Kam Wing
GOH Boon Seong
LAM Hin Lap
Timothy TONG Wai Cheung
Eric YIM Chi Ming
(appointed on 1 August 2023)
SEAH Han Leong
(appointed on 20 June 2024)
HUNG Cheung Fuk
(appointed on 20 June 2024)

REMUNERATION COMMITTEE

Allan CHOY Kam Wing | Chairman
LIM Ah Doo
LIM Jiew Keng
GOH Boon Seong
Timothy TONG Wai Cheung
Eric YIM Chi Ming
(appointed on 1 August 2023)
SEAH Han Leong
(appointed on 20 June 2024)
HUNG Cheung Fuk
(appointed on 20 June 2024)

COMPANY SECRETARY

WONG Yoen Har
(appointed on 31 May 2024)

REGISTERED ADDRESS

83 Clemenceau Avenue
#14-01 UE Square
Singapore 239920
Tel : (65) 6395 0850
Fax : (65) 6395 0860
E-mail: gpind@gp.industries
Website: www.gp.industries

SHARE REGISTRAR

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

AUDITORS

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

Audit Partner-in-charge

ANG Poh Choo
(appointed on 7 October 2020)

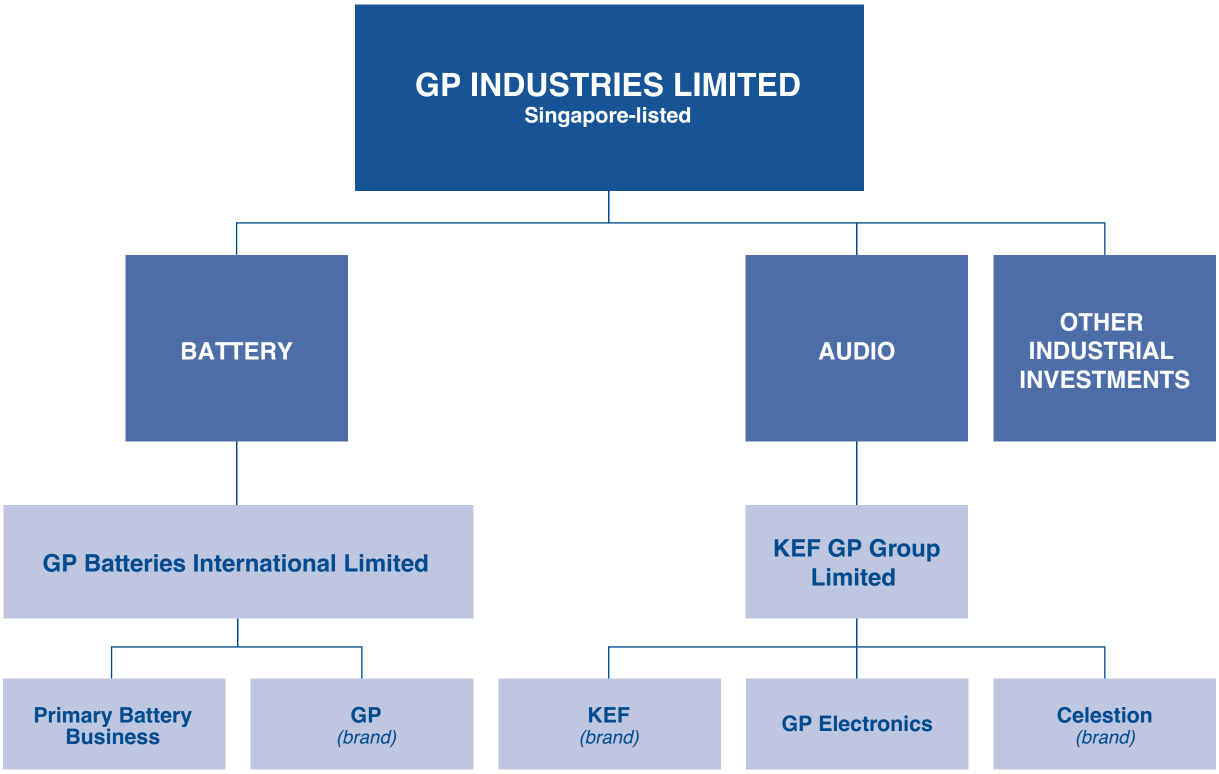
PRINCIPAL BANKERS

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

SOLICITORS

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

Group Profile



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

The Company has been listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST") since 1995. It is the main industrial investment vehicle of Hong Kong-listed Gold Peak Technology Group Limited which currently owns an 85.59%* interest in the Company. The businesses of GP Industries are mainly operated under its two major wholly-owned subsidiaries.

GP Batteries International Limited is engaged in the development, manufacturing and marketing of primary batteries, GP brand and related battery products.

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

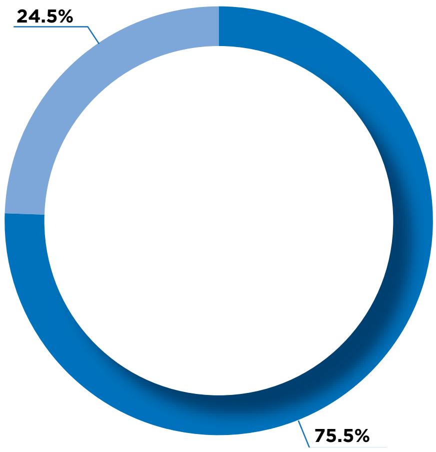
GP Industries Group has a strong and extensive manufacturing and distribution network spanning over 10 countries. Excluding associates, the Group currently employs a work force of approximately 5,400 and occupies a total floor area of about 569,300 square metres.

* as at 21 June 2024

FY2024 Financial Highlights

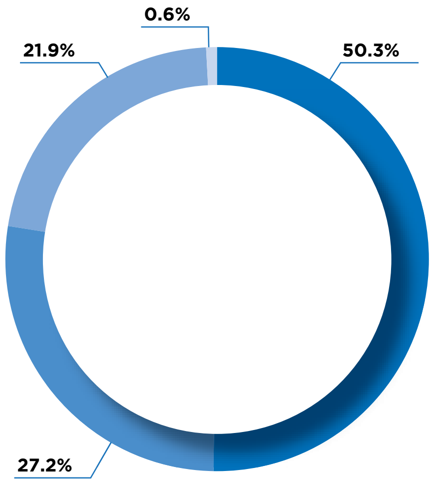
Consolidated Income Statement (S$ million) Year ended 31 March	2024	2023
Revenue	**1,108.1**	1,150.0
(Loss) Profit after taxation	**(47.0)**	27.4
Non-controlling interests	**(11.7)**	(5.4)
(Loss) Profit attributable to equity holders	**(58.7)**	22.0
Profit attributable to equity holders (excluding share of results of XIC Innovation Limited)	**17.6**	18.4
Basic (Loss) earnings per share (cents)	**(12.14)**	4.56
Basic earnings per share (cents) (excluding share of results of XIC Innovation Limited)	**3.64**	3.81
Tax-exempt (1-tier) dividend per share (cents)	**2.0**	2.5
Consolidated Statement of Financial Position (S$ million) As at 31 March		
Shareholders' funds	**305.3**	416.1
Total equity	**422.9**	527.8
Total assets	**1,236.9**	1,372.0
Ratios As at 31 March		
Current assets : Current liabilities	**1.05**	0.97
Inventory turnover period (months)	**1.95**	2.18
Net bank borrowings : Total equity	**0.72**	0.55
Other Information As at 31 March		
Number of employees (approx) - The Company and its subsidiaries	**5,400**	6,620
Total floor area (sq m) (approx) - The Company and its subsidiaries	**569,300**	631,400

REVENUE BY BUSINESS SEGMENTS
Year ended 31 March 2024



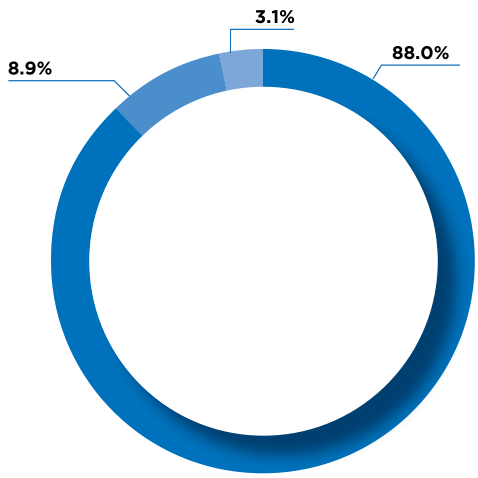
- 75.5% Battery
- 24.5% Audio

REVENUE BY LOCATIONS
Year ended 31 March 2024



- 50.3% Asia
- 21.9% Americas
- 27.2% Europe
- 0.6% Others

CONTRIBUTION BY BUSINESS SEGMENTS
Year ended 31 March 2024



- 88.0% Battery
- 3.1% Audio
- 8.9% Other industrial investments*

* Excluding the Group's share of attributable loss (including impairment loss) of XIC Innovation amounted S$76.4 million

Chairman's Statement

Despite the challenging global economy characterized by rising geopolitical tensions and higher interest rates during the financial year ended 31 March 2024 ("FY2024"), our company has successfully navigated through these challenges by implementing prudent cost efficiency measures while pushing for market share increase where possible. We have also reorganized our Rechargeable Battery Business and initiated fundraising activities to support the global expansion of our operations, placing us in a stronger financial position to weather the uncertain economic climate.

The Group's revenue for FY2024 was S$1,108.1 million, compared to S$1,150.0 million for the last financial year ended 31 March 2023 ("FY2023"). The S$41.9 million or 3.6% decline was primarily due to a decline in revenue reported by the Battery Business, partly resulting from the Distribution in Specie ("DIS") for the rechargeable battery manufacturing business completed earlier in the financial year. However, through the improvement of our product mix, strict cost control measures, and more effective commodities sourcing and hedging policies, our gross profit margin increased from 26.6% to 28.5%. The Group's operating earnings before finance costs and share of results of associates have significantly improved in FY2024.

As previously announced, the Group reported a share of attributable loss (including impairment loss) of S$76.4 million from XIC Innovation Limited ("XIC Innovation"), an associate company 39.13% owned by the Group, for FY2024. It is important to note that this share of attributable loss is non-cash and extraordinary in nature, and it will not have any direct substantial adverse impact on GP Industries Group's current and future cash flow and daily operations. However, results attributable to equity holders of GP Industries decreased from a profit of S$22.0 million to a loss of S$58.7 million.

Excluding the share of attributable results of XIC Innovation for FY2024 and FY2023, the Group's profit attributable to equity holders of the Company for FY2024 decreased slightly by S$0.8 million to S$17.6 million from S$18.4 million in FY2023.

The Board has proposed a final dividend of 1.0 Singapore cent per share, which, together with the interim dividend of 1.0 Singapore cent per share, will bring the full-year dividend to 2.0 Singapore cents per share (FY2023: 2.5 Singapore cents per share). This represents a payout ratio of 55.0% for FY2024.

Reorganization of Rechargeable Battery Business

In January 2024, the Company completed DIS of all issued ordinary shares of GP Energy Tech Limited ("GP Energy Tech") to the Company's shareholders. This transaction resulted in the Company's direct shareholding in GP Energy Tech being reduced to approximately 11%. This strategic move allows the Company to focus on growing our Consumer Battery business while pursuing new growth opportunities in Lithium coin batteries and rechargeable consumer batteries for consumer wearable electronics and IoT (Internet of Things) applications, tapping into the digital and AI economy. GP Energy Tech, going forward, may focus more on business-to-business industrial battery market, such as energy storage systems (ESS).

Business Highlights and Outlook

The GP Battery Business demonstrated gross profit margin growth compared to the previous financial year, despite a small drop in sales. The cautionary spending by consumers and inventory clearance sales by distributors and retailers have contributed to a slight decrease in revenues, particularly in the Rechargeable Battery business. Moving forward, we will concentrate on bringing more value-driven products to consumers, including initiatives to encourage the use of rechargeable batteries and showcase GP's sustainability leadership. Our Specialty Battery business has experienced growth, especially in the Lithium coin battery product segment, benefiting from the wider deployment of IoT and the global market expansion.

GP Batteries has secured new customer listings, particularly in the European markets, which are expected to drive sales growth in the coming financial year. We will continue to expand our battery distribution to the South Asian and Middle Eastern markets, leveraging our strong Asian manufacturing footprint.

KEF has collaborated closely with renowned retail groups to expand sales coverage in the US and Europe. Consumer spending patterns have shifted since the post-COVID period, with consumers prioritizing service-related categories such as travel, hospitality, and food & beverages over durables. Spending on durables is expected to gradually recover. KEF is expanding its global footprint with the opening of new KEF experience centres in Tokyo, Japan, and Chengdu, China. Furthermore, KEF's flagship centre was recently launched in London, UK, and more new experience centres will be opened in collaboration with partners in Beijing and Guangzhou, China.

Our growth focus remains on active wireless music systems, and we have successfully launched new products to expand our reach. The market has responded positively to our patented subwoofer technology, with all new subwoofer models well-received. KEF will continue to innovate and bring new products to the market.

2024 is a significant year for Celestion, our premium professional speaker driver brand for the music industry and guitarists, as it marks its 100th anniversary. At its centennial celebration, Celestion was honored with the prestigious NAMM Show Award by the National Association of Music Merchants in recognition of its contributions to the music industry. Celestion will continue to innovate and introduce new products, maintaining its position as a leader in the professional audio market.

XIC Innovation Group

XIC Innovation and its subsidiaries (“the XIC Group”) were doing reasonably well at the start of 2023. In fact, they have been preparing themselves for strong growth in the LED horticulture market. However, contrary to Management’s prediction, the military conflicts in Europe have caused a lot of smart greenhouse projects, which often depend heavily on government-funding, to be seriously delayed with some even downscaled or cancelled. XIC Management expected the sales of smart LED lighting not to recover till early or mid-2024. Together with high interest cost, XIC has been financially under distress and eventually being petitioned for bankruptcy by a bank in Hong Kong. The court case is currently in proceeding. XIC’s LED screen business was operating steadily, however, and is shipping products to its customers as this annual report is being written. XIC Innovation is preparing a restructuring program and exploring to obtain new funding from third party investors to provide the XIC Group with a way to continue and restructure its business operations. We will monitor the situation closely and make further announcements if needed.

Positioning for a Sustainable Future

The Company completed its first landmark HK$740 million (approximately S$127.1 million) syndicated sustainability-linked loan facility ("SLL Facility") through arrangement with seven major banks. We will utilise the proceeds, one of the largest SLL Facility in the consumer batteries industry sector across Asia, to strengthen the development of clean and efficient production and sustainable product packaging. Riding on our exemplary leadership of the two battery manufacturing facilities in Malaysia which have been awarded the prestigious Zero Waste to Landfill (“ZWTL”) Platinum validation, the Company is committed to further improving the waste diversion rates across our factories.

To attain a progressive reduction of our carbon footprint, we will endeavour to build more solar panels in our manufacturing facilities and/or purchase green energy certificates. In terms of the circularity on product level, we will strive to expand the use of paper packaging. The launch of paper-based packaging for select battery product lines provides a testimony for our ongoing effort to reduce plastics.

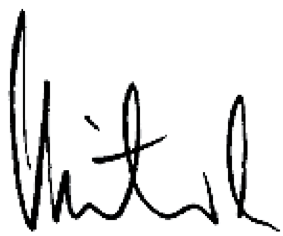
Importantly, we have stepped up efforts to identify climate-related risks and opportunities and prepare for the related disclosure pertinent to the International Sustainability Standards Board from 2025. We will strengthen the organizational culture to embrace sustainability.

Looking Ahead

We anticipate continued challenges in the global economic landscape. However, we remain confident in our ability to adapt and thrive. We will continue to focus on driving operational efficiencies, technology, product and marketing innovations, and continue to grow our brands. Our commitment to sustainability and innovation will remain at the core of our business strategy.

We would not have navigated the challenges of recent times without the orchestrated effort and steadfast support from our dedicated Management team members, Board of Directors, shareholders and valued business partners. On behalf of the Board, I would like to extend our sincere gratitude to all for their persevering and unfailing support.

Finally, I would like to extend our thanks to Messrs Lim Ah Doo and Allan Choy, after serving the board for 27 years and 11 years respectively, who will retire as non-executive independent directors after the Annual General Meeting which will take place on 26 July 2024. I also thank Mr Christopher Lau who retired from directorship during the year.



Victor LO Chung Wing
Chairman and Chief Executive Officer
21 June 2024

Board of Directors and Senior Management

Board of Directors

Victor LO Chung Wing, 73

Chairman and CEO
Executive Director

First appointment as Chairman and Director
18 October 1995

Last re-election as Director
25 July 2023

Length of service as Director (as at 21 June 2024)
28 years and 8 months

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

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

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

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

Mr Lo is the Chairman and Chief Executive Officer of GP Batteries.

Mr Lo graduated from the Institute of Design of Illinois Institute of Technology, US with a Bachelor of Science degree in Product Design. He also holds an Honorary Doctorate from The Hong Kong Polytechnic University. He is the father of Ms Grace Lo Kit Yee.

LAM Hin Lap, 62

Vice Chairman and Executive Vice President
Executive Director
Group General Manager, Business Development

First appointment as Director
1 October 2016

Last re-election as Director
29 July 2022

Length of service as Director (as at 21 June 2024)
7 years and 8 months

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

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

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

Other principal commitments
None

Mr Lam is a Director and Co-President of GP Batteries.

Mr Lam first joined the Group in 2001 and was transferred to a global energy management group following the disposal of the Group's electrical business in 2007. He re-joined the Group in 2014. He has held senior management positions for over 20 years.

Mr Lam holds a Bachelor's degree in Electrical Engineering from The University of New South Wales, Australia.

Brian LI Yiu Cheung, 70

Executive Vice President and Executive Director

First appointment as Director
18 October 1995

Last re-election as Director
29 July 2022

Length of service as Director (as at 21 June 2024)
28 years and 8 months

Board Committee(s)
None

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

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

Other principal commitments
None

Dr Li has been engaging in the electronic engineering and manufacturing industry internationally and in China for over 40 years. He is the vice chairman of the Hong Kong Electronic Industries Association, and a council member of the Hong Kong Electronics Industry Council of the Federation of Hong Kong Industries.

Dr Li currently serves as a member of the Co-operative Education Centre of City University of Hong Kong, a member of the Advisory Committee for the Department of Electronic Engineering of The Chinese University of Hong Kong and a member of the Industrial Advisory Committee for the Department of Industrial Engineering and Decision Analytics of The Hong Kong University of Science and Technology. He is also a member of the Electronic and Information Engineering Programme Board of Hong Kong Institute of Vocational Education.

Dr Li is an honorary fellow of City University of Hong Kong and a fellow of The Hong Kong Institution of Engineers. He holds a Bachelor's degree in Electrical Engineering from The University of British Columbia, Canada, a Master's degree in Global Business with Dean's Honour from The Chinese University of Hong Kong and a Doctor of Business Administration degree from City University of Hong Kong.

Waltery LAW Wang Chak, 61

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

First appointment as Director
1 April 2019

Last re-election as Director
25 July 2023

Length of service as Director (as at 21 June 2024)
5 years and 2 months

Board Committee(s)
None

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

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

Other principal commitments
None

Mr Law is a director of GP Batteries.

Mr Law has over 35 years of experience in global fund raising and floatation exercises, mergers and acquisitions, corporate financial advisory, corporate restructuring, investors relations, financial due diligence, and financial audit.

Mr Law is a fellow of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales. He is currently registered as a certified internal auditor with the Institute of Internal Auditors. He holds a Bachelor's degree in Economics and a Master's degree in Financial Economics, both from the London School of Economics and Political Science, University of London, UK.

Grace LO Kit Yee, 52
Executive Director

First appointment as Director
1 July 2021

Last re-election as Director
25 July 2023

Length of service as Director (as at 21 June 2024)
2 year and 11 months

Board Committee(s)
None

Present directorships in other listed companies and principal commitments
None

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

Other principal commitments
Gold Peak (*Deputy Managing Director*)

Ms Lo is currently the President of KEF Audio Group under GP Acoustics International Limited.

Ms Lo graduated from the Northwestern University, US and holds a Master of Design degree from the Institute of Design of Illinois Institute of Technology, US as well as an MBA degree from The Hong Kong University of Science and Technology. She is the daughter of Mr Victor Lo Chung Wing.

LIM Ah Doo, 74
Lead Independent Director
Non-Executive Independent Director

First appointment as Director
15 May 1997

Last re-election as Director
27 July 2021

Length of service as Director (as at 21 June 2024)
27 years and 1 month

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

Present directorships in other listed companies and principal commitments
GDS Holdings Limited (*Independent Director*)
Olam Group Limited (*Non-Executive Chairman and Independent Director*)
Singapore Technologies Engineering Ltd (*Independent Director*)

Past directorships in other listed companies over the preceding three years
Singapore Technologies Telemedia Pte Ltd (*Director*)
STT Communications Ltd (*Director*)
STT Global Data Centres India Private Limited (*Director*)
Virtus HoldCo Limited (*Director*)

Other principal commitments
U Mobile Sdn Bhd (*Director*)

Mr Lim was previously president and vice chairman of the RGE Group and among other past directorships, an independent director of EDB Investments Pte. Ltd. as well as chairman of its audit committee. Prior to that, he held various senior positions in an international investment banking group and was chairman of a leading regional investment bank based in Singapore from 1993 to 1995. He was chairman of the Singapore Merchant Bankers' Association in 1994. He was an independent director of Sembcorp Marine Limited since 2008 to April 2018 and ARA Trust Management (Cache) Limited (formerly ARA-CWT Trust Management (Cache) Limited) since 2010 to November 2018.

Mr Lim graduated from Queen Mary College of University of London, UK with a Bachelor of Science degree in Engineering and holds an MBA degree from Cranfield School of Management, UK.

Allan CHOY Kam Wing, 80

Non-Executive Independent Director

First appointment as Director
1 October 2012

Last re-election as Director
27 July 2021

Length of service as Director (as at 21 June 2024)
11 years and 8 months

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

Present directorships in other listed companies and principal commitments
None

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

Other principal commitments
None

Mr Choy has more than 55 years' experience in the electronics and battery industries. He was an Executive Director of the Company from 1997 to 1998, and Chief Operating Officer of GP Batteries from 2005 to 2007 and its Non-Executive Independent Director from 2011 to January 2018. Mr Choy held senior management positions in multinational corporations including regional (Asia Pacific) chief executive officer of Varta Batteries Germany and regional (Asia Pacific) chief executive officer of BCcomponents International B.V. (formerly Philips Passive Components).

Mr Choy holds a Diploma in Management Studies from The University of Hong Kong and an MBA degree from The University of Macau.

LIM Jiew Keng, 83

Non-Executive Independent Director

First appointment as Director
1 January 2018

Last re-election as Director
25 July 2023

Length of service as Director (as at 21 June 2024)
6 years and 5 months

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

Present directorships in other listed companies and principal commitments
None

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

Other principal commitments
None

Mr Lim has extensive experience in the financial and banking industry, having worked during the 1970s and 1980s in senior management positions in Chase Manhattan Bank, Singapore, Chase Investment Bank (S) Pte Ltd and Banque Paribas Singapore. He had been an advisor to Vickers Ballas Holdings Ltd for 5 years in the mid-1990s. He has been an independent non-executive director of several SGX-listed companies for 30 years.

Mr Lim holds a Bachelor of Social Science (Honours) degree in Economics from National University of Singapore (formerly University of Singapore), a Certificate in Education from National Institute of Education (formerly Teachers' Training College), Singapore, and completed an Advanced Management Programme at Fuqua School of Business of Duke University, US. Mr Lim has been a member of the Singapore Institute of Directors since 2002.

GOH Boon Seong, 69

Non-Executive Independent Director

First appointment as Director
1 January 2018

Last re-election as Director
27 July 2021

Length of service as Director (as at 21 June 2024)
6 years and 5 months

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

Present directorships in other listed companies and principal commitments
None

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

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

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

Mr Goh graduated from National University of Singapore (formerly University of Singapore) with a Bachelor of Business Administration degree.

Timothy TONG Wai Cheung, 70

Non-Executive Independent Director

First appointment as Director
1 April 2020

Last re-election as Director
29 July 2022

Length of service as Director (as at 21 June 2024)
4 years and 2 months

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

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

Past directorships in other listed companies over the preceding three years
Xiaomi Corporation (*Independent Non-Executive Director*)

Other principal commitments
Airstar Bank Limited (*Independent Non-Executive Director*)
AMTD Digital Solutions Power Pte. Ltd. (*Independent Non-Executive Director*)
AMTD Foundation (*Chief Executive Officer*)
Applaud Digital Solutions Pte. Ltd. (*Independent Non-Executive Director*)
Gravitation Fintech HK Limited (*Independent Non-Executive Director*)

Prof Tong is a fellow of the American Society of Mechanical Engineers, the Hong Kong Academy of Engineering Sciences and the International Thermal Conductivity Conference. He has over 30 years of teaching, research and administrative experience in universities in the US and Hong Kong. Prior to serving as president of The Hong Kong Polytechnic University from 2009 to 2018, he was the dean of the School of Engineering and Applied Science at The George Washington University, US.

Prof Tong's public engagement includes serving as the chairman of the Research Grant Council of Hong Kong and Council of Hong Kong Laureate Forum; and a member of the InnoHK Steering Committee, the Global STEM Professorship Scheme Assessment Panel and the Council of the Hong Kong Federation of the Youth Groups.

Prof Tong holds a Bachelor of Science degree in Mechanical Engineering from Oregon State University, US, and holds a Master's and Doctorate degree in Engineering from the University of California, Berkeley, US.

Eric YIM Chi Ming, 62

Non-Executive Independent Director

First appointment as Director
1 August 2023

Last re-election as Director
-

Length of service as Director (as at 21 June 2024)
10 months

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

Present directorships in other listed companies and principal commitments
None

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

Other principal commitments
Hong Kong Design Centre (*Chairman*)
Our Hong Kong Foundation (*Advisor*)
Mega Arts and Cultural Events Committee (*Member*)
Education Commission (*Member*)
School of Design of Hong Kong Polytechnic University (*Professor of Practice*)

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

Prof Yim holds a Bachelor of Arts (Honours) degree in Architecture and a Bachelor of Architecture degree with a Distinction in Design, both from the University of Manchester, UK. He also holds a Master Degree of Philosophy from the University of Cambridge, UK. In 2019, he was awarded Honorary Doctor of Design and appointed an adjunct professor by Swinburne University, Australia. He is a university fellow as well as a professor of practice at the School of Design of The Hong Kong Polytechnic University.

SEAH Han Leong, 60

Non-Executive Independent Director

First appointment as Director
20 June 2024

Last re-election as Director
-

Length of service as Director (as at 21 June 2024)
-

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

Present directorships in other listed companies and principal commitments
Battery Metals Technologies LTD (*Independent Non-Executive Director*)

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

Other principal commitments
Kawin Biosciences Singapore Pte Ltd (*Special Advisor to Chairman*)

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

Mr Seah holds a Technician Diploma in Electronics and Communication Engineering from Singapore Polytechnic and a Certificate for INSEAD – T.A.C. Management Development Programme from INSEAD Fontainebleau, France.

Mr Seah has been an ordinary member of Singapore Institute of Directors ("SID") since 2012 and he is currently an accredited board director of SID (credential ID: 92219107).

HUNG Cheung Fuk, 52

Non-Executive Independent Director

First appointment as Director
20 June 2024

Last re-election as Director
-

Length of service as Director (as at 21 June 2024)
-

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

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

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

Other principal commitments
None

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

Mr Hung graduated from University of Oxford, UK with a Bachelor of Arts degree in Mathematics.

Senior Management [1]

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

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

Alec CHANIN
President – GP Acoustics (US), Inc.

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

Olof Jorgen Ludvig HALLDIN
Vice President of Business Development, Europe & Acting General Manager, KEF Europe – GP Global Marketing Limited

Mr Halldin joined the Group in 2016. He had worked for the Swedish Ministry for Foreign Affairs for 19 years and had been stationed at the Embassy of Sweden in Beijing, China and the Embassy of Sweden in Washington DC, US. He had been Consul-General of Sweden in Hong Kong for 4 years before returning to Stockholm for a position as Deputy Director General in the Ministry for Foreign Affairs. He holds a Master of Science degree in International Business and Economics and a Bachelor's degree in Chinese, China Studies and Political Science, both from University of Lund, Sweden.

Charlton KWONG Yiu Cheung
Director and Co-President – GP Batteries

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

Edward LAM Wai Man
Director – GP Batteries
(appointed on 1 May 2024)
Senior Vice President, Strategic Partnership – GPI International Limited

Mr Lam joined the Group in 2009. He has held more than 20 years of senior executive positions from the semiconductor and battery industries in various corporations, specializing in business management, manufacturing and strategic investment. He holds a Bachelor's degree in Electronic and Structural Materials Engineering from University of Oxford, UK.

Boris LO Chi Yuen
Group Financial Controller, Electronics Manufacturing Business – GPEHK

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

NG Pui Jeng
Group Human Resources Director

Ms Ng joined the Group in 2017. She has 25 years' experience in human resources with multinational companies and had held senior global human resources management positions in the past ten years. She holds a Bachelor's degree in Economics from the University of London, UK and she completed the Global HR Leaders Program with NUS (National University of Singapore) Business School Executive Education in 2023.

Jack Anthony OCLEE–BROWN
Vice President of Technology – GP Acoustics (UK) Ltd

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

Notes:
(1) In alphabetical order of the Senior Management's last names
(2) GP Batteries – GP Batteries International Limited
GPEHK – GP Electronics (HK) Limited

Board of Directors and Senior Management (cont'd)

Graham Leslie ROWLAND

Senior Vice President, Global Sales & Operations – GP Acoustics International Limited

Mr Rowlands joined the Group in 2019. He has over 30 years' experience in leading business development. For the past 10 years, Mr Rowlands' roles have centred on developing global sales and operations, distribution, and change management, with brands focused on the professional, commercial and lifestyle audio products markets. He holds a Graduate Diploma of Applied Science in Communications from the Royal Australian Navy.

Andreas SCHUPP

Head of Product Planning and Design – GP Global Marketing Limited

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

Manfred TING Siu Man

General Manager – GPEHK

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

Nigel Keith WOOD

Managing Director – Celestion International Limited

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

WU Yang

General Manager – GP Electronics & Acoustics Co., Ltd

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

Daniel YU Hai Hua

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

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

Events and Achievements

Corporate Events

- On 28 December 2021, the Company announced the proposed distribution in-specie of the rechargeable batteries manufacturing business (the "Proposed Distribution"). The Proposed Distribution was completed on 29 January 2024.

- GPI International Limited, an indirectly wholly-owned subsidiary of the Company, entered into a HK$740 million (approximately S$127.1 million) 3-year term syndicated sustainability-linked loan facility agreement to further enhance its manufacturing processes and operating efficiency as well as becoming greener in every aspect of its day-to-day operations.

Environmental, Social, and Governance

- GP Batteries was awarded Bronze Medal in EcoVadis sustainability assessment for its high standards in the dimensions of Environment, Labour Practices and Human Rights, Ethics, and Sustainable Procurement.

- Two battery factories in Malaysia received UL Zero Waste to Landfill Platinum Validation, attesting the two plants had achieved 100% waste diversion from landfill and their ongoing commitment to improving sustainability performance. Three other plants in China, Malaysia and Vietnam maintained the Gold Validation with their continued efforts and achievements in maximizing waste diversion and energy recovery rates.

- GP Batteries and a factory in China were named "EcoPartners" of the BOCHK Corporate Low-Carbon Environmental Leadership Awards by Federation of Hong Kong Industries to recognize their contribution and effort in environmental protection and minimizing pollution in the Pan-Pearl River Delta region.

- GP Batteries was presented the "Wastewi$e Certificate – Good Level" and also recognized as a "Hong Kong Green Organisation" by Environmental Campaign Committee, HKSAR for its achievements in multiple environmental aspects, particularly in reducing waste, energy, air emission, noise impact and carbon footprint.

- GP Batteries was awarded "100% HK Branding Award – Greater Bay Area ESG Sustainable Corporate Award 2023" organized by Greater China Association of Branding Industry to recognize its continued efforts in advancing ESG practices to achieve sustainable development.

- GP Batteries upholds the importance of safeguarding personal data privacy as an integral aspect in its operations, and was presented "Gold Award" in 2023 Privacy-Friendly Awards by Office of the Privacy Commissioner for Personal Data, Hong Kong SAR.

- GP Batteries was named an "ESG Advocator 2023" by The Chinese Manufacturers' Association of Hong Kong for promoting ESG practices to business partners and suppliers, and working collaboratively to enhance ESG standards

Brands, Products and Collaborations

- Celestion 100 – a vintage sounding guitar speaker – was launched as Celestion celebrated its 100th anniversary. The National Association of Music Merchants (NAMM) also presented Celestion with a Milestone Award for its excellent service in the music products industry.

- The new paper packaging of GP Alkaline batteries received Gold Award of "Best Use of Sustainable Packaging" from Transform Award Asia 2023, UK and Bronze Award of "DFA Design for Asia 2023" organized by Hong Kong Design Centre.

- KEF and Lotus deepened partnership with in-car audio system in Lotus Emeya and co-branded home audio product – LS60 Wireless Lotus Edition launched worldwide. In August 2023, Lotus collaborated with KEF and Dolby to present "Immersive Sound Stage Experience Zone" at Chengdu International Car Show in China.

- KEF Music Gallery Tokyo and KEF Music Studio Chengdu were opened to expand the global brand presence.

- KEF R series was awarded "Best Product 2023-2024: Loudspeaker Series" by EISA, UK. KEF R3 Meta also received "Best Standmount Speaker £1500-£2500" from What Hi-Fi? Sound & Vision, UK.

- KEF LSX II was named "Best Product 2023-2024: Wireless Bookshelf Loudspeakers" and "Best Speaker System £750-£1500" by EISA, UK and What Hi-Fi? Sound & Vision, UK respectively.

- KEF LS50 Meta and LS50 Wireless II were named "Best Standmount Speaker £800-£1000" and "Best Speaker System £1500-£3000" respectively by What Hi-Fi? Sound & Vision, UK.

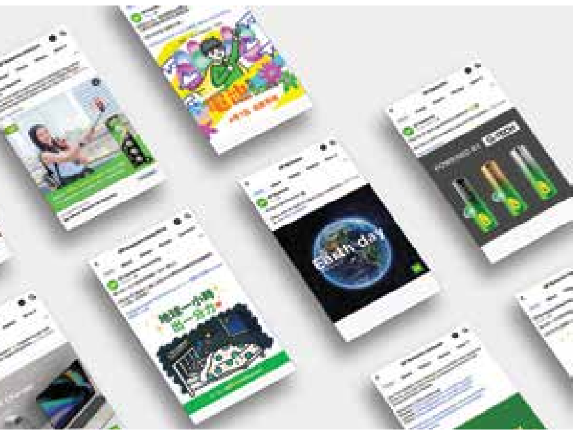
- Celestion introduced the PowerProX18 subwoofer driver, which was nominated for NAMM Technical Excellence & Creativity Award. .

Review of Operations

The Group's revenue for the financial year ended 31 March 2024 ("FY2024") was S$1,108.1 million, compared to S$1,150.0 million for the last financial year ended 31 March 2023 ("FY2023"). The S$41.9 million or 3.6% decline, was mainly due to a S$33.4 million or 3.8% decrease in revenue reported by Battery Business when compared to FY2023. In terms of geographical markets, the sales contributed from the Americas, Europe and Asia declined by 1.2%, 7.0% and 2.5%, respectively.

Gross profit margin increased from 26.6% in FY2023 to 28.5% in FY2024, as the Group enhanced its product mix, implemented stricter cost control measures and monitored more closely the effectiveness of commodity sourcing and hedging policies.

Distribution costs remained at approximately the same level as in FY2023. The effect of reduced global shipping cost in FY2024 and the drop in sales volume was offset by the increased advertising and promotion expenses which were aimed at further improving brand awareness. Administrative expenses decreased by S$12.7 million or 8.8% to S$131.5 million due mainly to a drop in staff cost from the Group's cost reduction efforts, which included headcount decrease, salary cut for senior management, and a reduction in rental expense and back-office expenses.



Other operating income decreased by S$19.2 million to S$26.7 million in FY2024 when compared to FY2023, due mainly to the one-off disposal gain from the Group's disposal of shareholding in STL Technology Co., Ltd ("STL") from 29.28% to 15.14%, a fair value gain on the 15.14% interest in STL after disposal, and a gain from disposal of Huizhou Modern Battery Limited, a wholly-owned subsidiary of the Company in FY2023. Other operating income for FY2024 mainly included reversal of impairment loss on interest in an associate amounting to S$7.8 million and government grant amounting to S$5.6 million.

Other operating expenses decreased by S$8.6 million to S$11.9 million in FY2024 when compared to FY2023. Other operating expenses in FY2024 mainly included the cumulative translation deficit charged to profit or loss upon the completion of distribution in specie for the Nickel

Metal Hydride rechargeable batteries manufacturing business to the shareholders of the Company ("DIS") in January 2024. The key contributor to other operating expenses in FY2023 was the one-off impairment loss charged for the property, plant and equipment of Lithium rechargeable business and closure and relocation costs for Shenzhen and Huizhou factories in China in the last financial year.

The Group's operating earnings improved significantly during FY2024. The Group's profit before finance costs and share of results of associates for FY2024 is S$54.9 million as compared with S$35.1 million for FY2023. The operating profit enhancement is mainly attributable to the improved gross profit margin and effective cost control measures.

The Group's share of attributable loss (including impairment loss) of XIC Innovation Limited ("XIC Innovation") for FY2024 is S$76.4 million in total as compared to the Group's share of attributable profit of XIC Innovation of S$3.6 million for FY2023. The Company is holding a 39.13% effective equity interest in XIC Innovation. This share of attributable loss is non-cash and extraordinary in nature and will not have any direct substantial adverse impact on GP Industries Group's current and future cash flow and daily operations.

Results attributable to equity holders of the Company decreased from a profit of S$22.0 million in FY2023 to a loss of S$58.7 million in FY2024. This change from profit to loss for FY2024 is mainly attributable to the Group's share of attributable loss (including the impairment loss) of XIC Innovation for FY2024.

Based on the weighted average of 483,843,482 (FY2023: 483,843,482) shares in issue, basic loss per share for FY2024 was 12.14 Singapore cents, compared to earnings per share of 4.56 Singapore cents for FY2023.

Excluding the share of attributable results (including impairment loss) of XIC Innovation for FY2024 and FY2023, the Group's profit attributable to equity holders of the Company ("Adjusted Earnings") for FY2024 decreased slightly by S$0.8 million to S$17.6 million. Based on the weighted average of 483,843,482 shares in issue, basic Adjusted Earnings per share for FY2024 was 3.64 Singapore cents.

Business Segment Performance

The Group has three main business segments – the Battery Business, the Audio Business and Other Industrial Investments. For FY2024, the Group recorded revenue of S$1,108.1 million, of which approximately 75.5% was contributed by the Battery Business, while the Audio Business contributed the remaining 24.5%. Excluding the Group's share of attributable loss (including impairment loss) of XIC Innovation for FY2024, the Battery Business accounted for 88.0% of the Group's contribution before taxation compared to 3.1% from Audio Business and 8.9% from Other Industrial Investments.

Battery Business

The revenue of the Battery Business for FY2024 was S$836.7 million, a decline of 3.8% when compared to FY2023. Sales of primary batteries and rechargeable batteries decreased by 1.1% and 18.7%, respectively. The decrease in the sales of rechargeable batteries was mainly due to the completion of DIS in January 2024. In geographical terms, sales to the Americas, Europe and Asia decreased by 4.4%, 5.2% and 3.0%, respectively.

Gross profit margin of the Battery Business increased from 21.2% in FY2023 to 24.2% in FY2024. The improvement of gross profit margin was due mainly to the better product mix, more effective commodity sourcing and hedging control, and the strengthening of the United States dollars ("US dollars") against the Chinese Renminbi.

During FY2024, the Group reversed an impairment loss of S$7.8 million related to the 40%-owned AZ Limited ("AZ") and share of the land disposal gain amounting to S$4.0 million from Changzhou Lithium Batteries Limited ("CZLB"), which is an indirect associate of the Company.

During FY2023, the Group recognized a one-off gain from disposal of interest in STL amounting to S$4.3 million, a fair value gain related to interest in STL amounting to S$8.2 million and gain from disposal of Huizhou Modern Battery Limited amounting to S$10.6 million.

Despite the one-off disposal gains of STL and Huizhou Modern Battery Limited in FY2023, the profit contribution from the Battery Business for FY2024 increased by S$3.0 million to S$30.6 million as compared to FY2023 mainly contributed by the increase in gross profit margin, land disposal gain from CZLB and reversal of AZ's impairment during FY2024.

Audio Business

During FY2024, the Group completed the internal Audio Business restructuring exercise involving the transfer of the Group's principal subsidiaries in the Audio Business to KEF GP Group Limited ("KGG"), a wholly-owned subsidiary of the Company. The new shareholding structure under KGG will better reflect the synergies and mutually reinforce relationships of the principal subsidiaries of the Audio Business in research and development, product design, manufacturing, branding, marketing and sales activities, and will enable and facilitate direct capital contribution into KGG.

The revenue of the KGG Group for FY2024 was S$271.4 million, a 3.1% decrease when compared to the revenue reported in FY2023.

KEF's sales decreased by 6.3% in FY2024, with decrease in sales to Europe and Asia by 11.5% and 14.4% respectively, outweighing the 4.3% increase in sales to the Americas. The Celestion brand professional speaker driver business reported a 6.0% revenue decline, as a result of a 22.4% and a 17.6% decrease in sales to the Americas and Europe respectively and a 7.2% increase in sales to Asia.

The professional audio manufacturing business reported a 3.7% increase in revenue in FY2024 with increased sales to major geographical markets, including a 5.0% and 27.6% increase to the Americas and Asia, respectively while sales to Europe decreased by 11.4%.

Gross profit margin of the KGG Group for FY2024 decreased slightly to 42.0% a decline of 1.4% when compared with FY2023. The decline of gross profit margin is mainly contributed by the decrease in the sales of branded acoustics products with higher margin.

Despite the decrease in revenue, the actively implemented operational efficiency enhancement program and expenses control measures contributed to the increase in profitability of the Audio Business in FY2024.

Other Industrial Investments

This business segment mainly includes the Group's investments in Meiloon Industrial Co., Ltd. ("Meiloon") and XIC Innovation. The Group's share of attributable profit from Meiloon in FY2024 decreased when compared to FY2023 due mainly to soft market demand which affected Meiloon's revenue.

Impairment loss of XIC Innovation

As announced in the Profit Guidance issued by the Company on 27 May 2024, XIC Innovation and its subsidiaries ("XIC Group") are currently under financial distress. XIC and certain of its subsidiaries have received winding up petitions filed by a bank to the High Court of Hong Kong, SAR. XIC Innovation is preparing and evaluating its restructuring program and exploring the possibility of obtaining new funding from third parties to provide XIC Group with a way to continue its business operations.

Currently, the XIC Group is maintaining and continuing its business operations with the support from major customers and suppliers.

The Group's share of attributable loss (including impairment loss of S$71.9 million) from XIC Innovation for FY2024 is S$76.4 million in total as compared to the Group's share of attributable profit of XIC Innovation of S$3.6 million for FY2023. The Group's share of attributable loss (including impairment loss) of XIC Innovation for FY2024 is non-cash and extraordinary in nature and will not have a substantial adverse impact on the Group's current and future cash flow and daily operations.

As of 31 March 2024, the Company no longer has significant influence over XIC Innovation and hence the Company discontinued the use of the equity method to account for the results of XIC Innovation. As a result, the Company's 39.13% direct equity interest in XIC Innovation has been classified as financial assets at fair value through other comprehensive income as of 31 March 2024. The carrying amount of XIC Innovation as FVTOCI as at 31 March 2024 was S$46.2 million.

Liquidity and Capital Resource of the Group

The Group finances its operations primarily through cash generated from operating activities and interest-bearing bank borrowing, overdrafts and hire purchases. During FY2024, the Group completed a 3-year syndicated sustainability-linked loan facility of HK$740 million (approximately S$127.1 million) with seven major banks in the Guangdong-Hong Kong-Macao Greater Bay Area. The Group recorded net current assets of approximately S$28.2 million as at 31 March 2024 as compared to net current liabilities of S$17.2 million as at 31 March 2023. The Group's current ratio improved from 0.97 as at 31 March 2023 to 1.05 as at 31 March 2024. The Group's gearing ratio, calculated basing on the net bank borrowings divided by total equity, was 71.8% as at 31 March 2024 as compared to 55.4% as at 31 March 2023 as the total equity of the Group decreased after the completion of the DIS and the share of attributable loss (including impairment loss) of XIC Innovation in FY2024.

As at 31 March 2024, the total banking facilities available to the Group amounted to S$429.5 million (31 March 2023: S$331.2 million). The Group's bank borrowings were mainly denominated in Hong Kong dollars and Singapore dollars. As at 31 March 2024, the capital structure of the Group consisted of equity attributable to owners of the Company of approximately S$305.3 million, comprising issued share capital and reserves.

Outlook

The global economy may remain soft with high inflation and high interest continuing through most of FY2024. It may adversely affect consumer spending on audio products. Also, demand for the Group's battery products may be affected when the major overseas customers continue to optimize their inventory level and reduce their inventories.

High interest rates significantly increase the Group's finance costs. The Group may explore funding some of its future expansions by other sources of financing, when appropriate, to reduce the Group's bank borrowing and finance costs.

The strengthening of the US dollars against the Chinese Renminbi, if continues, may reduce some of the Group's cost pressure and provide more flexibility for the Group to price its products and optimize its production capacity.

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

With a strong product program, KEF Music Gallery in Tokyo opened in December 2023 and flagship experience centre recently opened in London, demand for KEF consumer speakers is expected to gradually strengthen. Demand for Celestion professional speaker drivers and professional audio manufacturing businesses is expected to benefit from strong consumer reception for public performance events and the ending of inventory adjustments at the trade level.

Upon completion of the DIS in January 2024, the Battery Business will focus on manufacturing and marketing GP brand as well as private label consumer batteries for the global consumer market.

The future developments of XIC Innovation, including the result of its restructuring program, the outcome of the winding up petition and the amount of new funding obtained from third parties, is uncertain. Management will closely monitor the future developments of XIC Innovation and make further announcements to keep our shareholders and potential investors informed of any progress when appropriate.

Michael Lam

LAM Hin Lap
Vice Chairman & Executive Vice President
21 June 2024

Powering a Greener Tomorrow

Founded in 1964, **GOLD PEAK TECHNOLOGY GROUP** is today Asia's largest producer of primary & rechargeable consumer batteries.

- 15 advanced battery factories across China, Malaysia & Vietnam
- Annual production of **6.5 billion** batteries
- GP is a renowned global brand fully committed to promoting **RECYKO green & reusable batteries**

In the IoT era, we now intensify development of high-growth, **MINIATURE PORTABLE POWER.**

- Expertise in Lithium coin batteries, with a brand new advanced factory in Changzhou, China for large-scale manufacture
- Broad applications, from remote controls, sensors, security devices, car alarms to small wearable devices and retail price tags

Preparing for the AI era, we are investing intensively in developing cutting-edge **ENERGY STORAGE BATTERY TECHNOLOGY.**

- Our new generation Nickel Zinc batteries provide an ideal energy storage solution for **data centres & smart homes**
- Benefits include cost efficiency, high power, non-flammability and excellent recyclability
- Pilot factories in China and Malaysia in progress to further commercialization

Directors' Statement

The directors of GP Industries Limited (the "Company") present their statement together with the audited consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2024.

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 38 to 116 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended; and

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

1. Directors

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

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

Non-Executive Independent:
Lim Ah Doo, Lead Independent Director
Allan Choy Kam Wing
Lim Jiew Keng
Goh Boon Seong
Timothy Tong Wai Cheung
Eric Yim Chi Ming (appointed on 1 August 2023)
Seah Han Leong (appointed on 20 June 2024)
Hung Cheung Fuk (appointed on 20 June 2024)

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

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

3. Directors' interest in shares and debentures

According to the register of directors' shareholdings kept by the Company under Section 164 of the Companies Act 1967, the undermentioned persons who were directors of the Company as at 31 March 2024 had interest in shares of the Company and the Company's ultimate holding company, Gold Peak Technology Group Limited ("Gold Peak"), as detailed below:

	Shareholdings registered in the name of director		Shareholdings in which director is deemed to have an interest	
Name of director	**At beginning of financial year**	**At end of financial year**	**At beginning of financial year**	**At end of financial year**
Interest in the Company's ordinary shares				
Victor Lo Chung Wing	300,000	300,000	414,098,443	414,098,443
Brian Li Yiu Cheung	1,465,000	1,465,000	-	-
Waltery Law Wang Chak	116,400	116,400	-	-
Lim Ah Doo	300,000	300,000	-	-
Interest in Gold Peak's ordinary shares				
Victor Lo Chung Wing	242,941,685	242,941,685	-	-
Brian Li Yiu Cheung	350,000	350,000	-	-
Grace Lo Kit Yee	25,048	25,048	-	-

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

The directors' interest in the shares of the Company and Gold Peak as at 31 March 2024 disclosed above remained unchanged as at 21 April 2024.

4. Share options

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

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

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

5. Audit and Risk Committee

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

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

Lim Ah Doo - Chairman
Allan Choy Kam Wing
Lim Jiew Keng
Goh Boon Seong
Timothy Tong Wai Cheung
Eric Yim Chi Ming
Seah Han Leong
Hung Cheung Fuk

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

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

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

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

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

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

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

g) the Group's interested person transactions;

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

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

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

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

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

6. Independent Auditors

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

On behalf of the Board of Directors

Victor Lo Chung Wing
Chairman and Chief Executive Officer

Lam Hin Lap
Vice Chairman and Executive Vice President

21 June 2024

Independent Auditor's Report

TO THE MEMBERS OF GP INDUSTRIES LIMITED
For the financial year ended 31 March 2024

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of GP Industries Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2024, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 38 to 116.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2024, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

We identified the following key audit matters:

Key Audit Matters

a) *Impairment assessment on interest in an associate and expected credit loss ("ECL") on trade and other receivables due from the associate*

As at 31 March 2024, the Group has an equity investment in an associate, AZ Limited ("Associate") as well as trade and other receivables due from the Associate amounted to S$14.5 million (net of impairment loss of S$Nil) and S$13.7 million (net of loss allowance of S$0.6 million) respectively.

The Associate is engaged in marketing and trading of battery related products in Russia.

In the prior financial year ended 31 March 2023, the Group's investment in Associate and the trade and other receivables due from the Associate amounted to S$6.6 million (net of impairment loss of S$7.7 million) and S$6.6 million (net of loss allowance of S$0.8 million) respectively.

During the financial year ended 31 March 2024, taking into consideration various factors including the Associate's actual financial performance and the receipt of dividends and collection of receivables from the Associate, the Group considers that there was an indication of impairment reversal of the Group's interest in the Associate and that there was a decrease in credit risk in respect of the trade and other receivables due from the Associate. Accordingly, the Group appointed an independent qualified valuer (the "Valuer") to evaluate the recoverable amount of the interest in Associate and assessed the ECL on the trade and other receivables due from the Associate.

The Group has also obtained legal opinions on the sanction risks in respect of the Group's relationship with the Associate and the effects of the sanctions on Russia on the Group's ability to realise the economic benefit in its capacity as a foreign shareholder of the Associate.

Based on management's assessment, the Group recognised a reversal of impairment loss on its interest in the Associate of S$7.8 million (2023: S$2.6 million) and a reversal of ECL provision on the trade and other receivables from the Associate of S$0.2 million (2023: S$2.9 million) for the year ended 31 March 2024.

The assessment of the recoverable amounts of the interest in the Associate and the ECL on the trade and other receivables due from the Associate requires the use of significant judgements and estimates.

Details of management's assessment, including the significant judgements and estimation uncertainty, are disclosed in Notes 13, 35 and 36(d) to the consolidated financial statements.

How the matter was addressed in the audit

Our audit procedures included the following:

- We evaluated management's assessment on the sanction risks in respect of the Group's relationship with the Associate and the effects of the sanctions on Russia on the Group's ability to realise the economic benefit in its capacity as a foreign shareholder of the Associate with reference to the legal opinions;
- We discussed with and challenged management on the analyses and assessments made with respect to the impairment on the interest in the Associate and the ECL on the trade and other receivables due from the Associate;
- We evaluated the qualifications, independence and objectivity of the Valuer and considered the scope of their work;
- We evaluated management's assessment of the recoverable amount of the interest in the Associate based on value in use. With the involvement of our internal valuation specialists, we assessed the reasonableness of key assumptions adopted by the Valuer including discount rate and terminal growth rate; and
- With the involvement of our internal valuation specialists, we assessed the reasonableness of key assumptions adopted by the Valuer in respect of the ECL on trade receivables from the Associate, including expected loss rate and forward-looking adjustments based on market available information.

We have also reviewed the adequacy and appropriateness of the related disclosures made in the financial statements.

Key Audit Matters	**How the matter was addressed in the audit**
b) *Assessment of recoverability of trade receivables*	
The Group is required to recognise loss allowance on expected credit losses on trade receivables. The assessment of recoverable amount requires management to make significant judgements regarding the identification of impaired receivables and adequacy of allowance made using the expected credit losses ("ECL") model under SFRS(I) 9 *Financial Instruments*. These judgements include estimating and evaluating expected future receipts from customers based on historical experience and forward-looking information such as credit ratings, trade receivables aging analysis, collections subsequent to the end of the reporting period, local economic conditions, past collection history and trend analysis and knowledge of the businesses. (Refer to Notes 18, 35 and 36(d) to the consolidated financial statements)	We have discussed with and challenged management on analyses and assessments made with respect to recovery of significant and/or overdue receivables. In addition, we performed the following: • We evaluated the appropriateness of management's controls over monitoring and assessment of receivables to assess the expected recovery of trade receivables; • We evaluated the ECL model used in determining the allowance for expected credit losses; and • We evaluated management's assessment on both the quantitative and qualitative information considered by them that is reasonable and supportable, including the historical experience and forward-looking information such as credit ratings, trade receivables aging analysis, collections subsequent to the end of the reporting period, local economic conditions, past collection history and trend analysis and knowledge of the businesses. We have also reviewed the adequacy and appropriateness of the disclosures made in the financial statements, regarding trade receivables, the key assumptions and estimation on allowance for ECL and the related risks such as credit risk and the aging of trade receivables as disclosed in Notes 18 and 36(d).
c) *Valuation of investment in XIC Innovation Limited ("XIC") and impact on liquidity risk management*	
During the year ended 31 March 2024, XIC was a material associate to the Group and the Group's share of loss of XIC for the year then ended was S$76.4 million (Note 13). As of 31 March 2024, the Group no longer has significant influence over XIC and the investment in XIC was classified as financial assets at fair value through other comprehensive income ("FVTOCI") with a carrying amount of S$46.2 million (Note 14). The valuation of the investment in XIC as at 31 March 2024 was made by management with reference to the valuation prepared by an independent external valuer using the asset-based approach and categorised as Level 3 with significant unobservable inputs. We have identified the valuation of the investment in XIC as a key audit matter as a result of the significant judgement and estimation uncertainty involved. Furthermore, any significant decline in the fair value of XIC may result in a reduction of the Group's consolidated total net assets which may impact the Group's ability to meet certain financial covenants and the Group's liquidity risk management. Management has prepared a cash flow forecast up to June 2025 to closely monitor the Group's compliance with financial covenants and has plans to respond to downside scenarios which may include monetizing assets and raising capital fundings. Further details are disclosed in Notes 35, 36(g) and 36(i) to the consolidated financial statements.	Our procedures in relation to the Group's valuation of its investment in XIC and impact on liquidity risk management included the following: • We evaluated management's assessment of the Group's valuation of its investment in XIC; • We assessed the competence, capabilities and objectivity of the independent external valuer; • We evaluated the appropriateness of the valuation methodology adopted and the reasonableness of the key assumptions applied, with the involvement of our internal valuation specialists; • We obtained and evaluated the Group's cash flow forecast up to June 2025, and reviewed management's assessment of compliance with financial covenants as at 31 March 2024 and for the forecasted period up to 30 June 2025; and • We discussed with management and the Board of Directors on the Group's liquidity risk management strategies and options. We have also reviewed the adequacy and appropriateness of the disclosures made in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ang Poh Choo.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

21 June 2024

Consolidated Income Statement

Financial year ended 31 March 2024

	Note	Group	
		2024	2023
		S$'000	S$'000
Revenue	3	**1,108,131**	1,150,046
Cost of sales		**(791,951)**	(844,054)
Gross profit		**316,180**	305,992
Other operating income	4	**26,737**	45,939
Distribution costs		**(145,140)**	(145,287)
Administrative expenses		**(131,486)**	(144,166)
Write-back of (Allowance for) expected credit losses, net		**444**	(6,978)
Other operating expenses	5	**(11,872)**	(20,450)
Profit before finance costs and share of results of associates	6	**54,863**	35,050
Finance costs	7	**(34,282)**	(29,264)
Share of results of XIC Innovation Limited ("XIC")	13	**(76,350)**	3,629
Share of results of associates, excluding XIC	13	**16,981**	20,499
(Loss) Profit before taxation		**(38,788)**	29,914
Income tax expense	8	**(8,246)**	(2,477)
(Loss) Profit for the financial year		**(47,034)**	27,437
Attributable to:			
Equity holders of the Company		**(58,746)**	22,044
Non-controlling interests		**11,712**	5,393
		(47,034)	27,437
(Loss) Earnings per share (Singapore cents):			
Basic and diluted	9	**(12.14)**	4.56

See accompanying notes to the financial statements.

Consolidated Statement of Comprehensive Income

Financial year ended 31 March 2024

	Group	
	2024	2023
	S$'000	S$'000
(Loss) Profit for the financial year	**(47,034)**	27,437
Other comprehensive income (loss):		
Items that will not be reclassified subsequently to profit or loss:		
Fair value loss on financial assets at fair value through other comprehensive income	**(184)**	(2,487)
Share of other comprehensive (loss) income of associates		
- Defined benefit plan remeasurements	**(4)**	40
Items that are or may be reclassified subsequently to profit or loss:		
Foreign exchange translation		
- Exchange translation deficit	**(9,489)**	(41,644)
- Exchange translation deficit, reclassified to profit or loss upon de-registration / disposal of subsidiaries	**-**	3,838
Exchange translation deficit reclassified to profit or loss of interest in subsidiaries and associate upon distribution in specie	**8,269**	-
Share of other comprehensive income (loss) of associates		
- Exchange translation deficit, reclassified to profit or loss upon deemed disposal, disposal and / derecognition of interest in associates	**129**	3,875
- Exchange translation deficit	**(6,314)**	(13,861)
Other comprehensive loss for the financial year, net of tax	**(7,593)**	(50,239)
Total comprehensive loss for the financial year	**(54,627)**	(22,802)
Attributable to:		
Equity holders of the Company	**(64,711)**	(19,106)
Non-controlling interests	**10,084**	(3,696)
	(54,627)	(22,802)

See accompanying notes to the financial statements.

Statements of Financial Position

As at 31 March 2024

	Note	Group		Company	
		2024	2023	**2024**	2023
		S$'000	S$'000	**S$'000**	S$'000
Non-current Assets					
Property, plant and equipment	10	**361,620**	392,085	**747**	611
Right-of-use assets	11	**36,185**	43,802	**2,065**	2,795
Interest in subsidiaries	12	**-**	-	**428,681**	422,708
Interest in associates	13	**155,254**	268,581	**16,586**	31,943
Financial assets at fair value through other comprehensive income	14	**49,037**	4,191	**46,238**	-
Financial assets at fair value through profit or loss	15	**3,957**	-	**3,957**	-
Deferred tax assets	25	**4,932**	5,829	**-**	-
Deposits and prepayments		**3,198**	3,333	**-**	-
Intangible assets	16	**10,058**	10,387	**-**	-
		624,241	728,208	**498,274**	458,057
Current Assets					
Inventories	17	**180,454**	208,484	**-**	-
Receivables and prepayments	18	**239,239**	215,450	**8,484**	29,439
Dividend receivable	32	**2,600**	4,382	**6,666**	6,554
Taxation recoverable		**3,087**	5,807	**-**	-
Short-term investments	19	**219**	162	**-**	-
Bank balances, deposits and cash	20	**187,102**	209,513	**14,521**	30,220
		612,701	643,798	**29,671**	66,213
Total Assets		**1,236,942**	1,372,006	**527,945**	524,270
Current Liabilities					
Trade and other payables	21	**262,903**	264,440	**91,006**	19,907
Contract liabilities	22	**14,961**	14,911	**-**	-
Lease liabilities	23	**10,410**	9,767	**615**	527
Income tax payable		**1,731**	8,654	**29**	257
Bank and other loans	24	**294,519**	363,200	**60,335**	114,914
		584,524	660,972	**151,985**	135,605
Net Current Assets (Liabilities)		**28,177**	(17,174)	**(122,314)**	(69,392)
Non-current Liabilities					
Bank and other loans	24	**196,252**	138,659	**32,280**	57,137
Lease liabilities	23	**26,472**	38,379	**1,206**	1,978
Deferred tax liabilities	25	**6,836**	6,190	**7**	-
		229,560	183,228	**33,493**	59,115
Net Assets		**422,858**	527,806	**342,467**	329,550

See accompanying notes to the financial statements.

	Note	Group		Company	
		2024	2023	**2024**	2023
		S$'000	S$'000	**S$'000**	S$'000
Represented by:					
Issued capital	26	**286,307**	286,307	**286,307**	286,307
Treasury shares	26	**(20,978)**	(20,978)	**(20,978)**	(20,978)
Reserves		**40,017**	150,807	**77,138**	64,221
Equity attributable to equity holders of the Company		**305,346**	416,136	**342,467**	329,550
Simple agreements for future equity ("SAFE")	27	**18,793**	18,793	**-**	-
Share of net assets of subsidiaries	12	**98,719**	92,877	**-**	-
Non-controlling interests		**117,512**	111,670	**-**	-
Total Equity		**422,858**	527,806	**342,467**	329,550

See accompanying notes to the financial statements.

Statements of Changes in Equity

Financial year ended 31 March 2024

	Issued capital S$'000	Treasury shares S$'000	Capital reserve[1] S$'000	Legal reserve[2] S$'000	Capital reserve on consolidation[3] S$'000	Exchange translation reserve[4] S$'000
Group						
Balance at 1 April 2023	286,307	(20,978)	(55,801)	18,354	29,602	(128,035)
Total comprehensive income (loss)						
(Loss) Profit for the financial year	-	-	-	-	-	-
Other comprehensive loss for the financial year	-	-	-	-	-	(5,777)
Total comprehensive (loss) income for the financial year	-	-	-	-	-	(5,777)
Share of change in net assets of associates other than other comprehensive income	-	-	17	-	-	-
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners:						
Dividends paid (Notes 12 and 26)	-	-	-	-	-	-
Distribution in specie (Note 26)	-	-	-	-	-	-
Unclaimed compulsory acquisition money relating to privatisation of a subsidiary	-	-	-	-	113	-
Changes in ownership interests in subsidiary:						
Acquisition of additional interest in subsidiaries	-	-	-	-	(2,540)	-
Total transactions with owners	-	-	-	-	(2,427)	-
Transfer to reserve	-	-	-	160	-	-
Transfer from reserves upon distribution in specie (Note 39)	-	-	(466)	(2,974)	-	-
Balance at 31 March 2024	286,307	(20,978)	(56,250)	15,540	27,175	(133,812)

See accompanying notes to the financial statements.

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

	Issued capital S$'000	Treasury shares S$'000	Capital reserve[1] S$'000	Legal reserve[2] S$'000	Capital reserve on consolidation[3] S$'000	Exchange translation reserve[4] S$'000
Group						
Balance at 1 April 2022	286,307	(20,978)	18,171	16,761	29,602	(89,332)
<u>Total comprehensive income (loss)</u>						
Profit for the financial year	-	-	-	-	-	-
Other comprehensive (loss) income for the financial year	-	-	-	-	-	(38,703)
Total comprehensive (loss) income for the financial year	-	-	-	-	-	(38,703)
Share of change in net assets of associates other than other comprehensive income	-	-	(74,056)	-	-	-
<u>Transactions with owners, recognised directly in equity</u>						
Contributions by and distributions to owners:						
Capital contribution by non-controlling interests	-	-	-	-	-	-
Issue of SAFE by a subsidiary	-	-	-	-	-	-
Dividends paid (Notes 12 and 26)	-	-	-	-	-	-
Changes in ownership interests in subsidiary:						
Disposal of a subsidiary	-	-	84	(634)	-	-
Total transactions with owners	-	-	84	(634)	-	-
Transfer to reserve	-	-	-	2,227	-	-
Balance at 31 March 2023	286,307	(20,978)	(55,801)	18,354	29,602	(128,035)

See accompanying notes to the financial statements.

Attributable to equity holders of the Company					Non-controlling interests			
Fair value reserve(5)	Share-based payment reserve(6)	Property revaluation reserve(7)	Retained profits	Total	SAFE(8)	Share of net assets of subsidiaries	Total	Total equity
S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
3,289	1,467	955	277,571	523,813	-	100,048	100,048	623,861
-	-	-	22,044	22,044	-	5,393	5,393	27,437
(2,487)	-	-	40	(41,150)	-	(9,089)	(9,089)	(50,239)
(2,487)	-	-	22,084	(19,106)	-	(3,696)	(3,696)	(22,802)
-	-	-	-	(74,056)	-	-	-	(74,056)
-	-	-	-	-	-	70	70	70
-	-	-	-	-	18,793	-	18,793	18,793
-	-	-	(14,515)	(14,515)	-	(3,545)	(3,545)	(18,060)
-	-	-	550	-	-	-	-	-
-	-	-	(13,965)	(14,515)	18,793	(3,475)	15,318	803
-	-	-	(2,227)	-	-	-	-	-
802	1,467	955	283,463	416,136	18,793	92,877	111,670	527,806

	Issued capital S$'000	Treasury shares S$'000	Capital reserve[(1)] S$'000	Retained profits S$'000	**Total equity S$'000**
Company					
Balance at 1 April 2023	286,307	(20,978)	614	63,607	**329,550**
Total comprehensive income					
Profit for the financial year	-	-	-	60,431	**60,431**
Total comprehensive income for the financial year	-	-	-	60,431	**60,431**
Transactions with owners, recognised directly in equity					
Dividends paid (Note 26)	-	-	-	(12,096)	**(12,096)**
Distribution in specie (Note 26)	-	-	-	(35,418)	**(35,418)**
Balance at 31 March 2024	286,307	(20,978)	614	76,524	**342,467**
Balance at 1 April 2022	286,307	(20,978)	614	82,676	348,619
Total comprehensive loss					
Loss for the financial year	-	-	-	(4,554)	(4,554)
Total comprehensive loss for the financial year	-	-	-	(4,554)	(4,554)
Transactions with owners, recognised directly in equity					
Dividends paid (Note 26)	-	-	-	(14,515)	(14,515)
Balance at 31 March 2023	286,307	(20,978)	614	63,607	329,550

See accompanying notes to the financial statements.

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

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

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

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

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

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

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

(8) SAFE represents simple agreements for future equity entered by a subsidiary of the Company with an aggregate amount of US$13.7 million (Note 27).

See accompanying notes to the financial statements.

Consolidated Statement of Cash Flows

Financial year ended 31 March 2024

	Group	
	2024	2023
	S$'000	S$'000
Operating activities		
(Loss) Profit before taxation	**(38,788)**	29,914
Adjustments for:		
Share of results of associates	**59,369**	(24,128)
Depreciation of property, plant and equipment	**32,469**	32,303
Depreciation of right-of-use assets	**11,785**	12,436
Amortisation of intangible assets	**541**	525
Finance costs	**34,282**	29,264
Interest income	**(2,688)**	(2,256)
Loss (Gain) on disposal and write-off of property, plant and equipment, net	**717**	(1,127)
Restructuring charges written back	**-**	(1,174)
Closure and relocation costs written back	**-**	(753)
Allowance for impairment loss on property, plant and equipment	**-**	3,608
Allowance for impairment loss on right-of-use assets	**-**	512
Reversal of impairment loss on interest in an associate	**(7,812)**	(2,568)
Allowance for inventory obsolescence and write-off of inventory, net	**103**	3,846
(Write-back of) Allowance for expected credit losses, net	**(444)**	6,978
Fair value gain on short-term investments, net	**(73)**	(7,619)
Loss (Gain) from disposal and / deemed disposal of interest in associates, net	**271**	(4,257)
Gain on bargain purchase arising from purchase of additional interest in associates	**(3)**	(2,198)
Reduction in compensation receivable	**-**	2,911
Gain from disposal of a subsidiary (Note 39)	**-**	(10,637)
Loss from de-registration of a subsidiary (Note 39)	**-**	3,235
Exchange translation deficit of distribution in specie (Note 39)	**8,269**	-
Dividend income from financial assets at fair value through other comprehensive income	**(75)**	(30)
Write-off of trade payables and / contract liabilities	**(550)**	(579)
Unrealised fair value loss on derivative financial instruments	**-**	109
Rent concession related to COVID-19	**-**	(316)
Gain on lease modification	**(354)**	-
Gain on lease early termination	**(14)**	(3)
Unrealised exchange (gain) loss	**(2,569)**	1,333
Operating cash flows before movements in working capital	**94,436**	69,329
Inventories	**18,049**	36,790
Receivables and prepayments	**(49,376)**	40,608
Trade and other payables, and contract liabilities	**17,312**	(32,338)
Provision for restructuring	**-**	(3,125)
Cash generated from operations	**80,421**	111,264
Income tax paid	**(4,685)**	(7,747)
Finance costs paid	**(33,823)**	(28,705)
Interest received	**2,651**	1,983
Net cash generated from operating activities	**44,564**	76,795

See accompanying notes to the financial statements.

	Group	
	2024	2023
	S$'000	S$'000
Investing activities		
Purchase of property, plant and equipment (Note a)	**(36,164)**	(50,865)
Acquisition of intangible assets	**-**	(437)
Deposits paid for purchase of property, plant and equipment	**(607)**	(647)
Dividends received from associates	**10,063**	13,257
Proceeds from disposal of property, plant and equipment, net of transaction costs	**539**	3,662
Proceeds from disposal of a subsidiary, net of cash and cash equivalents disposed (Note 39)	**-**	27,243
Receipt of loan repayment by an associate	**-**	1,231
Proceeds from capital reduction of an associate	**-**	3,696
Additional investment in associates	**(1,855)**	(2,912)
Proceeds from disposal of associates	**51**	10,102
Proceeds from disposal of short-term investments	**19**	19,385
Investment in financial assets at fair value through profit or loss	**(3,957)**	-
Dividend income from financial assets at fair value through other comprehensive income	**75**	30
Cash and cash equivalents disposed relating to distribution in specie (Note 39)	**(6,200)**	-
Net cash (used in) generated from investing activities	**(38,036)**	23,745
Financing activities		
Drawdown of bank and other loans	**127,935**	133,827
Repayment of bank and other loans	**(136,368)**	(179,232)
Payment of lease liabilities	**(10,913)**	(10,851)
Dividends paid	**(12,096)**	(14,515)
Capital contribution by non-controlling interests	**-**	70
Dividends paid to non-controlling interests	**(6,476)**	(3,545)
Proceeds from issue of SAFE by a subsidiary	**1,921**	16,832
Non-trade receipt from related parties	**7,561**	-
Net cash used in financing activities	**(28,436)**	(57,414)
Net (decrease) increase in cash and cash equivalents	**(21,908)**	43,126
Cash and cash equivalents at beginning of the financial year	**209,513**	188,263
Effects of exchange rate changes on the balance of cash held in foreign currencies	**(503)**	(21,876)
Cash and cash equivalents at end of the financial year, representing bank balances, deposits and cash (Note 20)	**187,102**	209,513

Note:

a) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of S$36,902,000 (2023: S$51,156,000) of which S$738,000 (2023: S$291,000) were transferred from deposits paid for property, plant and equipment.

See accompanying notes to the financial statements.

Notes to the Financial Statements

31 March 2024

1. General

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

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

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

The principal activities of the Group's significant subsidiaries and significant associates are disclosed in Notes 37 and 38 respectively.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2024 were authorised for issue by the Board of Directors on 21 June 2024.

2. Material accounting policy information

Basis of Accounting

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

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

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

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

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

Basis of Consolidation

<u>Subsidiaries</u>

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

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

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

2. Material accounting policy information (cont'd)

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

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

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

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

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

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

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

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

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

Interest in Associates

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

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

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

2. Material accounting policy information (cont'd)

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

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

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

Business Combinations

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

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

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

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

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

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

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

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

2. Material accounting policy information (cont'd)

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

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

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

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

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

Foreign Currency Transactions

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

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

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

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

Foreign Currency Translation

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

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

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

2. Material accounting policy information (cont'd)

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

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

Revenue Recognition

The Group recognises revenue from the following major sources:

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

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

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

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

Management fee income is recognised when services are rendered.

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

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

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

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

Retirement Benefit Costs

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

Employee Leave Entitlement

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

Borrowing Costs

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

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

Government Grants

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

2. Material accounting policy information (cont'd)

Income Tax

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

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

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

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

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

Financial Instruments

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

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

Financial Assets

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

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

2. Material accounting policy information (cont'd)

Classification of financial assets

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

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

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

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

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

Amortised cost and effective interest method

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

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

Equity instruments designated as at FVTOCI

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

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

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

Financial assets at FVTPL

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

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

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

Impairment of financial assets

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

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

2. Material accounting policy information (cont'd)

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

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

Significant increase in credit risk

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

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

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

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

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

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

Definition of default

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

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

Credit-impaired financial assets

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

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

Write-off policy

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

2. Material accounting policy information (cont'd)

Measurement and recognition of ECL

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

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

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

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

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

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

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

Derecognition of financial assets

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

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

Cash and cash equivalents in the consolidated statement of cash flows

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

Financial Liabilities and Equity Instruments

Classification as debt or equity

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

Trade and other payables (including amount due to ultimate holding company)

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

2. Material accounting policy information (cont'd)

Bank and other borrowings

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

Equity instruments

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

Treasury shares

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

Derecognition of financial liabilities

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

Offsetting arrangements

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

Property, Plant and Equipment

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

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

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

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

Freehold land is not depreciated.

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

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

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

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

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

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

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

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

Intangible Assets

<u>Goodwill</u>

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

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

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

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

The Group's policy for goodwill arising from the acquisition of an associate is described under "Interest in Associates" above.

<u>Trademarks and Patents</u>

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

The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and overheads that have been incurred in bringing the inventories to their present location and condition calculated using the first-in, first-out method. Net realisable value is calculated as the actual or estimated selling price less all further costs of production and the related costs of marketing, selling and distribution.

Leases

<u>The Group as Lessee</u>

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

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

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated using straight-line basis over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in profit or loss.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

Impairment of Tangible and Intangible Assets Excluding Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2. Material accounting policy information (cont'd)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Share-based Payments

Equity-settled Share-based Payments

The fair value of the employee services received in exchange for the grant of options or shares is recognised as an expense in the profit or loss with a corresponding increase in share-based payment reserve, or capital reserve in respect of options granted by the Company's ultimate holding company, over the vesting period.

Options granted by a Group entity pursuant to schemes approved by its respective shareholders were measured at fair value (excluding the effect of non-market based vesting conditions) at the date of offer using the Black-Scholes pricing model. The fair value determined at the offer date of the options is expensed on a straight-line basis over the vesting period, based on the estimated number of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions. The expected life used in the model has been adjusted for the estimated effects of non-transferability, exercise restrictions and behavioural considerations.

Certain directors and employees of the Group are also entitled to options to subscribe for the ordinary shares in the ultimate holding company of the Company. The fair value of such options is determined by the ultimate holding company. The Group's attributable share of the fair value of such options is expensed on a straight-line basis over the vesting period.

Upon the cancellation / lapse of share options, share option expenses previously recognised in the share-based payment reserve are transferred to retained profits.

3. Revenue

Revenue comprised product sales recognised at a point in time:

	Group	
	2024	2023
	S$'000	S$'000
Batteries and battery-related products	**836,728**	870,102
Audio products	**271,403**	279,944
	1,108,131	1,150,046

4. Other operating income

	Group	
	2024	2023
	S$'000	S$'000
Product development and engineering fee income	**3,186**	377
Interest income:		
Banks	**2,460**	1,323
Third parties	**228**	933
(Loss) Gain on disposal of property, plant and equipment (Note a)	**(29)**	1,709
Management fee income from associates	**749**	733
Management fee income from related parties	**953**	-
Operating lease income	**959**	894
Government grant	**5,638**	2,444
Gain on sales of parts, samples, scrap and surplus materials	**752**	1,291
Gain from disposal and / deemed disposal of interest in associates (Note b)	**19**	4,257
Gain from disposal of a subsidiary (Note 39)	**-**	10,637
Fair value gain on short-term investments, net	**73**	7,619
Restructuring charges written back (Note c)	**-**	1,174
Closure and relocation costs written back (Note d)	**-**	753
Gain on bargain purchase arising from purchase of additional interest in associates (Note e)	**3**	2,198
Reversal of impairment loss on interest in an associate (Note 13)	**7,812**	2,568
Rent concession related to COVID-19	**-**	316
Gain on lease modification	**354**	-
Recovery of bad debts	**2**	10
Royalty income	**640**	651
Write-off of trade payables and / contract liabilities	**550**	579
Exchange gain	**1,644**	4,211
Others	**744**	1,262
	26,737	45,939

Note:

a) During the financial year ended 31 March 2023, the gain on disposal of property, plant and equipment mainly comprised of the disposal of property, plant and equipment from sale of a staff quarter by a 70%-owned subsidiary, Zhongyin (Ningbo) Battery Co Ltd.

b) During the financial year ended 31 March 2023, the gain from disposal and / deemed disposal of interest in associates arose due to:

i) the Group's interest in STL Technology Co., Ltd ("STL") decreased 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 FVTPL, which was subsequently disposed in financial year ended 31 March 2023; and

ii) the Group's interest in Gold Yi Industries Limited ("Gold Yi") decreased from 41.50% to 39.35% as a result of the issue of new shares by Gold Yi, which the Group did not subscribe for the new shares.

c) Being write back of excess provision for costs for relocation of the operations of GP Electronics (Huizhou) Co., Ltd. ("GPEHZ") to Dongjiang, Huizhou, China during the financial year ended 31 March 2023. 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.

d) Being closure costs written back for a subsidiary that was de-registered and relocation costs written back upon completion of relocation of the rechargeable batteries manufacturing factory located in Dongguan, China during the financial year ended 31 March 2023.

e) During the financial year ended 31 March 2023, the Group's gain on bargain purchase arose from the purchase of additional interest in its associate, XIC at cash consideration of S$2,912,000 and taking into account the effects of merger and restatement of XIC as the acquisition of Light Engine by XIC has been accounted for as business combination under common control using merger accounting.

5. Other operating expenses

	Group	
	2024	2023
	S$'000	S$'000
Property, plant and equipment written-off	**688**	582
Bank charges	**1,806**	1,849
Allowance for impairment loss on property, plant and equipment	**-**	3,608
Allowance for impairment loss on right-of-use assets	**-**	512
Unrealised fair value loss on derivative financial instruments	**-**	109
Closure and relocation costs (Note a)	**-**	2,065
Loss from deemed disposal of interest in an associate	**290**	-
Realised loss on derivative financial instruments	**62**	2,076
Restructuring charges (Note b)	**313**	1,865
Transaction costs incurred for disposal of short-term investments	**-**	85
Reduction in compensation receivable (Note c)	**-**	2,911
Loss from de-registration of a subsidiary (Note 39)	**-**	3,235
Exchange translation deficit of distribution in specie (Note 39)	**8,269**	-
Others	**444**	1,553
	11,872	20,450

Note:

a) The closure and relocation costs was mainly incurred for relocation of the rechargeable batteries manufacturing factories located in Huizhou, China and the redundancy provision from the lithium rechargeable factory located in Shenzhen, China during the financial year ended 31 March 2023.

b) Restructuring charges are costs for the distribution in specie ("DIS") of shares in GP Energy Tech Limited ("GPET") (the "DIS of GPET Shares") during the financial year, and costs for the internal restructuring of the Group during the financial years ended 31 March 2024 and 2023.

c) Pursuant to the property disposal agreement for the old factory site owned by GPEHZ (the "Property"), the Group was 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 was included in determining the related property disposal gain in the financial year ended 31 March 2020. Upon handing over the Property to the buyer during the financial year ended 31 March 2023, the parties agreed to a final compensation and the difference was recognised under other operating expenses.

6. Profit before finance costs and share of results of associates

Profit before finance costs and share of results of associates is arrived at after charging the following:

	Group	
	2024	2023
	S$'000	S$'000
Audit fees:		
Auditors of the Company and Deloitte network firms	**1,664**	1,642
Other auditors	**712**	403
Non-audit fees:		
Auditors of the Company and Deloitte network firms	**23**	42
Other auditors	**175**	159
Depreciation of property, plant and equipment	**32,469**	32,303
Depreciation of right-of-use assets	**11,785**	12,436
Amortisation of intangible assets	**541**	525
Expenses relating to short-term leases	**922**	304
Expenses relating to leases of low-value assets	**10**	12
Expenses relating to variable lease payments not included in the measurement of lease liability	**1,138**	1,435
Directors' remuneration:		
Fees	**506**	422
Other emoluments	**4,369**	5,212
Employee benefits expense (excluding directors' remuneration)	**178,434**	189,803
Cost of defined contribution plans included in employee benefits expense and directors' remuneration	**7,713**	8,021
Allowance for inventory obsolescence and write-off of inventory, net	**103**	3,846
Cost of inventories recognised as expense	**791,896**	842,961

7. Finance costs

	Group	
	2024	2023
	S$'000	S$'000
Interest on bank loans, overdrafts, bills payable and amortised fees relating to term loans	**31,846**	26,958
Interest on lease liabilities	**2,436**	2,306
	34,282	29,264

8. Income tax expense

	Group	
	2024	2023
	S$'000	S$'000
Current taxation:		
Provision for taxation in respect of profit for the financial year	**6,335**	5,614
Over-provision in respect of prior years	**(1,044)**	(3,061)
Withholding tax on overseas income	**1,342**	3,998
Deferred taxation:		
Charge (Credit) for the financial year	**1,613**	(4,346)
Under-provision in respect of prior years	**-**	272
	8,246	2,477

8. Income tax expense (cont'd)

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2023: 17%) to profit before taxation as a result of the following differences:

	Group	
	2024	2023
	S$'000	S$'000
(Loss) Profit before taxation	**(38,788)**	29,914
Share of results of associates	**59,369**	(24,128)
Profit before taxation and share of results of associates	**20,581**	5,786
Income tax expense at statutory tax rate	**3,499**	983
Effect of different tax rates of overseas operations	**(109)**	(668)
Income not subject to tax	**(9,707)**	(9,294)
Expenses not deductible for tax purposes	**9,831**	7,161
Deferred tax assets not recognised	**7,097**	7,254
Recognition of previously unrecognised deferred tax assets	**(2,879)**	(2,622)
Over-provision in prior years	**(1,044)**	(2,789)
Withholding tax	**1,342**	3,998
Deferred tax on undistributed profits	**416**	(1,042)
Enhanced tax deductions	**(233)**	(508)
Others	**33**	4
Total income tax expense at effective rates	**8,246**	2,477

9. Earnings per share

The following data were used in computing basic and fully diluted earnings per share disclosed in the income statement:

a) Earnings

	Group	
	2024	2023
	S$'000	S$'000
(Loss) Profit attributable to equity holders of the Company	**(58,746)**	22,044

b) Number of shares

	Group	
	2024	2023
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	**483,843,482**	483,843,482

There were no dilutive potential ordinary shares for the financial years ended 31 March 2024 and 2023.

10. Property, plant and equipment

	Freehold land and buildings[(1)]	Leasehold land and buildings[(2)]	Leasehold improve-ments	Furniture, fixtures and equipment	Machinery and equipment	Motor vehicles	Moulds and tools	Construc-tion in progress	**Total**
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	**S$'000**
Group									
Cost:									
Balance at 1 April 2023	13,027	206,089	37,458	63,907	347,716	8,244	85,951	27,371	**789,763**
Additions	-	9	2,294	2,641	3,158	771	1,830	26,199	**36,902**
Disposals and write-offs	-	(196)	(3,003)	(9,272)	(14,324)	(584)	(1,135)	-	**(28,514)**
Reclassifications	-	34,161	770	2,583	9,288	6	3,774	(50,582)	**-**
Currency realignment	(474)	(5,528)	(97)	(1,030)	(4,598)	(30)	(1,625)	(561)	**(13,943)**
Distribution in specie (Note 39)	-	(9)	(33)	(15,728)	(14,485)	(58)	(510)	(512)	**(31,335)**
Balance at 31 March 2024	12,553	234,526	37,389	43,101	326,755	8,349	88,285	1,915	**752,873**
Accumulated depreciation:									
Balance at 1 April 2023	3,625	31,079	21,145	37,794	233,191	6,368	43,302	-	**376,504**
Charge for the financial year	164	5,311	3,097	4,338	13,171	622	5,766	-	**32,469**
Eliminated on disposals and write-offs	-	(39)	(2,860)	(4,721)	(6,416)	(509)	(895)	-	**(15,440)**
Currency realignment	(111)	(765)	(156)	(248)	(1,588)	(13)	(463)	-	**(3,344)**
Distribution in specie (Note 39)	-	(2)	(27)	(3,793)	(3,958)	(13)	(249)	-	**(8,042)**
Balance at 31 March 2024	3,678	35,584	21,199	33,370	234,400	6,455	47,461	-	**382,147**
Accumulated impairment loss:									
Balance at 1 April 2023	-	-	100	4,596	16,131	7	340	-	**21,174**
Eliminated on disposals and write-offs	-	-	(90)	(4,341)	(7,250)	(7)	(130)	-	**(11,818)**
Currency realignment	-	-	(7)	26	(267)	-	(2)	-	**(250)**
Balance at 31 March 2024	-	-	3	281	8,614	-	208	-	**9,106**
Carrying amount:									
Balance at 31 March 2024	8,875	198,942	16,187	9,450	83,741	1,894	40,616	1,915	**361,620**

10. Property, plant and equipment (cont'd)

	Freehold land and buildings[1]	Leasehold land and buildings[2]	Leasehold improve-ments	Furniture, fixtures and equipment	Machinery and equipment	Motor vehicles	Moulds and tools	Construc-tion in progress	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group									
Cost:									
Balance at 1 April 2022	13,946	220,990	28,460	55,704	355,487	8,021	80,396	52,443	815,447
Additions	-	57	2,164	2,385	6,623	1,105	2,960	35,862	51,156
Disposals and write-offs	-	(3,075)	(299)	(2,539)	(11,353)	(416)	(1,473)	-	(19,155)
Reclassifications	-	7,840	9,043	11,417	18,387	-	10,140	(56,827)	-
Currency realignment	(919)	(19,723)	(1,910)	(3,060)	(21,428)	(466)	(6,072)	(4,107)	(57,685)
Balance at 31 March 2023	13,027	206,089	37,458	63,907	347,716	8,244	85,951	27,371	789,763
Accumulated depreciation:									
Balance at 1 April 2022	3,705	29,852	20,062	37,367	245,176	6,403	41,676	-	384,241
Charge for the financial year	172	5,502	2,523	4,555	13,203	686	5,662	-	32,303
Eliminated on disposals and write-offs	-	(1,442)	(257)	(2,221)	(10,522)	(372)	(1,208)	-	(16,022)
Currency realignment	(252)	(2,833)	(1,183)	(1,907)	(14,666)	(349)	(2,828)	-	(24,018)
Balance at 31 March 2023	3,625	31,079	21,145	37,794	233,191	6,368	43,302	-	376,504
Accumulated impairment loss:									
Balance at 1 April 2022	-	-	-	2,254	17,348	7	25	-	19,634
Charge for the financial year	-	-	133	2,599	508	-	368	-	3,608
Eliminated on disposals and write-offs	-	-	(2)	(121)	(432)	-	(43)	-	(598)
Currency realignment	-	-	(31)	(136)	(1,293)	-	(10)	-	(1,470)
Balance at 31 March 2023	-	-	100	4,596	16,131	7	340	-	21,174
Carrying amount:									
Balance at 31 March 2023	9,402	175,010	16,213	21,517	98,394	1,869	42,309	27,371	392,085

(1) As at 31 March 2024, the carrying amount of freehold land was S$6,055,000 (2023: S$6,315,000).

(2) Rights to use leasehold land which has been fully paid up upon acquisition and not subject to any further payment obligations for such rights are presented under leasehold land and buildings, which has a carrying amount of S$198,942,000 as at 31 March 2024 (2023: S$175,010,000).

During the financial years ended 31 March 2024 and 2023, the Group carried out a review of the recoverable amount of property, plant and equipment. Arising from the review, no further impairment loss (2023: impairment loss of S$3,608,000) was recognised to reduce the carrying amount of the plant and equipment to their recoverable amount. The recoverable amount of the relevant assets has been determined on the basis of their value in use. The discount rate used in measuring value in use for the financial year ended 31 March 2024 was 15.6% (2023: 13.2%). As at 31 March 2023, the impairment loss arose from a plant engaged in the manufacturing of a particular type of battery product.

The impairment loss was included in other operating expenses (Note 5).

10. Property, plant and equipment (cont'd)

	Leasehold improvements S$'000	Furniture, fixtures and equipment S$'000	Motor vehicles S$'000	**Total S$'000**
Company				
Cost:				
Balance at 1 April 2023	396	1,467	446	**2,309**
Additions	-	43	296	**339**
Disposals and write-offs	-	-	(193)	**(193)**
Balance at 31 March 2024	396	1,510	549	**2,455**
Accumulated depreciation:				
Balance at 1 April 2023	106	1,253	339	**1,698**
Charge for the financial year	59	49	71	**179**
Eliminated on disposals and write-offs	-	-	(169)	**(169)**
Balance at 31 March 2024	165	1,302	241	**1,708**
Carrying amount:				
Balance at 31 March 2024	231	208	308	**747**
Cost:				
Balance at 1 April 2022	101	1,311	446	1,858
Additions	295	183	-	478
Disposals and write-offs	-	(27)	-	(27)
Balance at 31 March 2023	396	1,467	446	2,309
Accumulated depreciation:				
Balance at 1 April 2022	101	1,264	296	1,661
Charge for the financial year	5	16	43	64
Eliminated on disposals and write-offs	-	(27)	-	(27)
Balance at 31 March 2023	106	1,253	339	1,698
Carrying amount:				
Balance at 31 March 2023	290	214	107	611

	Group and Company	
	2024 S$'000	2023 S$'000
Carrying amount of property, plant and equipment secured for the Company's borrowing:		
Motor vehicles	**268**	-

11. Right-of–use assets

	Leasehold buildings S$'000	Office equipment S$'000	Machinery and equipment S$'000	Motor vehicles S$'000	**Total S$'000**
Group					
Cost:					
Balance at 1 April 2023	68,936	56	3,116	931	**73,039**
Additions	15,520	-	278	-	**15,798**
Modification to contracts	(2,706)	-	-	-	**(2,706)**
Lease expired	(4,230)	(31)	-	(265)	**(4,526)**
Termination of lease	(232)	-	(388)	-	**(620)**
Currency realignment	17	1	(168)	9	**(141)**
Distribution in specie (Note 39)	(14,466)	-	(133)	-	**(14,599)**
Balance at 31 March 2024	62,839	26	2,705	675	**66,245**
Accumulated depreciation:					
Balance at 1 April 2023	25,356	47	1,505	594	**27,502**
Charge for the financial year	11,235	8	377	165	**11,785**
Lease expired	(4,230)	(31)	-	(265)	**(4,526)**
Modification to contracts	(1,363)	-	-	-	**(1,363)**
Termination of lease	(129)	-	(193)	-	**(322)**
Currency realignment	167	1	(78)	6	**96**
Distribution in specie (Note 39)	(3,446)	-	(60)	-	**(3,506)**
Balance at 31 March 2024	27,590	25	1,551	500	**29,666**
Accumulated impairment loss:					
Balance at 1 April 2023	1,735	-	-	-	**1,735**
Currency realignment	(49)	-	-	-	**(49)**
Modification to contracts	(1,292)	-	-	-	**(1,292)**
Balance at 31 March 2024	394	-	-	-	**394**
Carrying amount:					
Balance at 31 March 2024	34,855	1	1,154	175	**36,185**

11. **Right-of–use assets (cont'd)**

	Leasehold buildings S$'000	Office equipment S$'000	Machinery and equipment S$'000	Motor vehicles S$'000	Total S$'000
Group					
Cost:					
Balance at 1 April 2022	72,748	59	3,419	1,255	77,481
Additions	12,107	-	46	324	12,477
Modification to contracts	(714)	-	(43)	-	(757)
Lease expired	(11,207)	-	-	(591)	(11,798)
Termination of lease	(1,857)	-	(91)	-	(1,948)
Currency realignment	(2,141)	(3)	(215)	(57)	(2,416)
Balance at 31 March 2023	68,936	56	3,116	931	73,039
Accumulated depreciation:					
Balance at 1 April 2022	26,223	39	1,114	989	28,365
Charge for the financial year	11,698	11	486	241	12,436
Lease expired	(11,207)	-	-	(591)	(11,798)
Termination of lease	(1,462)	-	(10)	-	(1,472)
Currency realignment	104	(3)	(85)	(45)	(29)
Balance at 31 March 2023	25,356	47	1,505	594	27,502
Accumulated impairment loss:					
Balance at 1 April 2022	1,367	-	-	-	1,367
Charge for the financial year	512	-	-	-	512
Currency realignment	(144)	-	-	-	(144)
Balance at 31 March 2023	1,735	-	-	-	1,735
Carrying amount:					
Balance at 31 March 2023	41,845	9	1,611	337	43,802

During the financial years ended 31 March 2024 and 2023, the Group carried out a review of the recoverable amount of right-of-use assets. Arising from the review, no further impairment loss (2023: impairment loss of S$512,000) was recognised to reduce the carrying amount of the right-of-use assets to their recoverable amount. The recoverable amount of the relevant assets has been determined on the basis of their value in use. The discount rate used in measuring value in use for the financial year ended 31 March 2024 was 15.6% (2023: 13.2%). As at 31 March 2023, the impairment loss arose from a plant engaged in the manufacturing of a particular type of battery product.

The impairment loss was included in other operating expenses (Note 5).

11. Right-of–use assets (cont'd)

	Leasehold buildings S$'000
Company	
Cost:	
Balance at 1 April 2023	**3,984**
Lease expired	**(1,151)**
Balance at 31 March 2024	**2,833**
Accumulated depreciation:	
Balance at 1 April 2023	**1,189**
Charge for the financial year	**730**
Lease expired	**(1,151)**
Balance at 31 March 2024	**768**
Carrying amount:	
Balance at 31 March 2024	**2,065**
Cost:	
Balance at 1 April 2022	1,152
Additions	2,832
Balance at 31 March 2023	3,984
Accumulated depreciation:	
Balance at 1 April 2022	736
Charge for the financial year	453
Balance at 31 March 2023	1,189
Carrying amount:	
Balance at 31 March 2023	2,795

	Group	
	2024	2023
	S$'000	S$'000
Carrying amount of right-of-use assets secured over lease liabilities:		
Motor vehicles	**-**	2
Machinery and equipment	**967**	1,294

12. Interest in subsidiaries

	Company	
	2024	2023
	S$'000	S$'000
Unquoted equity shares, at cost	**576,079**	570,430
Allowance for impairment loss	**(147,398)**	(147,722)
	428,681	422,708

Details of the significant subsidiaries are set out in Note 37.

During the financial year, the Company carried out a review of the recoverable amount of its investment in subsidiaries to determine if the recoverable amount of certain subsidiaries were below its carrying amount and did not recognise any allowance for impairment loss (2023: impairment loss of S$4,041,000), and has reversed the impairment loss of S$324,000 due to the Group's internal restructuring. The impairment was based on the market conditions reflecting the recoverability of the net assets in subsidiaries.

Details of non-wholly owned subsidiaries that has material non-controlling interests are as follows:

Name of subsidiary	Place of incorporation and business	Effective percentage of equity and voting power held by the non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests - Share of net assets of subsidiaries	
		2024	2023	**2024**	2023	**2024**	2023
		%	%	**S$'000**	S$'000	**S$'000**	S$'000
Zhongyin (Ningbo) Battery Co Ltd	The People's Republic of China	**30.00**	30.00	**3,686**	3,980	**71,416**	74,180
Ningbo Fubang Battery Co Ltd	The People's Republic of China	**28.00**	28.00	**44**	349	**11,330**	11,643
Subsidiaries with immaterial non-controlling interests				**7,982**	1,064	**15,973**	7,054
				11,712	5,393	**98,719**	92,877

12. Interest in subsidiaries (cont'd)

Summarised financial information in respect of the Group's subsidiaries that has material non-controlling interests, before any intra-group elimination, is set out below:

	2024		2023	
	Zhongyin (Ningbo) Battery Co Ltd	**Ningbo Fubang Battery Co Ltd**	Zhongyin (Ningbo) Battery Co Ltd	Ningbo Fubang Battery Co Ltd
	S$'000	**S$'000**	S$'000	S$'000
Current assets	**168,307**	**38,661**	227,614	39,853
Non-current assets	**219,504**	**4,060**	225,257	4,186
Current liabilities	**(125,462)**	**(2,255)**	(231,028)	(2,457)
Non-current liabilities	**(37,605)**	**-**	(153)	-
Non-controlling interests	**(67,423)**	**(11,330)**	(66,507)	(11,643)
Equity attributable to equity holders of the Company	**157,321**	**29,136**	155,183	29,939
Dividend payable to non-controlling interests	**3,993**	**-**	7,673	-
Revenue	**304,862**	**3,353**	415,857	15,817
Expenses, other gains and losses	**292,573**	**3,197**	402,587	14,568
Profit attributable to:				
Equity holders of the Company	**8,603**	**112**	9,290	900
Non-controlling interests	**3,686**	**44**	3,980	349
Profit for the financial year	**12,289**	**156**	13,270	1,249
Other comprehensive income (loss) attributable to:				
Equity holders of the Company	**60**	**(916)**	(9,465)	(2,954)
Non-controlling interests	**26**	**(356)**	(4,057)	(1,158)
Other comprehensive income (loss) for the financial year	**86**	**(1,272)**	(13,522)	(4,112)
Total comprehensive income (loss) attributable to:				
Equity holders of the Company	**8,663**	**(804)**	(175)	(2,054)
Non-controlling interests	**3,712**	**(312)**	(77)	(809)
Total comprehensive income (loss) for the financial year	**12,375**	**(1,116)**	(252)	(2,863)
Dividends paid to non-controlling interests	**6,476**	**-**	3,545	-
Net cash generated from (used in) operating activities	**33,346**	**(5,129)**	7,877	4,454
Net cash (used in) generated from investing activities	**(1,518)**	**(307)**	7,214	(142)
Net cash used in financing activities	**(50,064)**	**-**	(7,160)	-
Net (decrease) increase in cash and cash equivalents	**(18,236)**	**(5,436)**	7,931	4,312

13. Interest in associates

	Group		Company	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Quoted equity shares, at cost	**18,018**	18,224	**-**	-
Unquoted equity shares, at cost	**28,058**	45,729	**16,586**	31,943
	46,076	63,953	**16,586**	31,943
Loan to associates	**1,409**	1,778	**-**	-
Share of post-acquisition reserves, net of dividend declared	**110,948**	214,054	**-**	-
Allowance for impairment loss	**(3,179)**	(11,204)	**-**	-
	155,254	268,581	**16,586**	31,943
Market value of quoted equity shares	**38,817**	37,566	**-**	-

Details of the significant associates are set out in Note 38.

The issued shares of some of the Group's associates are quoted:

i) The shares of Meiloon Industrial Co., Ltd. ("Meiloon") are quoted on the Taiwan Stock Exchange Corporation. The fair value of the Group's investment in Meiloon as at 31 March 2024 was S$27,821,000 (2023: S$29,630,000).

ii) The shares of Hanoi Battery Joint Stock Company ("Habaco") are quoted on the Hanoi Stock Exchange. The fair value of the Group's investment in Habaco as at 31 March 2024 was S$10,996,000 (2023: S$7,936,000).

Loan to associates

As at 31 March 2024 and 2023, for purpose of impairment assessment, the loan to associates is considered to have low credit risk as there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for the asset, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the ECL, management has taken into account the financial position of the associate, adjusted for factors that are specific to the associate and general economic conditions of the industry in which the associate operates, in estimating the probability of default as well as the loss upon default. Management determined that the loan to associate is subject to immaterial credit loss.

Impairment of interest in an associated company (the "Associate")

As at 31 March 2022, management of the Group had considered the geopolitical situation, capital control measures implemented by Russia and the effects of the sanctions on Russia had significantly restricted its ability to realise economic benefit in its capacity as a foreign shareholder of the Associate. Management had considered that there was an indication of impairment of the Group's interest in the Associate. Based on the cash flows forecast approved by management covering a five-year period of the Associate, it was anticipated that there will be a general decline in revenue of the Associate in the next 5 years, hence the value in use was expected to be nominal. Also, in response to the sanctions imposed on Russia by a number of countries, Russia has implemented a number of capital control measures including restrictions on disposal of Russian investments by foreign investors and restriction of foreign currency transfers to overseas counterparties for non-trade related debts. As a result, having also considered the valuation performed by an independent qualified valuer ("Valuer"), it was assessed by management that it was unable to estimate a reasonable fair value of the investment other than a zero value, as any measures would be subject to such high measurement uncertainty that no estimate would provide useful information even if it were accompanied by a description of the estimate made in producing it and an explanation of the uncertainties that affect the estimate.

As such, management was of the view that the Group's interest in the Associate as at 31 March 2022 was of a nominal value from both a fair value less costs of disposal and value in use perspective. Accordingly, management recognised a full impairment loss of S$10,380,000 against the entire gross carrying value of the interest in Associate in profit or loss during the financial year ended 31 March 2022.

13. Interest in associates (cont'd)

During the financial years ended 31 March 2024 and 2023, the Group has obtained legal opinions on the impact of sanctions in relation to Russia in respect of the Group's relationship with the Associate and the Group's ability to realise the economic benefit in its capacity as a foreign shareholder. Taking into consideration of the external lawyer's opinion, the Associate's actual financial performance and the receipt of dividends and collection of receivables from the Associate during the year, the capital control measures and the sanctions on Russia on the Group's ability to realise the economic benefit as a foreign shareholder, the management of the Group considers that there was an indication of impairment reversal of the Group's interest in the Associate. Based on the cash flow forecast approved by management covering a five-year period of the Associate, it is anticipated that the Associate will continue business as usual. Discount rate of 27.0% (2023: 28.0%) per annum was used to discount the cash flow forecast. The Group appointed the Valuer to evaluate the recoverable amount of the interest in Associate based on value in use. As a result, the management of the Group recognised a reversal of impairment loss of S$7,812,000 (2023: S$2,568,000) on the interest in Associate with reference to the value in use of the equity interest in the Associate. Accordingly, the carrying amount of the interest in Associate amounted to S$14,547,000 (net of impairment loss of S$Nil) and S$6,613,000 (net of impairment loss of S$7,655,000) as at 31 March 2024 and 31 March 2023 respectively.

If management's estimate of discount rate increases or decreases by 1% (2023: 1%) per annum, the amount of value in use would decrease by S$958,000 (2023: S$289,000) or increase by S$1,049,000 (2023: S$267,000) respectively.

The Group did not receive any dividend (2023: received a dividend of S$2,017,000) from the Associate and recognised share of profit of Associate of S$2,941,000 (2023: S$7,079,000) during the financial year ended 31 March 2024. The carrying value of the Associate is determined after taking into consideration the impairment loss for the financial year.

The Group's share of results of associates comprised:

	Group	
	2024	2023
	S$'000	S$'000
Share of (loss) profit before taxation	**(57,757)**	30,412
Share of taxation	**(1,612)**	(6,284)
Share of results	**(59,369)**	24,128

The following are the Group's material associates:

i) XIC and its subsidiaries ("XIC Group") (Note a)

ii) Meiloon and its subsidiaries ("Meiloon Group")

Note:

a) For the year ended 31 March 2023, XIC was a material associate to the Group and was accounted for using the equity method in the consolidated financial statements. As of 31 March 2024, the Group no longer has significant influence over XIC as a result of loss of representation by the Group in the board of directors of XIC due to the resignation of directorship on 20 March 2024. The Group has equity accounted the results of XIC for the financial year ended 31 March 2024 and discontinued the use of the equity method as at 31 March 2024. As a result, the Group's 39.13% direct equity interest in XIC was classified as financial assets at FVTOCI as at 31 March 2024. The Group's share of loss (including impairment loss of S$71,890,000) of XIC for the financial year ended 31 March 2024 was S$76,350,000. The Group's share of attributable loss (including impairment loss) of XIC for the financial year ended 31 March 2024 are non-cash and extraordinary in nature.

13. Interest in associates (cont'd)

Summarised financial information in respect of each of the Group's material associates for the financial year ended and as at 31 March 2024 are as follows:

	XIC Group[1] S$'000	Meiloon Group S$'000
2024		
Current assets	n/a	208,755
Non-current assets	n/a	118,388
Current liabilities	n/a	(87,990)
Non-current liabilities	n/a	(58,069)
Non-controlling interests	n/a	(14,366)
Equity attributable to equity holders of the associate	n/a	166,718
Revenue	183,383	100,150
(Loss) Profit attributable to equity holders of the associate	(195,118)	1,605
Other comprehensive loss	(906)	(6,541)
Total comprehensive loss	(196,024)	(4,936)
Change in net assets other than other comprehensive income (Note a)	-	507
Dividend received from the associate during the financial year	-	1,148

Note:

a) Comprise of reserve adjustments arising from change in non-controlling interests of Meiloon during the financial year.

Reconciliation of the above summarised financial information to the carrying amount of the interest in associates recognised in the consolidated financial statements:

	XIC Group[1] S$'000	Meiloon Group S$'000
2024		
Equity attributable to equity holders of the associate	n/a	166,718
Proportion of the Group's ownership	n/a	20.27%
The Group's share of equity attributable to equity holders of the associate	n/a	33,788
Goodwill	n/a	6,367
Other adjustments	n/a	(715)
Carrying amount of the Group's interest in the associate	n/a	39,440

[1] n/a – not applicable. As at 31 March 2024, the Group no longer has significant influence over XIC and the investment in XIC was classified as financial assets at FVTOCI. Refer to Note 35 for further details.

13. Interest in associates (cont'd)

Summarised financial information in respect of each of the Group's material associates for the financial year ended and as at 31 March 2023 are as follows:

	XIC Group S$'000	Meiloon Group S$'000
2023		
Current assets	376,924	234,485
Non-current assets	233,137	116,365
Current liabilities	(267,513)	(81,859)
Non-current liabilities	(23,253)	(77,908)
Non-controlling interests	(3,898)	(14,420)
Equity attributable to equity holders of the associate	315,397	176,663
Revenue	343,628	158,181
Profit attributable to equity holders of the associate	9,297	4,227
Other comprehensive loss	(14,104)	(337)
Total comprehensive (loss) income	(4,807)	3,890
Change in net assets other than other comprehensive income (Note a)	(189,255)	-
Dividend received from the associate during the financial year	-	2,850

Note:

a) Comprise mainly capital reserve deficit arising from the acquisition of Light Engine by XIC during the financial year ended 31 March 2023.

Reconciliation of the above summarised financial information to the carrying amount of the interest in associates recognised in the consolidated financial statements:

	XIC Group S$'000	Meiloon Group S$'000
2023		
Equity attributable to equity holders of the associate	315,397	176,663
Proportion of the Group's ownership	39.13%	20.27%
The Group's share of equity attributable to equity holders of the associate	123,415	35,803
Goodwill	-	6,573
Other adjustments	(437)	(37)
Carrying amount of the Group's interest in the associate	122,978	42,339

Aggregate information of associates that are not individually material are as follows:

	2024 S$'000	2023 S$'000
The Group's share of:		
Results	**16,656**	19,641
Other comprehensive loss	**(4,078)**	(3,350)
Total comprehensive income	**12,578**	16,291
Aggregate carrying amount of the Group's interest in these associates	**115,814**	103,264

13. Interest in associates (cont'd)

Unrecognised share of profit (loss) of associates are as follows:

	2024	2023
	S$'000	S$'000
For the financial year	**46**	136
Cumulative share of loss	**-**	(46)

14. Financial assets at fair value through other comprehensive income

	Group		Company	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Non-current assets				
Investment in unquoted equity shares	**49,037**	4,191	**46,238**	-

The investment in unquoted equity shares represents investment in companies where the recoverability of investment is uncertain and dependent on the outcome of its activities. The fair values of these equity investments were derived using market approach and adjusted net assets approach.

As at 31 March 2024, an investment of S$46,238,000 (2023: S$Nil) representing 39.13% equity interest in XIC (Note 13), an entity incorporated in Hong Kong which is engaged in investment holding, was classified as financial assets at FVTOCI. The Group does not participate in the daily operations and has no voting power in the directors' meetings of the company. In the opinion of the directors, the Group cannot exercise significant influence over the company and accordingly, such investment is classified as equity instrument at FVTOCI.

15. Financial assets at fair value through profit or loss

	Group and Company	
	2024	2023
	S$'000	S$'000
Non-current assets		
Investment in unquoted equity shares	**3,957**	-

The investment in unquoted equity shares represents approximately 11.17% interests in GPET. Further details are disclosed in Note 39 and Note 36(i) for the fair value disclosure.

16. Intangible assets

	Group	
	2024	2023
	S$'000	S$'000
Goodwill	**6,323**	6,195
Trademarks	**3,710**	3,956
Patents	**25**	236
	10,058	10,387

Goodwill

Cost:		
Balance at beginning of the financial year	**15,138**	15,461
Currency realignment	**311**	(323)
Balance at end of the financial year	**15,449**	15,138
Accumulated impairment loss:		
Balance at beginning of the financial year	**8,943**	9,133
Currency realignment	**183**	(190)
Balance at end of the financial year	**9,126**	8,943
Carrying amount:		
Balance at end of the financial year	**6,323**	6,195

The recoverable amounts of the cash generating units ("CGUs") to which goodwill are allocated (the "Relevant CGUs") are determined at least annually. Where appropriate, the recoverable amount is determined from value in use calculations. The key assumptions for value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and risks specific to the CGUs. The growth rates are based on industry growth forecasts or expected market development. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

During the financial year, the Group carried out a review of the recoverable amount of the Relevant CGUs. Recoverable amount determined from value in use calculations were based on cash flow projections derived from most recent financial budget approved by management for the next year (2023: one year) and extrapolates for the following four years (2023: four years) based on a growth rates of 4.0% to 8.0% (2023: 4.0% to 8.0%) and a terminal growth rate of 2.3% (2023: 2.0%). Discount rate of 15.6% (2023: 13.2%) was used to discount the cash flow forecast.

If management's estimate of discount rate increases or decreases by 1%, the amount of value in use would decrease by S$2,761,000 (2023: S$3,425,000) or increase by S$2,827,000 (2023: S$2,909,000) respectively.

As at 31 March 2024, management has determined that the recoverable amounts of the Relevant CGUs are appropriate, after considering, *inter alia*, the value in use calculations based on the key assumptions and taking into account the sensitivity analysis above. In addition, any reasonably possible change to the key assumptions applied is not likely to cause the recoverable amount to be below the carrying amount of the respective CGU. Accordingly, no allowance or further allowance for impairment loss is required.

16. Intangible assets (cont'd)

Trademarks

	Group	
	2024	2023
	S$'000	S$'000
Cost:		
Balance at beginning of the financial year	**6,420**	6,557
Currency realignment	**132**	(137)
Balance at end of the financial year	**6,552**	6,420
Accumulated amortisation:		
Balance at beginning of the financial year	**2,464**	2,189
Charge for the financial year	**326**	332
Currency realignment	**52**	(57)
Balance at end of the financial year	**2,842**	2,464
Carrying amount:		
Balance at end of the financial year	**3,710**	3,956

Patents

	Group	
	2024	2023
	S$'000	S$'000
Cost:		
Balance at beginning of the financial year	**423**	-
Additions	**-**	437
Currency realignment	**9**	(14)
Balance at end of the financial year	**432**	423
Accumulated amortisation:		
Balance at beginning of the financial year	**187**	-
Charge for the financial year	**215**	193
Currency realignment	**5**	(6)
Balance at end of the financial year	**407**	187
Carrying amount:		
Balance at end of the financial year	**25**	236

17. Inventories

	Group	
	2024	2023
	S$'000	S$'000
Raw materials	**53,361**	67,280
Work-in-progress	**41,470**	54,570
Finished goods	**85,623**	86,634
	180,454	208,484

The cost of inventories recognised as an expense includes S$1,174,000 (2023: S$4,392,000) in respect of write-downs of inventory to net realisable value and allowance for slow moving inventories, and has been reduced by S$1,071,000 (2023: S$546,000) in respect of the reversal of such write-downs. Previous write-downs have been reversed as a result of increased sales price in certain markets and reduction in slow moving inventories for certain products.

18. Receivables and prepayments

	Group		Company	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Trade receivables:				
Third parties	**162,075**	158,071	**-**	-
Associates (Note a)	**15,899**	8,818	**-**	-
Related parties (Note a)	**490**	-	**-**	-
Less: Allowance for ECL:				
Third parties	**(4,453)**	(4,970)	**-**	-
Associates	**(1,642)**	(1,847)	**-**	-
	172,369	160,072	**-**	-
Other receivables:				
Third parties	**32,128**	44,504	**23**	-
Ultimate holding company (Note a)	**5,828**	-	**-**	-
Associates (Note a)	**575**	1,374	**-**	-
Subsidiaries (Note b)	**-**	-	**8,027**	28,880
Related parties (Note a)	**19,156**	-	**91**	-
Less: Allowance for ECL:				
Third parties	**(8,711)**	(8,913)	**-**	-
Associates	**-**	(313)	**-**	-
	48,976	36,652	**8,141**	28,880
Deposits and prepayments	**17,894**	18,726	**343**	559
	239,239	215,450	**8,484**	29,439

Note:

a) The amounts due from ultimate holding company, associates and related parties are unsecured, non-interest bearing and repayable on demand.

b) The amounts due from subsidiaries included loans receivable from a subsidiary amounting to S$8,000,000 (2023: S$28,480,000), with interest rates ranging from 5.7% to 6.2% (2023: 2.7% to 6.9%) per annum.

As at 1 April 2022, trade receivables from contracts with customers amounted to S$189,346,000 (net of loss allowance of S$8,633,000).

Trade receivables are generally non-interest bearing with credit terms of up to 120 days (2023: 120 days). The Group closely monitors the credit quality of its trade receivables. For receivables that are not past due, they are considered collectable and accordingly not impaired. Interest may be charged on past due trade receivables.

18. Receivables and prepayments (cont'd)

Movement in lifetime ECL that has been recognised for trade receivables under the simplified approach:

	Group		
	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	**Total**
	S$'000	S$'000	**S$'000**
Balance at 1 April 2023	3,292	3,525	**6,817**
(Reversal of) Allowance for ECL for the financial year, net	(1,896)	1,748	**(148)**
Amount utilised	-	(485)	**(485)**
Currency realignment	(40)	(49)	**(89)**
Balance at 31 March 2024	1,356	4,739	**6,095**
Balance at 1 April 2022	6,704	1,929	8,633
(Reversal of) Allowance for ECL for the financial year, net	(3,174)	1,777	(1,397)
Amount utilised	-	(119)	(119)
Currency realignment	(238)	(62)	(300)
Balance at 31 March 2023	3,292	3,525	6,817

<u>Other receivables</u>

As at 31 March 2024, a loss allowance of S$8,711,000 (2023: S$9,226,000) for ECL were provided against other receivables.

Other receivables of the Company consists mainly of non-trade advances to subsidiaries. For the purpose of impairment assessment, the loss allowance is measured at an amount equal to 12-month ECL. In determining the ECL, management has taken into account the financial position of the subsidiaries, adjusted for factors that are specific to the subsidiaries and general economic conditions of the industry in which the subsidiaries operate, in estimating the probability of default of the amount due from subsidiaries as well as the loss upon default. Management determined that the default risk for the amount due from subsidiaries is low.

For purpose of impairment assessment, the other receivables of the Group are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition, except for the loan to non-controlling interests as at 31 March 2024, and the other receivables due from the Associate and the loan to non-controlling interests as at 31 March 2023, which was assessed individually due to significant increase in credit risk (Note 36(d)). For the purpose of impairment assessment for other receivables with low credit risk, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the expected credit losses for these receivables, management has taken into account the historical default experience and the financial position of the counterparties and considering various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

19. Short-term investments

	Group	
	2024	2023
	S$'000	S$'000
Investment in quoted equity shares	**219**	162

The investment in quoted equity shares are held for trading which have no fixed maturity date or coupon rate. The fair value of the quoted equity shares was based on the quoted closing market price on the last market day of a reporting period.

20. Bank balances, deposits and cash

The carrying amounts of bank balances, deposits and cash approximate their fair values.

21. Trade and other payables

	Group		Company	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Trade payables:				
Third parties	**155,362**	169,061	**-**	-
Associates	**18,482**	14,104	**-**	-
Related parties	**11,922**	-	**-**	-
Other payables:				
Third parties	**28,088**	31,722	**168**	185
Ultimate holding company	**-**	2,400	**-**	-
Associates	**123**	117	**-**	-
Subsidiaries	**-**	-	**89,171**	16,758
Related parties	**8,707**	-	**-**	-
Accrued charges	**40,219**	47,036	**1,667**	2,964
	262,903	264,440	**91,006**	19,907

Trade payables have credit terms of up to 120 days (2023: 120 days).

The amounts due to ultimate holding company, associates, related parties, subsidiaries and other payables are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

22. Contract liabilities

Contract liabilities are mainly advance payment received from customers. The amount of revenue recognised in the current reporting period which relates to brought-forward contract liabilities is S$14,789,000 (2023: S$18,883,000). The remaining of the brought-forward contract liabilities of S$122,000 was written-off during the year.

23. Lease liabilities

The maturity analysis of lease liabilities of the Group and the Company are as follows:

	Group		Company	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Contractual undiscounted cash flows:				
Within one year	**12,117**	11,896	**680**	627
After one year but within two years	**10,846**	9,293	**581**	723
After two years but within five years	**10,573**	15,107	**687**	1,395
After five years	**8,556**	22,215	**-**	-
	42,092	58,511	**1,948**	2,745
Less: Future interest expense	**(5,210)**	(10,365)	**(127)**	(240)
Present value of lease liabilities	**36,882**	48,146	**1,821**	2,505
Analysed as:				
Current	**10,410**	9,767	**615**	527
Non-current	**26,472**	38,379	**1,206**	1,978
	36,882	48,146	**1,821**	2,505

The Group's lease liabilities of S$13,000 (2023: S$499,000) are secured over certain right-of-use assets (Note 11).

The initial lease terms ranged between one year two months and ten years (2023: one year four months and fifteen years).

The total cash outflow for leases (including short-term, low value assets and variable leases) amounted to S$15,306,000 (2023: S$14,902,000).

24. Bank and other loans

	Group		Company	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Current liabilities				
Secured				
Current portion of motor vehicle loan	**27**	-	**27**	-
Unsecured				
Current portion of long-term bank loans (Note a, c)	**57,015**	97,023	**25,038**	79,869
Short-term bank loans (Note c)	**223,863**	247,565	**35,270**	35,045
Import and export loans	**13,614**	18,612	**-**	-
	294,519	363,200	**60,335**	114,914
Non-current liabilities				
Secured				
Motor vehicle loan	**141**	-	**141**	-
Unsecured				
Long-term bank loans due after one year (Note a, c)	**196,111**	138,659	**32,139**	57,137
	196,252	138,659	**32,280**	57,137
	490,771	501,859	**92,615**	172,051

Note:

a) Long-term bank loans of the Group and the Company are stated net of unamortised transaction costs, which amounted to S$1,101,000 (2023: S$681,000) and S$162,000 (2023: S$681,000) respectively for the current portion; and S$1,538,000 (2023: S$263,000) and S$61,000 (2023: S$263,000) respectively for the non-current portion. These loans are repayable within one to three years (2023: one to four years) and are based on variable interest rates.

b) As at 31 March 2024 and 2023, there were no incidence of non-compliance with the financial covenants committed under various loan facility agreements.

c) As at 31 March 2023, the Group has repaid all of its United States Dollar London Inter-Bank Offer Rate bank borrowings. Save for the credit spread adjustment added to certain loans after their transitioning, no other terms were amended as part of the transition. The Group accounted for the change to SOFR using the practical expedient in SFRS(I) 9, which allows the Group to change the basis for determining the contractual cash flows prospectively by revising the effective interest rate. Refer to Note 36(e).

As at 31 March 2024, bank loans of the Company amounting to S$70,350,000 (2023: S$148,895,000) were guaranteed by certain subsidiaries of the Company.

24. Bank and other loans (cont'd)

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Note	At 1 April 2023	Financing cash flows	Non-cash changes: Foreign exchange movement	Non-cash changes: Net lease liabilities additions	Non-cash changes: Others	Transaction costs paid, net of amortisation	**At 31 March 2024**
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	**S$'000**
Lease liabilities	23	48,146	(10,913)[1]	(1,045)	13,773	(13,079)[3]	-	**36,882**
Bank and other loans	24	501,859	(8,433)[2]	(565)	-	(548)[3]	(1,542)	**490,771**
		550,005	(19,346)	(1,610)	13,773	(13,627)	(1,542)	**527,653**

	Note	At 1 April 2022	Financing cash flows	Non-cash changes: Foreign exchange movement	Non-cash changes: Net lease liabilities additions	Amortisation, net of transaction costs paid	At 31 March 2023
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Lease liabilities	23	52,945	(10,851)[1]	(4,293)	10,345	-	48,146
Bank and other loans	24	561,434	(45,405)[2]	(14,460)	-	290	501,859
		614,379	(56,256)	(18,753)	10,345	290	550,005

(1) Being repayment of principal element of lease liabilities in the consolidated statement of cash flows.

(2) The cash flow comprises the following items shown in the consolidated statement of cash flows:

	2024	2023
	S$'000	S$'000
Drawdown of bank and other loans	**127,935**	133,827
Repayment of bank and other loans	**(136,368)**	(179,232)
	(8,433)	(45,405)

(3) Being derecognised upon DIS of GPET Shares (Note 39).

25. Deferred tax assets and deferred tax liabilities

Movements in the deferred tax assets and deferred tax liabilities recognised by the Group and the Company are as follows:

	Lease Liabilities / Right-of-use assets* S$'000	Accelerated tax depreciation S$'000	Revaluation of investment property S$'000	Tax losses S$'000	Other temporary differences, net S$'000	**Total S$'000**
Group						
Deferred tax assets						
Balance at 1 April 2023	7,194	1,805	-	1,701	2,323	**13,023**
Credit (Charge) to profit or loss for the financial year	463	(375)	-	(90)	(571)	**(573)**
Distribution in specie (Note 39)	(2,760)	-	-	-	-	**(2,760)**
Currency realignment	168	(40)	-	20	34	**182**
Balance at 31 March 2024	5,065	1,390	-	1,631	1,786	**9,872**
Balance at 1 April 2022	7,015	2,102	-	975	2,860	12,952
Credit (Charge) to profit or loss for the financial year	318	(148)	-	770	(454)	486
Currency realignment	(139)	(149)	-	(44)	(83)	(415)
Balance at 31 March 2023	7,194	1,805	-	1,701	2,323	13,023
Deferred tax liabilities						
Balance at 1 April 2023	7,194	1,020	-	-	5,170	**13,384**
Charge (Credit) to profit or loss for the financial year	448	718	-	-	(126)	**1,040**
Distribution in specie (Note 39)	(2,760)	-	-	-	(67)	**(2,827)**
Currency realignment	132	(58)	-	-	105	**179**
Balance at 31 March 2024	5,014	1,680	-	-	5,082	**11,776**
Balance at 1 April 2022	7,015	835	371	-	9,600	17,821
Charge (Credit) to profit or loss for the financial year	318	234	-	-	(4,140)	(3,588)
Disposal of a subsidiary	-	-	(392)	-	-	(392)
Currency realignment	(139)	(49)	21	-	(290)	(457)
Balance at 31 March 2023	7,194	1,020	-	-	5,170	13,384

25. Deferred tax assets and deferred tax liabilities (cont'd)

	Lease Liabilities / Right-of-use assets* S$'000
Company	
Deferred tax assets	
Balance at 1 April 2023	**426**
Charge to profit or loss for the financial year	**(116)**
Balance at 31 March 2024	**310**
Balance at 1 April 2022	71
Credit to profit or loss for the financial year	355
Balance at 31 March 2023	426
Deferred tax liabilities	
Balance at 1 April 2023	**426**
Credit to profit or loss for the financial year	**(109)**
Balance at 31 March 2024	**317**
Balance at 1 April 2022	71
Charge to profit or loss for the financial year	355
Balance at 31 March 2023	426

* As at 1 April 2022, the Group and the Company recognises deferred tax asset of S$7,015,000 and S$71,000 (31 March 2023: S$7,194,000 and S$426,000) respectively and deferred tax liability of S$7,015,000 and S$71,000 (31 March 2023: S$7,194,000 and S$426,000) respectively in relation to its lease liabilities and right-of-use assets, following the adoption of the amendments to SFRS(I) 1-12 as disclosed in Note 33.

The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Group		Company	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Deferred tax assets	**9,872**	13,023	**310**	426
Set off of tax	**(4,940)**	(7,194)	**(310)**	(426)
Net deferred tax assets	**4,932**	5,829	**-**	-
Deferred tax liabilities	**11,776**	13,384	**317**	426
Set off of tax	**(4,940)**	(7,194)	**(310)**	(426)
Net deferred tax liabilities	**6,836**	6,190	**7**	-

As at 31 March 2024, subsidiaries of the Group had potential tax benefits of approximately S$64,628,000 (2023: S$66,455,000) arising from unutilised tax losses, unabsorbed wear and tear allowances and other temporary differences, which were available for set off against future taxable profits. These potential tax benefits were not recognised in the financial statements due to the uncertainty of future profits available to utilise these losses. The use of these potential tax benefits is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the subsidiaries operate.

Unutilised tax losses include losses of S$24,828,000 (2023: S$30,535,000) for subsidiaries operating in certain foreign tax jurisdiction that will expire within five years.

At as 31 March 2024, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries and associates for which deferred tax liabilities have not been recognised was S$119,357,000 (2023: S$96,897,000). No deferred tax liability has been recognised in respect of these temporary differences because the Group is in a position to control the timing of the reversal of the temporary differences, and it is probable that such differences will not reverse in the foreseeable future.

26. Issued capital, treasury shares, dividends and distribution in specie

a) Issued capital

	Group and Company			
	2024	2023	**2024**	2023
	Number of ordinary shares		**S$'000**	S$'000
Issued and fully paid up:				
At beginning and end of the financial year	**521,358,482**	521,358,482	**286,307**	286,307

Fully paid ordinary shares of the Company ("Shares"), which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

b) Treasury shares

	Group and Company			
	2024	2023	**2024**	2023
	Number of ordinary shares		**S$'000**	S$'000
At beginning and end of the financial year	**37,515,000**	37,515,000	**20,978**	20,978

Treasury shares are Shares that are held by the Company. The Company cannot exercise the voting rights in respect of the treasury shares and the treasury shares are not entitled to dividend or other distribution to be paid by the Company.

c) Dividends

	Group and Company	
	2024	2023
	S$'000	S$'000
i) Dividends paid during the financial year are as follows:		
Final tax-exempt (1-tier) dividend of 1.50 Singapore cents ("S cents") per Share for the financial year ended 31 March 2023	**7,258**	-
Final tax-exempt (1-tier) dividend of 2.00 S cents per Share for the financial year ended 31 March 2022	**-**	9,677
Interim tax-exempt (1-tier) dividend of 1.00 S cent per Share for the financial year ended 31 March 2024	**4,838**	-
Interim tax-exempt (1-tier) dividend of 1.00 S cent per Share for the financial year ended 31 March 2023	**-**	4,838
	12,096	14,515
ii) Dividends proposed before these financial statements were authorised and not included as liabilities in these financial statements are as follows:		
Final tax-exempt (1-tier) dividend of 1.00 S cent per Share for the financial year ended 31 March 2024 (2023: 1.50 S cents)	**4,838**	7,258

d) Distribution in specie

	Group		Company	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Distribution in specie	**31,658**	-	**35,418**	-

On 29 January 2024, the Company has completed the distribution in specie of 429,834,488 ordinary shares in the issued share capital of GPET and S$3,953,512 (being the cash equivalent of 54,008,994 GPET Shares), representing the entire issued share capital of GPET. The Group's value of the DIS of S$31,658,000 represents the carrying amount of net assets distributed (Note 39).

27. Simple agreements for future equity

On 26 January 2023, KEF GP Group Limited ("KGG"), a subsidiary of the Company, entered into simple agreements for future equity ("SAFE") with certain investors, who are long-term partners and business associate and supporters of KEF and Celestion branded products, for an aggregate purchase amount of US$13.7 million (equivalent to S$18,793,000). The SAFE provide the investors with rights to future equity in KGG under the terms of the agreements. The SAFE will automatically convert into preferred shares to be issued to the investors in the future capital raising transactions, which is equal to SAFE amount divided by US$1,000. The SAFE will be terminated following (i) the issuance of shares of KGG for raising capital; or (ii) repayment to SAFE investors pursuant to change in control or dissolution of KGG. The SAFE is not mandatorily redeemable and has no interest rate or maturity date.

28. Lease commitments

The Group as lessee

As at 31 March 2024, the Group has approximately S$240,000 (2023: S$78,000) of aggregate undiscounted commitments for short-term leases.

29. Capital commitments

	Group		Company	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Capital expenditure:				
Commitments for the acquisition of property, plant and equipment	**438**	518	**-**	-

30. Contingent liabilities (unsecured)

	Group		Company	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Guarantees given to certain banks in respect of banking facilities utilised by subsidiaries	**-**	-	**312,852**	214,000
Others	**3,490**	2,150	**-**	-

The maximum amount the Group and the Company could become liable is as shown above.

The financial effects relating to financial guarantee contracts issued by the Company are insignificant to the financial statements of the Company and therefore are not recognised.

31. Segment information

Following the Group's announcement on 26 January 2023 with regards to the proposed restructuring of the Electronics and Acoustics subsidiaries and the issuance of SAFE by KGG which began during the first half of the financial year ended 31 March 2024, the Group reassessed and reorganised its Audio business segment (previously known as Electronics and acoustics business segment). As a result, the Audio business segment includes KGG and principal subsidiaries of the Company operating in the Audio business of the Group. The other dormant companies and associates that are mainly engaged in the manufacturing of high precision parts and components used in electronics products are reclassified to under Other industrial investments segment.

The comparative information has been reclassified and re-presented to reflect the new reporting segments, denoted by asterisk.

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

Battery

The battery business develops, manufactures and markets primary batteries, GP brand and related battery products.

Audio

The Group designs, manufactures and sells professional audio products, KEF branded audio systems, Celestion branded professional loudspeakers and related electronic and audio products.

31. Segment information (cont'd)

Other industrial investments

Comprises dormant companies, investment holding companies and the Group's associates, namely Meiloon and associates that are mainly engaged in the manufacturing of high precision parts and components used in electronics products. XIC ceased to be an associated company of the Group as at 31 March 2024 and was accounted for as financial assets at FVTOCI.

The executive directors of the Company, who are the chief operating decision makers, and management monitor the results of these business segments for the purpose of making decisions about resource allocation and performance assessment. The reportable segments apply the Group's accounting policies as described in Note 2. Segment performance is evaluated based on the Group's share of profit before taxation contributed by each business segment and after allocation of central administrative costs. Investment related finance cost and income taxes, which are managed on a group basis, are not allocated to the business segments.

Information regarding the Group's operating segments is presented below.

a) Operating segments

	Battery	Audio	Other industrial investments	Elimination	**Total**
	S$'000	S$'000	S$'000	S$'000	**S$'000**
2024					
Revenue					
External revenue	836,728	271,403	-	-	**1,108,131**
Inter-segment revenue	9	62	-	(71)	**-**
Total revenue	836,737	271,465	-	(71)	**1,108,131**
Results					
Contribution (Loss) before taxation	30,645	1,066	(73,225)	-	**(41,514)**
Other information					
Interest income	1,293	344	-	-	**1,637**
Finance costs	18,082	7,153	-	-	**25,235**
Share of results of associates	11,127	-	(70,496)	-	**(59,369)**
Depreciation and amortisation	32,054	11,459	1,282	-	**44,795**
(Allowance for) Write-back of inventory obsolescence and write-off of inventory, net	(544)	441	-	-	**(103)**
(Loss) Gain on disposal of property, plant and equipment, net	(24)	(8)	3	-	**(29)**
Write-back of expected credit losses, net	174	270	-	-	**444**
Reversal of impairment loss on interest in an associate	7,812	-	-	-	**7,812**
Fair value gain on short-term investments	-	-	73	-	**73**
Loss from disposal and / deemed disposal of interest in associates, net	271	-	-	-	**271**

31. Segment information (cont'd)

	Battery S$'000	Audio S$'000	Other industrial investments S$'000	Elimination S$'000	Total S$'000
2023 *(Re-presented)*					
Revenue					
External revenue	870,102	279,944	-	-	1,150,046
Inter-segment revenue	3	-	-	(3)	-
Total revenue	870,105	279,944	-	(3)	1,150,046
Results *					
Contribution (Loss) before taxation	27,692	(1,144)	12,250	-	38,798
Other information					
Interest income	888	926	-	-	1,814
Finance costs *	15,781	5,302	-	-	21,083
Share of results of associates *	11,371	-	12,757	-	24,128
Depreciation and amortisation *	34,782	9,634	848	-	45,264
Allowance for impairment loss on property, plant and equipment	3,608	-	-	-	3,608
Allowance for impairment loss on right-of-use assets	512	-	-	-	512
Allowance for inventory obsolescence and write-off of inventory, net	3,084	762	-	-	3,846
Gain on disposal of property, plant and equipment, net *	1,522	49	138	-	1,709
Write-back of (Allowance for) expected credit losses, net	3,620	(10,598)	-	-	(6,978)
Closure and relocation costs	2,065	-	-	-	2,065
Reversal of impairment loss on interest in an associate	2,568	-	-	-	2,568
Gain from disposal of a subsidiary	10,637	-	-	-	10,637
Fair value gain (loss) on short-term investments, net *	8,152	-	(533)	-	7,619
Gain from disposal and / deemed disposal of interest in associates	4,257	-	-	-	4,257
Loss from de-registration of a subsidiary	3,235	-	-	-	3,235

* Comparative figures in this Note 31 Segment information have been re-presented to be comparable with the financial year ended 31 March 2024, following the restructuring of the subsidiaries under the Audio segment.

31. Segment information (cont'd)

	Battery S$'000	Audio S$'000	Other industrial investments S$'000	Elimination S$'000	**Total S$'000**
2024					
Assets and liabilities					
Assets	934,549	290,240	193,545	(189,411)	**1,228,923**
Liabilities	575,180	217,262	116,050	(189,411)	**719,081**
Other information					
Interest in associates	55,941	-	99,313	-	**155,254**
Additions to property, plant and equipment	31,544	4,997	361	-	**36,902**
Additions to right-of-use assets	10,017	5,781	-	-	**15,798**

	Battery S$'000	Audio S$'000	Other industrial investments S$'000	Elimination S$'000	Total S$'000
2023 *(Re-presented)*					
Assets and liabilities					
Assets *	898,802	246,690	276,428	(61,550)	1,360,370
Liabilities *	533,486	168,836	42,289	(61,550)	683,061
Other information					
Interest in associates *	43,163	-	225,418	-	268,581
Additions to property, plant and equipment *	37,424	13,206	526	-	51,156
Additions to right-of-use assets *	4,024	5,513	2,940	-	12,477
Additions to intangible assets	-	437	-	-	437

31. Segment information (cont'd)

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

	Group	
		Re-presented
	2024	2023
	S$'000	S$'000
Results		
(Loss) Contribution before taxation per reportable segments *	**(41,514)**	38,798
Unallocated finance costs, net *	**(7,996)**	(7,739)
Taxation	**(8,246)**	(2,477)
Share of taxation of associates	**(1,612)**	(6,284)
Taxation attributable to non-controlling interests' share of results	**622**	(254)
(Loss) Profit attributable to equity holders of the Company	**(58,746)**	22,044
Interest income		
Per reportable segments	**1,637**	1,814
Unallocated interest income	**1,051**	442
Per consolidated financial statements	**2,688**	2,256
Finance costs		
Per reportable segments *	**25,235**	21,083
Unallocated finance costs *	**9,047**	8,181
Per consolidated financial statements	**34,282**	29,264
Assets		
Per reportable segments	**1,228,923**	1,360,370
Other unallocated assets	**8,019**	11,636
Per consolidated financial statements	**1,236,942**	1,372,006
Liabilities		
Per reportable segments	**719,081**	683,061
Unallocated bank loans and lease liabilities	**86,436**	146,295
Other unallocated liabilities	**8,567**	14,844
Per consolidated financial statements	**814,084**	844,200

31. Segment information (cont'd)

b) Geographical information

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

	2024 S$'000	2023 S$'000
Singapore	**9,261**	9,927
PRC	**484,536**	491,114
Other Asian countries	**63,438**	70,373
Asia	**557,235**	571,414
Germany, Netherlands, Russia and United Kingdom	**155,569**	163,892
Other European countries	**145,364**	159,521
Europe	**300,933**	323,413
United States of America	**223,732**	232,332
Other American countries	**19,384**	13,677
Americas	**243,116**	246,009
Others	**6,847**	9,210
Revenue	**1,108,131**	1,150,046

Non-current assets analysed by the geographical location in which the assets are located is as follows:

	2024 S$'000	2023 S$'000
Singapore	**1,482**	1,800
PRC	**459,205**	608,784
Other Asian countries	**71,396**	81,474
Europe	**28,128**	18,737
Americas and others	**6,104**	7,393
	566,315	718,188

Non-current assets comprise property, plant and equipment, right-of-use assets, interest in associates, deposits and prepayments and intangible assets.

c) No customer individually contributed more than 10% of the Group's revenue for the financial years ended 31 March 2024 and 2023.

32. Related party transactions, commitments and balances

Related companies in these financial statements refer to members of the ultimate holding company's group of companies, other than the Company and its subsidiaries.

Transactions between the Company and its subsidiaries, and among its subsidiaries, have been eliminated on consolidation and are not disclosed in this note.

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

	Group			
	Associates		Related companies	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Sales	**49,650**	39,630	**289**	-
Purchases	**(86,544)**	(56,047)	**(8,188)**	-
Rental income	**35**	54	**228**	304
Royalty income	**117**	123	**-**	-
Commission expenses	**(125)**	-	**-**	-
Marketing expenses	**(902)**	(125)	**-**	-

In addition to the related party information disclosed elsewhere in the financial statements, the Group and the Company have dividend receivable from related parties as at the end of the financial year as follows:

	Group		Company	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Associates	**2,600**	4,382	**1,378**	1,195
Subsidiaries	**-**	-	**5,288**	5,359
	2,600	4,382	**6,666**	6,554

The remuneration of the directors and key management personnel is as follows:

	Group	
	2024	2023
	S$'000	S$'000
Short-term benefits (including directors' fees)	**7,906**	9,152
Post-employment benefits	**293**	384
	8,199	9,536

33. Adoption of new and revised standards

During the financial year, the Group has adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations and effective for the Company's annual period beginning on or after 1 April 2023. The adoption of these new / revised SFRS(I) pronouncements does not result in any substantial change to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current and prior financial years, except as disclosed below.

Amendments to SFRS(I) 1-1 *Presentation of Financial Statements* and SFRS(I) Practice Statement 2 *Making Materality Judgements: Disclosure of Accounting Policies*

The Group has adopted the amendments to SFRS(I) 1-1 for the first time in the current year. The amendments change the requirements in SFRS(I) 1-1 with regard to disclosure of accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

33. Adoption of new and revised standards (cont'd)

The supporting paragraphs in SFRS(I) 1-1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Group has applied materiality guidance in SFRS(I) Practice Statement 2 in identifying its material accounting policies for disclosures in the related notes. The previous term 'significant accounting policies' used throughout the financial statements has been replaced with 'material accounting policy information'.

<u>Amendments to SFRS(I) 1-12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*</u>

The amendments apply for annual reporting periods beginning on or after 1 January 2023, which narrowed the scope of the recognition exemption of SFRS(I) 1-12 *Income Taxes* so that the exemption no longer applies to transactions such as leases and decommissioning obligations that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The Group applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. It also, at the beginning of the earliest comparative period presented, recognises deferred tax for all temporary differences related to leases and decommissioning obligations and has no material impact to the opening balance of retained earnings at that date.

The application of amendments to SFRS(I) 1-12 in the current period is disclosed in Note 25.

<u>Amendments to SFRS(I) 1-12 *International Tax Reform – Pillar Two Model Rules*</u>

The Group has adopted the amendments to SFRS(I) 1-12 for the first time in the current year. The scope of SFRS(I) 1-12 was amended to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("OECD"), including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in SFRS(I) 1-12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the Group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

The Pillar Two legislation is expected to be effective in Singapore for financial year beginning on or after 1 January 2025. However, Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions that the Group operates for financial year beginning on or after 1 January 2024. The Group is within the scope of the OECD Pillar Two model rules and has engaged a third-party consultant to independently perform an assessment of the Group's potential exposure to Pillar Two income taxes.

Based on the assessment, of the jurisdictions in which the Group operates, namely Germany, Japan, South Korea, Malaysia, the Netherlands, the United Kingdom (including Poland and United States, the UK subsidiaries) and Vietnam enacted or substantively enacted Pillar Two legislation during the year 2023. Since the Pillar Two legislation was not effective for the Group for the financial year ended 31 March 2024, the Group has no related current tax exposure. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Under the Pillar Two legislation, the Group is liable to pay a top-up tax for the difference between its Global Anti-Base Erosion ("GloBE") effective tax rate ("ETR") per jurisdiction and the 15% minimum rate. Given the complexities involved in calculating GloBE Income, the Group has assessed the Pillar Two tax implication of the jurisdictions in which the Group operates based on the financial data for the financial year ended 31 March 2024 for jurisdictions which have enacted or substantively enacted Pillar Two legislation, or will be subject to Pillar Two in the financial year ending 31 March 2025. Based on the assessment performed for the financial year ended 31 March 2024, all jurisdictions in which the Group operates satisfied the Transitional CbCR Safe Harbour criteria, except for Poland and Vietnam.

The average ETR in Poland and Vietnam is less than 15%. Based on the assessment performed for the financial year ended 31 March 2024, if the Pillar Two rules were to have been effective in the financial year ended 31 March 2024, it is estimated that the Group's loss after taxation could have increased by 1.1%. The Group will continue to monitor the Pillar Two developments and reassess the potential impacts when the legislation comes into effect.

34. New and revised financial reporting standards

At the date of authorisation of these financial statements, the following SFRS(I) pronouncements that are relevant to the Group and the Company were issued but not effective:

- Amendments to SFRS(I) 1-1 *Presentation of Financial Statements: Classification of Liabilities as Current or Non-current* (1)
- Amendments to SFRS(I) 16 *Lease Liability in a Sale and Leaseback* (1)
- Amendments to SFRS(I) 1-1 *Non-current Liabilities with Covenants* (1)
- Amendments to SFRS(I) 1-7 and SFRS(I) 7 *Supplier Finance Arrangements* (1)
- Amendments to SFRS(I) 1-21 *Lack of Exchangeability* (2)
- Amendments to SFRS(I) 10 *Consolidated Financial Statements* and SFRS(I) 1-28 *Investments in Associates and Joint Ventures: Sale or Contribution of Assets between Investor and its Associate or Joint Venture* (3)

(1) Applies to annual periods beginning on or after 1 January 2024.
(2) Applies to annual periods beginning on or after 1 January 2025.
(3) Effective date not yet announced.

Management anticipates that the adoption of the above standards in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

35. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's material accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgements in Applying the Group's Material Accounting Policies

Apart from those involving estimations (see below), management is of the view that there are no critical judgements that have a significant effect on the amounts recognised in the financial statements.

Key Sources of Estimation Uncertainty

In addition to the estimates and underlying assumptions mentioned elsewhere in the financial statements, the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of Property, Plant and Equipment and Right-of-Use Assets

Property, plant and equipment and right-of-use assets are reviewed for impairment whenever there is any indication that the assets are impaired. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the impairment loss. Details of the carrying amount of property, plant and equipment and right-of-use assets are stated in Notes 10 and 11 respectively.

Impairment of the Company's Interest in Subsidiaries and Associates

The Company's interest in subsidiaries and associates is reviewed for impairment whenever there is any indication that the investment may be impaired. The amount of impairment loss allowance provided during the financial year, the basis of estimating the recoverable amount and the carrying amount of the interest in subsidiaries and associates are stated in Notes 12 and 13 respectively.

Impairment Assessment on Interest in the Associate which is engaged in trading of battery-related products in Russia and ECL on Trade and Other Receivables due from the Associate

During the financial years ended 31 March 2024 and 2023, taking into consideration the Associate's actual financial performance and the receipt of dividends and collection of receivables from the Associate, the Group considers that there was an indication of impairment reversal of the Group's interest in the Associate and that there was a decrease in credit risk in respect of the trade and other receivables due from the Associate. Accordingly, management of the Group appointed the Valuer to evaluate the recoverable amount on the interest in the Associate and had individually assessed the ECL on the trade and other receivables due from the Associate.

35. Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Based on management's assessment, the Group recognised a reversal of impairment loss of S$7,812,000 (2023: S$2,568,000) on the interest in the Associate and a reversal of ECL provision of S$244,000 (2023: S$2,862,000) was made on the trade and other receivables due from the Associate. Details of the above assessments are disclosed in Notes 13 and 36(d).

Arising from geopolitical situation, the Group has obtained legal opinions on the sanction risks in respect of the Group's relationship with the Associate and the effects of the sanctions on Russia on the Group's ability to realise the economic benefit in its capacity as a foreign shareholder.

Valuation of investment in XIC Innovation Limited ("XIC") and impact on liquidity risk management

The Group engaged an independent external valuer to assess the fair value of the investment in XIC as at 31 March 2024, which is classified as financial asset at FVTOCI after the Group lost significant influence in XIC (Notes 13 and 14).

XIC and certain of its subsidiaries have received winding up petitions filed by a bank to the High Court of Hong Kong, SAR. Considering XIC's underperformance during the year and the winding up petitions, its viability to continue as a going concern is uncertain. However, the XIC Group is maintaining and continuing its business operations with the support from major customers and suppliers. XIC is preparing and evaluating its restructuring program and exploring the possibility in obtaining new funding from third parties to provide XIC Group with a way to continue its business to operate as a going concern. As the restructuring program has not been finalised, the Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair values of the investment in XIC as at 31 March 2024 amounting to S$46,238,000, of which details are disclosed in Note 36(i).

Any major new developments in XIC's business operations, the effect of its restructuring program, the outcome of the winding up petition, the results of the disposal of non-core assets owned by XIC and certain assets owned by its major shareholder to provide liquidity to XIC, and/or the availability of potential new funding from third parties, can affect the valuation and valuation approach and basis adopted by the independent external valuer. Due to the significant estimation uncertainty in the Group's valuation of its investment in XIC, any significant decline in the fair value of XIC may result in a reduction of the Group's consolidated total net assets which may impact the Group's ability to meet certain financial covenants and the Group's liquidity risk management. Management closely monitors the Group's compliance with financial covenants and has plans to respond to downside scenarios which may include monetising assets and raising capital fundings to optimise the Group's cash flow and preserve liquidity (Note 36(g)).

Allowance for ECL

The Group use provision matrix to calculate ECL for the trade receivables. The provision rates are based on internal credit ratings for each grouping of debtors that have similar credit risk characteristics. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable, and available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, certain material balances of trade receivables and those credit-impaired are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in Notes 18 and 36(d).

Impairment of Goodwill

The Group estimates the value in use of the cash-generating units to which the goodwill is allocated in determining whether goodwill requires any impairment. This requires the Group to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. Details of the carrying amount of goodwill are stated in Note 16.

Allowance for Inventory Obsolescence

The carrying amount of inventories, stated in Note 17, is progressively reduced based on the age and type of inventories. These estimates of realisable values are made by management after taking into account historical and forecast selling prices.

Income Taxes

The Group is subject to income taxes in numerous jurisdictions. Judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

As at 31 March 2024, the carrying amounts of taxation recoverable of the Group is S$3,087,000 (2023: S$5,807,000). The carrying amounts of income tax payable of the Group and the Company are S$1,731,000 (2023: S$8,654,000) and S$29,000 (2023: S$257,000) respectively. The carrying amounts of deferred tax assets and deferred tax liabilities are stated in Note 25.

36. Financial instruments, financial risk and capital risk management

a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Financial assets				
Financial assets at FVTOCI	**49,037**	4,191	**46,238**	-
Financial assets at FVTPL	**4,176**	162	**3,957**	-
Financial assets at amortised cost	**411,047**	410,619	**29,328**	65,654
Financial liabilities				
Financial liabilities at amortised cost	**756,313**	767,243	**183,844**	192,902

b) Financial risk management policies and objectives

The Group's major financial instruments include trade and other receivables, trade and other payables, bank balances and bank and other loans. The Group's financial assets at FVTOCI are not held for trading purposes. Details of these financial instruments are disclosed in the respective notes. The Group uses derivative financial instruments to manage its exchange rate, interest rate and raw material price exposures. Such financial instruments are not for speculative purposes.

The risks associated with the Group's major financial instruments include equity price risk, credit risk, interest rate risk, foreign currency risk and liquidity risk. The policies on how to manage these risks are set out in this Note 36.

Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and an effective manner. The Group's overall strategy remains unchanged from prior year.

c) Equity price risk management

As at 31 March 2024 and 2023, the Group is exposed to equity price risk arising from investment in equity shares classified as financial assets at FVTOCI, financial assets at FVTPL and short-term investments. Further details of these investments can be found in Notes 14, 15 and 19.

Equity price sensitivity for financial assets at FVTOCI

If the quoted price or inputs to the valuation model had been 5% higher or lower, while all other variables were held constant, the Group's fair value reserve at 31 March 2024 would increase or decrease by S$2,528,000 (2023: S$192,000).

Equity price sensitivity for financial assets at FVTPL

If the equity price or observable inputs had been 5% higher or lower, while all other variables were held constant, the Group's profit or loss for the financial year would increase or decrease by S$198,000.

Equity price sensitivity for short-term investments

If the quoted price had been 5% higher or lower, while all other variables were held constant, the Group's profit or loss for the financial year would increase or decrease by S$11,000 (2023: S$8,000).

d) Credit risk management

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets stated in the consolidated statement of financial position.

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

In addition, in assessing counterparty's risk, the Group also takes into consideration the possible impact of other significant events or factors which are not directly related to the creditworthiness of the debtor but may ultimately adversely affect the Group's collection of the receivables.

36. Financial instruments, financial risk and capital risk management (cont'd)

Trade receivables

In order to minimise the credit risk, the directors of the Company have delegated the management to be responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Before accepting any new customer, the Group uses an internal credit rating system to assess the potential customer's credit quality and defines credit limits by customer. Limits and rating attributed to customers are reviewed twice a year. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. In addition, the Group performs impairment assessment under ECL model on trade balances individually or based on a collective basis.

The Group has no major concentration of credit risk over trade receivables. Trade receivables consist of a large number of customers and spread across diverse industries.

As part of the Group's credit risk management, the Group applies internal credit rating for its customers. As at 31 March 2024, credit-impaired trade receivables (excluding trade receivables from the Associate) with gross carrying amount of S$5,088,000 (2023: S$3,871,000) were assessed individually and a loss allowance of S$4,739,000 (2023: S$3,525,000) was recorded for high risk customers. High risk represents there is evidence indicating the asset is credit-impaired.

The following table provides information about the exposure to credit risk for trade receivables which are assessed based on a collective basis within lifetime ECL (not credit-impaired). As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

Internal credit rating	Gross trade receivables S$'000	Range of loss rates %	ECL S$'000	**Net trade receivables S$'000**
31 March 2024				
Very low risk *	109,605	0.01 to 0.29	173	**109,432**
Low risk	25,541	0.30 to 1.00	168	**25,373**
Average risk	23,361	1.01 to 3.50	359	**23,002**
Moderate risk	489	3.51 to 50.00	24	**465**
	158,996		724	**158,272**
31 March 2023				
Very low risk *	97,297	0.01 to 0.29	165	97,132
Low risk	29,812	0.30 to 1.00	251	29,561
Average risk	21,483	1.01 to 3.50	323	21,160
Moderate risk	7,150	3.51 to 50.00	1,696	5,454
	155,742		2,435	153,307

* Included bills receivables amounting to S$2,041,000 (2023: S$4,546,000).

Internal credit rating definition:

"Very low risk"	The counterparty has a very low risk of default due to strong financial background and a prompt payment pattern.
"Low risk"	The counterparty has a low risk of default with strong financial background but occasionally repays after due dates.
"Average risk"	Debtor frequently repays after due dates but usually settle in full.
"Moderate risk"	There have been significant increases in credit risk since initial recognition through information developed internally or external resources.

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

36. Financial instruments, financial risk and capital risk management (cont'd)

Trade and other receivables due from the Associate

As at 31 March 2024 and 2023, the management has individually assessed the ECL of the trade and other receivables due from the Associate amounting to S$14,380,000 (2023: S$7,439,000), which comprise trade receivables of S$14,380,000 (2023: S$7,276,000) and S$Nil non-trade receivables (2023: S$163,000). Management had appointed the Valuer to assist in the estimation of the ECL provision of the trade and other receivables due from the Associate by determining expected loss rate and forward-looking adjustments (2023: expected probability of default rate, forward-looking adjustments and the estimated loss given default rate) based on market available information. The change in measurement approach takes into consideration the continuous collection of receivables from the Associate. Based on the results of the assessment, a reversal of ECL provision was made on the trade and non-trade receivables due from the Associate of S$225,000 and S$19,000 (31 March 2023: Reversal of ECL provision of S$2,619,000 and S$243,000) respectively. As at 31 March 2024, the ECL provision on the trade receivables due from the Associate amounted to S$632,000 (31 March 2023: ECL provision of S$857,000 and S$19,000 for trade receivables and non-trade receivables due from the Associate respectively). As at 31 March 2024, the carrying value of the trade receivables was S$13,748,000 (2023: carrying value of trade and non-trade receivables was S$6,563,000).

Loan to non-controlling interests

As at 31 March 2024 and 2023, the management has individually assessed the ECL of the loan to non-controlling interests of S$7,563,000 (2023: S$7,729,000). Management considered that due to the past due events of the loan to non-controlling interests, there is significant increase in credit risk in the loan to non-controlling interests. The management estimates the estimated loss rates of loan receivables based on historical credit loss experience of the debtors as well as the fair value of the collateral pledged by the customers to the loan receivables. Based on assessment by the management, a full ECL provision of S$7,563,000 (2023: S$7,729,000) was made on the loan to non-controlling interests.

Other receivables

In determining the ECL for other receivables, the management has made periodic individual assessment on the recoverability of other receivables, based on historical settlement records, past experience, and also forward-looking information, as appropriate, for example, the Group has considered the consistently low historical default rate in connection with payments, and concluded the credit risk inherent in the Group's outstanding other receivables is insignificant, except for other receivables due from the Associate as described in "Trade and other receivables due from the Associate" and "Loan to non-controlling interests" above.

The Group has no major concentration of credit risk in respect of its trade and other receivables.

Bank balances

The Group places its cash and fixed deposits with reputable financial institutions.

e) Interest rate risk management

The interest rate risk exposure of the Group mainly arises from its interest bearing debts and interest bearing assets, which are substantially bearing interest at floating rates. The Group considers, where appropriate, to use derivative financial instruments to mitigate the financial impact associated with interest rates fluctuations relating to certain actual or forecasted transactions.

The Group is exposed to variable interest rates arising from borrowings denominated in various currencies such as Singapore dollars, Hong Kong dollars and United States dollars.

The Group has certain variable interest bearing term loans which are subject to covenants requiring compliance with interest coverage ratios. The Group utilises short-term revolving credit facilities that are subject to variable interest rates. Management has evaluated the risk of non-compliance with these interest coverage covenants amidst a high interest rate environment and concluded based on the available information, that any reasonable change in the interest rates subsequent to reporting period up to June 2025 will not result in any non-compliance of covenant. The Group may also look into funding some of its future expansions by equity financing, where appropriate, to reduce the Group's borrowing level.

36. Financial instruments, financial risk and capital risk management (cont'd)

Interest rate benchmark transition for non-derivative financial instruments

The following table summarises the carrying amount of major non-derivative financial instruments indexed to the swap offer rate ("SOR") held by the Group and the Company which have not yet transitioned to new benchmark rates during the financial year ended 31 March 2023.

	Group	Company
	S$'000	S$'000
31 March 2023		
Bank loans	67,950	67,950
Amount receivable from a subsidiary linked to SOR	-	20,480

As at 31 March 2024, the Group and the Company do not have any non-derivative financial instruments that are subject to interest rate benchmark transition.

As at 31 March 2023, bank loans of the Group amounted to S$3,500,000 has completed the transition to the new benchmark rates.

Interest rate benchmark transition for derivative financial instruments

As at 31 March 2024 and 2023, the Group and the Company did not have any outstanding derivative financial instruments which were used to hedge interest rate risks.

Interest rate sensitivity analysis

If interest rate had been 50 basis points higher or lower and all other variables were held constant:

i) consolidated interest income for the financial year would increase or decrease by S$166,000 (2023: S$122,000).

ii) consolidated finance costs for the financial year would increase or decrease by S$2,800,000 (2023: S$2,769,000).

f) Foreign currency risk management

The Group's monetary assets and liabilities are mainly denominated in United States dollar, Euro, Hong Kong dollar, Japanese Yen, Malaysian Ringgit, Renminbi and Singapore dollar. Exposures to foreign currency risks are managed as far as possible by matching monetary assets and liabilities in the same currency denomination and supplemented with appropriate financial instruments where necessary. The Group considers, where appropriate, to use derivative financial instruments to mitigate the financial impact associated with foreign currency fluctuations relating to certain forecasted transactions.

The Group's significant net foreign currency denominated monetary assets (liabilities) exposures relative to the respective functional currency of the Company and its subsidiaries at the end of the reporting period are summarised below:

	Group	
	2024	2023
	S$'000	S$'000
Euro	**1,106**	1,232
Hong Kong dollar	**(70,875)**	51,506
Japanese Yen	**8,924**	5,986
Malaysian Ringgit	**(11,724)**	(8,173)
Renminbi	**(16,042)**	(7,813)
Singapore dollar	**(991)**	(944)
United States dollar	**7,623**	10,122

36. **Financial instruments, financial risk and capital risk management (cont'd)**

The Company's significant net foreign currency denominated monetary assets (liabilities) exposures relative to its functional currency at the end of the reporting period are summarised below:

	Company	
	2024	2023
	S$'000	S$'000
Hong Kong dollar	**(45,831)**	17,096
Japanese Yen	**(1,479)**	(1,864)
United States dollar	**12,323**	7,819

If the respective functional currency of the Company and its subsidiaries strengthens or weakens by 5% (2023: 5%) against the following major relevant foreign currencies with all other variables held constant, the Group would record additional exchange gain (loss) as follows:

	Group			
	2024		2023	
	Strengthen	**Weaken**	Strengthen	Weaken
	S$'000	**S$'000**	S$'000	S$'000
Euro	**(55)**	**55**	(64)	64
Hong Kong dollar	**3,455**	**(3,690)**	(3,130)	3,211
Japanese Yen	**(443)**	**443**	(312)	312
Malaysian Ringgit	**586**	**(586)**	409	(409)
Renminbi	**798**	**(798)**	381	(381)
Singapore dollar	**50**	**(50)**	47	(47)
United States dollar	**(381)**	**381**	(451)	451

If the functional currency of the Company strengthens or weakens by 5% (2023: 5%) against the following major relevant foreign currencies with all other variables held constant, the Company would record additional exchange gain (loss) as follows:

	Company			
	2024		2023	
	Strengthen	**Weaken**	Strengthen	Weaken
	S$'000	**S$'000**	S$'000	S$'000
Hong Kong dollar	**2,182**	**(2,412)**	(814)	900
Japanese Yen	**74**	**(74)**	93	(93)
United States dollar	**(616)**	**616**	(391)	391

In management's opinion, the sensitivity analyses are unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year due to seasonal effects of its business activities.

The Group's foreign currency translation risk arises mainly from the Company's foreign incorporated subsidiaries and associates, whose net assets are denominated in currencies other than Singapore dollar, the Company's reporting currency.

g) Liquidity risk management

The Group and the Company finances its operations through a combination of borrowings and equity. Adequate lines of credit are maintained to ensure the necessary liquidity is available when required. There are measures to monitor compliance with existing loan covenants imposed by the banks. The Group and the Company closely monitors their compliance with financial covenants and undertakings to identify any potential covenant issues and obtain waivers from the banks where necessary. As at the date of authorisation of these financial statements, the Group had sufficient headroom on its loan covenants (Note 24). Also, to respond to a severe downside scenario, management has plans to reduce non-essential capital expenditure and deferring or cancelling discretionary spending to reduce costs, and explore alternative strategies which may include monetising assets and raising capital fundings, optimise the Group's cash flow and preserve liquidity.

36. Financial instruments, financial risk and capital risk management (cont'd)

In preparing the consolidated financial statements, the management and Board of Directors have given careful consideration to the future liquidity of the Group in light of these circumstances. After considering the cash flow projection up to June 2025 prepared by management, which took into consideration the internally generated funds, continued support from the Group's existing bankers in providing banking and other credit facilities and that the Group will continue to have access to the short-term revolving credit facilities which are expected to be rolled over as and when they fall due, the Board of Directors has concluded that the Group and the Company will have sufficient financial resources to manage its liquidity risk for at least the next twelve months up to June 2025. As at the date of authorisation of these financial statements, the Group has available uncommitted credit facilities of approximately S$449,707,000.

The remaining contractual maturity for non-derivative financial liabilities at the end of the reporting period is as follows:

	Group					
	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	More than 5 years	Adjustments	**Total**
	%	S$'000	S$'000	S$'000	S$'000	**S$'000**
31 March 2024						
Non-interest bearing		262,903	-	-	-	**262,903**
Lease liabilities	5.4	12,117	21,419	8,556	(5,210)	**36,882**
Variable interest rate instruments	5.7	315,644	216,690	-	(38,924)	**493,410**
		590,664	238,109	8,556	(44,134)	**793,195**
31 March 2023						
Non-interest bearing		264,440	-	-	-	264,440
Lease liabilities	5.0	11,896	24,400	22,215	(10,365)	48,146
Variable interest rate instruments	5.4	382,395	143,419	-	(23,011)	502,803
		658,731	167,819	22,215	(33,376)	815,389

	Company				
	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	Adjustments	**Total**
	%	S$'000	S$'000	S$'000	**S$'000**
31 March 2024					
Non-interest bearing		91,006	-	-	**91,006**
Lease liabilities	4.5	680	1,268	(127)	**1,821**
Variable interest rate instruments	6.4	63,355	33,153	(3,670)	**92,838**
Financial guarantee contracts		312,852	-	(312,852)	**-**
		467,893	34,421	(316,649)	**185,665**
31 March 2023					
Non-interest bearing		19,907	-	-	19,907
Lease liabilities	4.5	627	2,118	(240)	2,505
Variable interest rate instruments	6.5	122,145	61,215	(10,365)	172,995
Financial guarantee contracts		214,000	-	(214,000)	-
		356,679	63,333	(224,605)	195,407

Liabilities pertaining to financial guarantee contracts are the Company's contingent liabilities arising from guarantees given to banks (Note 30).

36. Financial instruments, financial risk and capital risk management (cont'd)

h) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to its stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 24, and equity attributable to the equity holders of the Company.

Management reviews the Group's capital structure from time to time and recommends to the Board of Directors appropriate actions such as payment of dividend, new share issues, share buy-back and utilisation of available banking facilities.

The Group's overall strategy remains unchanged from the financial year ended 31 March 2023. The Group and the Company were in compliance with externally imposed capital requirements which include PRC legal requirement to set aside a legal reserve as at 31 March 2024 and 2023.

The Group and the Company closely monitors their compliance with financial covenants and undertakings required by certain financial institutions for the loans and banking facilities granted to the Group and the Company. As at 31 March 2024 and 2023, the Group and the Company complied with all the financial covenants and undertakings.

i) Fair values of financial assets and financial liabilities

The fair values of financial assets and financial liabilities approximate their respective carrying amounts recorded in the financial statements, determined in accordance with the accounting policies disclosed in Note 2.

The financial instruments carried at fair value, analysed by fair value hierarchy, are as follows:

	Group			
	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	**Total S$'000**
31 March 2024				
Financial assets				
Financial assets at FVTOCI	-	-	49,037	**49,037**
Financial assets at FVTPL	219	3,957	-	**4,176**
	219	3,957	49,037	**53,213**
31 March 2023				
Financial assets				
Financial assets at FVTOCI	-	-	4,191	4,191
Financial assets at FVTPL	162	-	-	162
	162	-	4,191	4,353

	Company			
	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	**Total S$'000**
31 March 2024				
Financial assets				
Financial assets at FVTOCI	-	-	46,238	**46,238**
Financial assets at FVTPL	-	3,957	-	**3,957**
	-	3,957	46,238	**50,195**

There were no transfers between the different level of fair value hierarchy during the financial years ended 31 March 2024 and 2023.

36. **Financial instruments, financial risk and capital risk management (cont'd)**

Fair value of the Group's and Company's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each financial year. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation techniques and inputs used).

Group

Financial assets	Fair value as at		Fair value hierarchy	Basis of fair value measurement/ valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	2024 S$'000	2023 S$'000				
1. Short-term investments	**219**	162	Level 1	The fair value of the equity securities is estimated by the price quotation available on the New York Stock Exchange in United States.	N/A	N/A
2. Equity instruments at FVTPL	**3,957**	N/A	Level 2	The fair value of the equity instrument is estimated by market value of the recent investment transactions.	N/A	N/A
3. Equity instruments at FVTOCI	**46,238**	N/A	Level 3	Asset-based approach. The approach considers the fair values of all assets and liabilities of the target group, along with the net value attributable to shareholders. The fair value of the assets of the target group considers a market participant's ability to generate economic benefits by utilising the asset in its highest and best use, and it involves estimating the price at which an orderly transaction would take place in the principal or most advantageous market. The fair value of the trade receivable, prepayments and deposits of the target group were assessed using the credit valuation adjustment method. The fair value of the building and land of the target group were assessed using both income and market approach. The fair value of equipment and inventory of the target group were assessed using the combination of market approach and cost approach.	Default rate and recovery rate. Capitalisation rate of land and building. Discount rate on inventory.	The higher the default rate, the lower the fair value of receivable. The higher the recovery rate, the higher the fair value of receivable. The higher the capitalisation rate of the land and building, the lower the fair value of the property. The higher the discount rate on the inventory replacement cost, the lower the fair value of inventory.

36. Financial instruments, financial risk and capital risk management (cont'd)

Group

Financial assets	Fair value as at		Fair value hierarchy	Basis of fair value measurement/ valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	2024 S$'000	2023 S$'000				
4. Equity instruments at FVTOCI	**2,799**	2,964	Level 3	Market approach. The market approach was used to determine the valuation by the average estimated values using the following multiples: enterprise value to earnings before interest, taxes, depreciation and amortisation ratio, enterprise value to earnings before interest, taxes ratio and price to earnings ratio of selected comparable listed companies in a similar business and similar business model and adjusted for the lack of marketability.	The discount of lack of marketability and applied multiples.	The higher the discount of lack of marketability, the lower the fair value. The higher the applied multiples, the higher the fair value.
5. Equity instruments at FVTOCI	**N/A**	1,227	Level 3	Combination of asset-based approach and market approach. The fair value of the target company was determined by the asset-based approach using the adjusted net asset value with adjustments for the lack of marketability. Net asset value of the target company was adjusted through fair value adjustments of each sub-entity held by the target company primarily by the market approach using enterprise value to sales ratio or enterprise value to earnings before interest, taxes ratio of selected comparable listed companies in a similar business and similar business model and adjusted for the lack of marketability.	The discount of lack of marketability and applied multiples.	The higher the discount of lack of marketability, the lower the fair value. The higher the applied multiples, the higher the fair value.

Information in the above table for investments No. 2 and No. 3 relates to the Company's equity instruments at FVTPL of S$3,957,000 (Note 15) and equity instruments at FVTOCI of S$46,238,000 (Note 14) respectively.

37. Subsidiaries

Significant subsidiaries of the Group are as follows:

Name of company	Place of incorporation and business	Principal activities	Effective percentage of equity and voting power held	
			2024	2023
			%	%
Battery segment [5]				
GP Batteries International Limited [a]	Singapore	Manufacture, development and marketing of batteries and battery-related products	**100**	100
Dongguan Chao Ba Batteries Co Ltd [2] [7] [9]	The People's Republic of China	Manufacturing of batteries	**-**	100
Dongguan GP Batteries Ltd. [2] [b]	The People's Republic of China	Manufacturing of batteries	**100**	100
GP Batteries (Americas) Inc [b]	United States of America	Marketing and trading in batteries	**100**	100
GP Batteries (Malaysia) Sdn Bhd [b]	Malaysia	Manufacturing of batteries	**100**	100
GP Batteries (Shenzhen) Co., Ltd [2]	The People's Republic of China	Manufacturing of batteries	**100**	100
GP Batteries (U.K.) Limited [g]	England and Wales	Marketing and trading in batteries	**100**	100
GP Batteries (Vietnam) Limited Liability Company [b]	Vietnam	Manufacturing of batteries	**96.00**	95.00
GP Battery Marketing (H.K.) Limited [b]	Hong Kong	Marketing and trading in batteries	**100**	100
GP Battery Marketing (Korea) Limited [g]	South Korea	Marketing and trading in batteries	**100**	100
GP Battery Marketing (Malaysia) Sdn Bhd [g]	Malaysia	Marketing and trading in batteries	**100**	100
GP Battery Marketing (Singapore) Pte Ltd [a]	Singapore	Marketing and trading in batteries	**100**	100
GP Battery (Poland) Sp. z.o.o. [g]	Poland	Marketing and trading in batteries	**100**	100
GP Battery Technology (HK) Limited [b]	Hong Kong	Investment holding	**100**	100
GP Energy Tech Limited [3] [7]	Cayman Islands	Investment holding	**-**	100
GP Energy Tech International Pte. Limited [6] [7] [9]	Singapore	Investment holding and trading	**-**	100
GP Energy Tech (Malaysia) Sdn. Bhd. [6] [7] [9] [b]	Malaysia	Manufacturing of batteries	**-**	100
GPI International Limited [b]	Hong Kong	Marketing and trading in batteries	**100**	100

37. Subsidiaries (cont'd)

Name of company	Place of incorporation and business	Principal activities	Effective percentage of equity and voting power held 2024 %	2023 %
GPPD Pte. Ltd. [(a)]	Singapore	Investment holding	**70.00**	70.00
GPPD Energy Company Limited [(2)]	Vietnam	Manufacturing and trading of batteries	**70.00**	70.00
Huizhou Chao Ba Batteries Co Ltd [(2)]	The People's Republic of China	Marketing and trading in batteries	**90.00**	90.00
Ningbo Fubang Battery Co Ltd [(h)]	The People's Republic of China	Manufacturing of batteries	**72.00**	72.00
Ningbo GP Energy Co., Ltd [(h)]	The People's Republic of China	Manufacturing of batteries	**90.00**	90.00
Ningbo GP & Sonluk Battery Co., Ltd [(h)]	The People's Republic of China	Manufacturing of batteries	**70.00**	70.00
Zhongyin (Ningbo) Battery Co Ltd [(2) (b)]	The People's Republic of China	Manufacturing of batteries	**70.00**	70.00
Audio segment				
Celestion Music Asia Limited [(8) (b)]	Hong Kong	Marketing and distribution of acoustic products	**100**	100
GP Acoustics GmbH [(1) (c)]	Germany	Marketing and distribution of acoustic and electronic products	**100**	100
GP Acoustics (HK) Limited [(1) (b)]	Hong Kong	Marketing, retailing and distribution of acoustic and electronic products	**100**	100
GP Acoustics International Limited [(1) (b)]	Hong Kong	Investment holding, design, marketing and distribution of acoustic and electronic products	**100**	100
GP Acoustics Limited [(3) (8)]	British Virgin Islands	Investment holding	**100**	100
GP Acoustics (Taiwan) Limited [(1) (3)]	Taiwan	Marketing and distribution of acoustic and electronic products	**100**	100
GP Acoustics (UK) Limited [(1) (b)]	England and Wales	Investment holding, design, marketing and distribution of acoustic and electronic products	**100**	100
GP Acoustics (US), Inc. [(1) (c)]	United States of America	Marketing and distribution of acoustic and electronic products	**100**	100
GP Electronics (HK) Limited [(8) (b)]	Hong Kong	Marketing and trading of audio products	**100**	100
GP Electronics (Huizhou) Co., Ltd. [(2) (8) (d)]	The People's Republic of China	Manufacturing of acoustic and electronic products	**100**	100

37. Subsidiaries (cont'd)

Name of company	Place of incorporation and business	Principal activities	Effective percentage of equity and voting power held 2024 %	2023 %
金柏電子有限公司 [1][2][4][e]	The People's Republic of China	Marketing and distribution of acoustic and electronic products	**100**	100
GP Electronics (SZ) Limited [2][8][e]	The People's Republic of China	Development of electronic products	**100**	100
GP Electronics & Acoustics Co., Ltd. [6][f]	Thailand	Manufacturing and trading of acoustic and electronic products	**90.00**	51.00
KEF Celestion Corporation [3][8]	Cayman Islands	Holding of trademarks	**100**	100
KEF GP Group Limited [3]	Cayman Islands	Investment holding	**100**	100
KEF Japan, Inc. [1][3]	Japan	Trading of acoustics products	**100**	100
Other industrial investments segment				
Bowden Industries Limited [1][b]	Hong Kong	Investment holding	**100**	100
CIH Limited [a]	Singapore	Investment holding	**100**	100
Faith Capital Investment Limited [b]	Hong Kong	Investment holding	**100**	100
Famingo Pte Ltd [a]	Singapore	Investment holding	**100**	100
Fancy Luck Investment Limited [1][b]	Hong Kong	Investment holding	**100**	100
Giant Fair Investment Limited [1][b]	Hong Kong	Investment holding	**100**	100
GP Electronics (China) Limited [b]	Hong Kong	Investment holding	**100**	100
GP Global Marketing Corporation [3]	Cayman Islands	Holding of trademarks	**100**	100
GP Global Marketing Limited [1][b]	Hong Kong	Marketing	**100**	100
GP Marketing Services (Shenzhen) Company Limited [1][2][e]	The People's Republic of China	Marketing	**100**	100
GPE International Limited [b]	Hong Kong	Investment holding	**100**	100
Key Win Industrial Limited [b]	Hong Kong	Investment holding	**100**	100
Nike Enterprises Limited [b]	Hong Kong	Investment holding	**100**	100

37. Subsidiaries (cont'd)

Note:

[1] Equity interest is held by subsidiaries of the Company.

[2] These subsidiaries, in compliance with their local statutory requirement, adopt 31 December as their financial year end. Such financial year end is not co-terminous with that of the Company. Adjustments are made for the effect of any significant transactions that occur between 1 January and 31 March. A member firm of Deloitte Touche Tohmatsu Limited has audited the financial statements of these subsidiaries for the purposes of the Group's consolidated financial statements for the financial year ended and as at 31 March 2024 ("2024 Consolidated Financial Statements").

[3] The financial statements of these subsidiaries are not audited as there are no statutory audit requirements in their countries of incorporation. The financial statements of these subsidiaries, with the exception of GP Acoustics (Taiwan) Limited and KEF Japan, Inc., have been audited by a member firm of Deloitte Touche Tohmatsu Limited for the purposes of the 2024 Consolidated Financial Statements.

[4] For identification purpose, the translated name for this subsidiary is "GP Acoustics (China) Limited".

[5] Other than GP Batteries International Limited ("GP Batteries") which is a directly held subsidiary of the Company, equity interest in other subsidiaries of the battery segment is held by GP Batteries or their subsidiaries. For the preparation of the 2024 Consolidated Financial Statements purposes, the consolidation of GP Batteries have been audited by a member firm of Deloitte Touche Tohmatsu Limited. GPET, which was previously a directly held subsidiary of the Company, was transferred to Gold Peak upon the completion of the DIS of GPET Shares on 29 January 2024.

[6] The financial statements of this subsidiary have been audited by a member firm of Deloitte Touche Tohmatsu Limited for the purposes of the 2024 Consolidated Financial Statements.

[7] GPET and its subsidiaries (the "GPET Group") were transferred to Gold Peak upon the completion of the DIS of GPET Shares on 29 January 2024.

[8] Equity interests that were previously held by the Company are held by KGG after the Group reassessed and reorganised its Audio business segment during the financial year.

[9] Subsidiary of GPET.

[a] Audited by Deloitte & Touche LLP, Singapore, which are the auditors of all Singapore incorporated subsidiaries.

[b] Audited by member firms of Deloitte Touche Tohmatsu Limited.

[c] Subsidiary of GP Acoustics (UK) Limited. The consolidated financial statements of GP Acoustics (UK) Limited are audited by a member firm of Deloitte Touche Tohmatsu Limited.

[d] Local statutory audit performed by HuizhouShuLunPan Yangcheng C.P.A. Partnership.

[e] Local statutory audit performed by Shenzhen ZhiGong Certified Public Accountants.

[f] Local statutory audit performed by Bangkok Audit & Tax Consultants Company Limited.

[g] Local statutory audit performed by other accounting firms as these subsidiaries are not significant.

[h] Audited by Grant Thornton China, Zhejiang Office for consolidation purposes.

38. Associates

Significant associates of the Group are as follows:

Name of company	Place of incorporation and business	Principal activities	Effective percentage of equity and voting power held 2024 %	2023 %
Battery segment [7]				
AZ Limited [e]	Russia	Marketing and trading in batteries	**40.00**	40.00
Changzhou Lithium Batteries Ltd [f]	The People's Republic of China	Manufacturing of batteries	**55.00**	40.00
Gold Yi Industries Company Limited [d]	Hong Kong	Investment holding and trading of batteries	**39.35**	39.35
GP Battery Marketing (Germany) GmbH [a]	Germany	Marketing and trading in batteries	**50.00**	50.00
GP Battery Marketing (Middle East) Limited (FZC) [d]	United Arab Emirates	Marketing and trading in batteries	**50.00**	50.00
GWA Energy, Inc [13] [d]	Taiwan	Development, marketing and trading in batteries	**-**	41.00
Hanoi Battery Joint Stock Company [10] [c]	Vietnam	Manufacturing of batteries	**49.00**	49.00
Huizhou Gold Yi Industries Co., Ltd. [12] [d]	The People's Republic of China	Manufacturing of batteries	**39.35**	39.35
Lichton International Limited [9] [d]	Hong Kong	Marketing and trading in lighting products	**-**	49.00
Ningbo Fengyin Battery Co., Ltd [d]	The People's Republic of China	Marketing and trading in battery materials	**32.00**	32.00
T.G. Battery Co. (China) Ltd [11]	The People's Republic of China	Manufacturing of batteries	**42.50**	42.50
T.G. Battery Co. (Hong Kong) Limited [a]	Hong Kong	Investment holding and provision of logistic support	**50.00**	50.00
Other industrial investments segment				
Dongguan Jifu Metallic Products Co., Ltd. [1] [2]	The People's Republic of China	Manufacturing of metallic products	**30.00**	30.00
Julong Technology Limited [1] [b]	British Virgin Islands	Investment holding	**30.00**	30.00
Shinwa Industries (China) Ltd. [1] [4]	The People's Republic of China	Manufacturing of electronic components	**10.50**	10.50
Shinwa Industries (Hangzhou) Limited [1] [4]	The People's Republic of China	Manufacturing of electronic components	**10.50**	10.50

38. Associates (cont'd)

Name of company	Place of incorporation and business	Principal activities	Effective percentage of equity and voting power held	
			2024	2023
			%	%
Shinwa Industries (H.K.) Limited [(6)] [(b)]	Hong Kong	Trading of electronic components	**15.00**	15.00
Wisefull Technology Limited [(1)] [(b)]	Hong Kong	Investment holding and trading of metallic products	**30.00**	30.00
Youjia Technology Limited [(1)] [(b)]	British Virgin Islands	Investment holding	**30.00**	30.00
Yousheng Technology Limited [(1)] [(8)] [(b)]	Hong Kong	Trading of metallic products	**30.00**	30.00
Light Engine Technologies Limited [(1)] [(3)] [(14)]	Hong Kong	Investment holding	**-**	39.13
Meiloon Industrial Co., Ltd. [(1)] [(5)]	Taiwan	Development, manufacturing and marketing of acoustic and audio-visual equipment	**20.27**	20.27
Time Interconnect Holdings Limited [(1)] [(3)] [(14)]	British Virgin Islands	Investment holding	**-**	39.13
XIC Innovation Limited [(14)] [(a)]	Hong Kong	Investment holding	**-**	39.13

Note:
(1) Equity interest is held by subsidiaries or associates of the Company.
(2) Subsidiary of Wisefull Technology Limited.
(3) Subsidiary of XIC.
(4) Subsidiary of Shinwa Industries (H.K.) Limited.
(5) Meiloon is listed on the Taiwan Stock Exchange Corporation. The consolidated financial statements of Meiloon are audited by PKF Taiwan. Meiloon has been equity accounted for in the consolidated financial statements based on results ended 31 December, the financial year end of Meiloon. Adjustments are made for the effect of any significant transactions that occur between 1 January and 31 March.
(6) The Group has significant influence in Shinwa Industries (H.K.) Limited ("Shinwa") through the Company's representation on Shinwa's board of directors.
(7) Equity interest is held by GP Batteries, its subsidiaries or associates other than for GWA Energy, Inc ("GWA"). For the preparation of the 2024 Consolidated Financial Statements purposes, the consolidation of GP Batteries have been audited by a member firm of Deloitte Touche Tohmatsu Limited.
(8) Subsidiary of Youjia Technology Limited.
(9) Disposed during the financial year.
(10) Listed on the Hanoi Stock Exchange.
(11) Subsidiary of T.G. Battery Co. (Hong Kong) Limited.
(12) Subsidiary of Gold Yi Industries Company Limited.
(13) Equity interest in GWA was transferred to Gold Peak upon the completion of the DIS of GPET Shares on 29 January 2024.
(14) As of 31 March 2024, the Company no longer has significant influence over the XIC Group (Note 13).

(a) Audited by a member firm of Deloitte Touche Tohmatsu Limited.
(b) These associates adopt a different financial year end from that of the Group. For the purposes of applying the equity method of accounting, the financial statements of these associates for the twelve months period ended 31 March have been used. The local statutory consolidated financial statements of Shinwa Industries (H.K.) Limited and Wisefull Technology Limited are audited by a member firm of Deloitte Touche Tohmatsu Limited and Au Choi Yuen & Co., respectively. The financial statements of Julong Technology Limited and Youjia Technology Limited are not audited as there are no statutory audit requirements in their countries of incorporation. The local statutory financial statements of Yousheng Technology Limited are audited by Au Choi Yuen & Co.
(c) Local statutory audit performed by AASC Auditing Firm Company Limited.
(d) Local statutory audit performed by other accounting firms as these associates are not significant.
(e) Local statutory audit performed by Nexia Finance Group Limited.
(f) Local statutory audit performed by Changzhou Yongcheng United Certified Public Accountants.

39. Changes in ownership interest in subsidiaries

a) Changes in ownership interest in subsidiary that did not result in a loss of control

During the financial year, the Group increased (i) its shareholding in GP Electronics & Acoustics Co., Ltd from 51% to 90% and (ii) its effective shareholding in GP Batteries (Vietnam) Limited Liability Company from 95.0% to 96.0%. The difference between the amount by which the non-controlling interests were adjusted and the consideration paid was recognised in equity.

b) Changes in ownership interest in subsidiaries that resulted in a loss of control

During the financial year, the Group has completed the proposed distribution representing the entire issued share capital of GPET by the Company. The net assets of GPET Group was transferred to Gold Peak, as Gold Peak holds 85.59% of GPET Shares at the date of DIS. Included in the carrying amount of net assets distributed is a financial asset at FVTOCI of S$1,285,000, and the cumulative loss of S$791,000 was reclassified from fair value reserve to retained profits. The capital reserve surplus and legal reserve surplus of S$466,000 and S$2,974,000 respectively relating to the GPET Group was also reclassified to retained profits.

As at 31 March 2024, following the DIS of GPET Shares, the resultant retained interest in GPET and subsequent re-purchases of GPET Shares from GPET's shareholders by the Company, the Group and the Company holds equity interests of 11.17% in GPET which has been classified as financial assets at fair value through profit or loss (Note 15).

The net assets of GPET Group at date of DIS were as follows:

	Group
	2024
	S$'000
Net assets distributed	
Property, plant and equipment	**23,293**
Right-of-use assets	**11,093**
Interest in associates	**2,955**
Financial asset at FVTOCI	**1,285**
Deposits and prepayments (non-current)	**475**
Inventories	**14,011**
Receivables and prepayments	**19,780**
Cash and cash equivalents	**6,200**
Trade and other payables	**(33,682)**
Lease liabilities	**(13,079)**
Income tax payable	**(58)**
Bank and other loans	**(548)**
Deferred tax liabilities	**(67)**
Carrying amount of net assets distributed (Note 26 (d))	**31,658**
Adjustment to exchange translation reserve (Note 5)	**(8,269)**

39. Changes in ownership interest in subsidiaries (cont'd)

During the financial year ended 31 March 2023:

i) the Group de-registered an inactive subsidiary and recognised a loss from de-registration of a subsidiary of S$3,235,000 in other operating expenses (Note 5), comprising cumulative exchange translation deficit.

ii) the Group completed the disposal of Huizhou Modern Battery Limited ("Modern Battery").

The net assets of Modern Battery disposed and the effect thereof as at date of disposal were as follows:

	Group
	2023
	S$'000
Assets (Liabilities)	
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
Total net assets derecognised	18,040
Adjustment to exchange translation reserve	603
Gain on disposal (Note 4)	10,637
Disposal proceeds	29,280
Less: Cash and cash equivalents derecognised	(27)
Less: Deposits received in financial year ended 31 March 2022	(2,010)
Net cash inflow from disposal	27,243

Corporate Governance Report

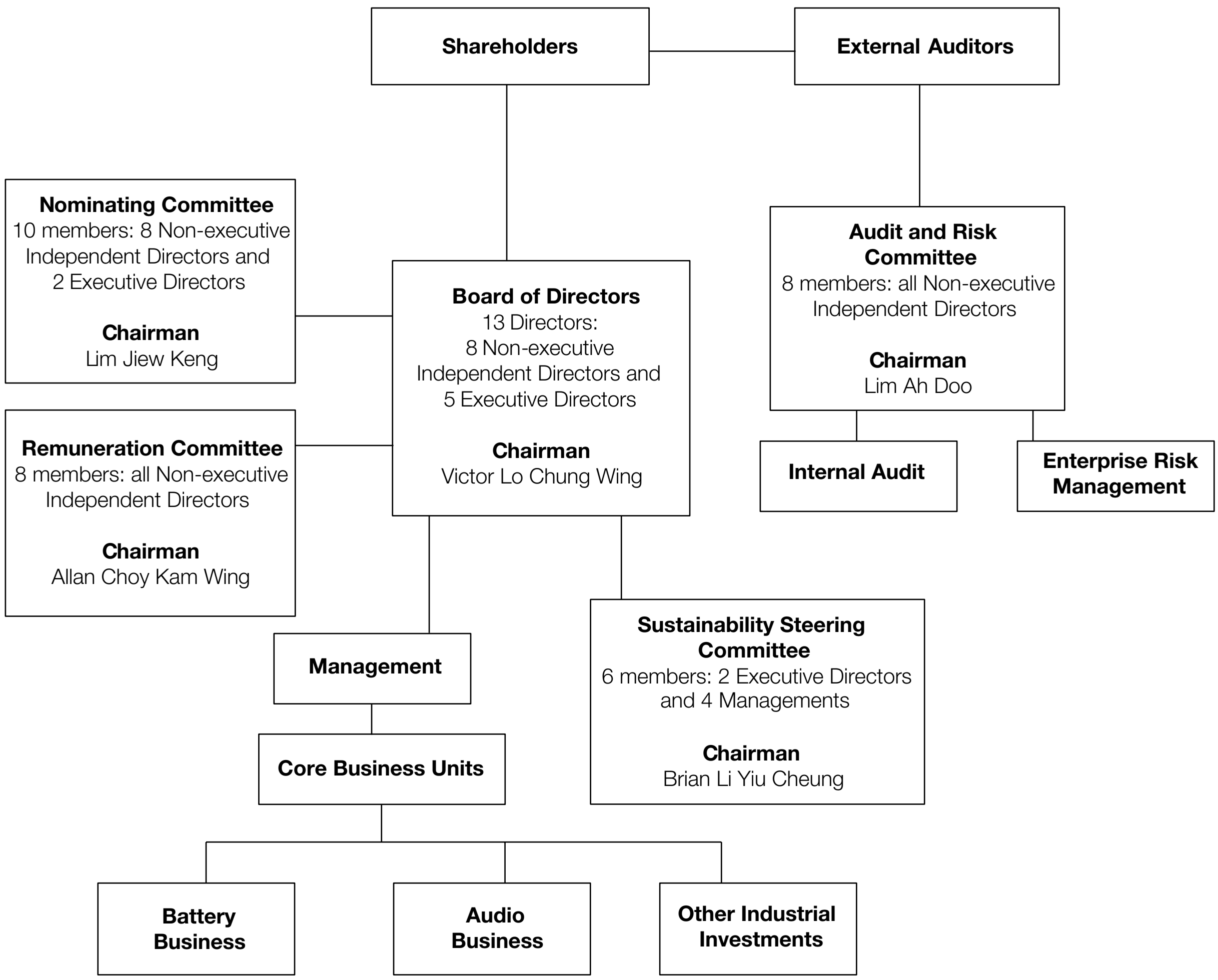
The board of directors (the "Board" or the "Directors") of GP Industries Limited (GPI or the "Company" and together with its subsidiaries, the "Group") firmly believe that good corporate governance is key to the integrity of the Group and essential to the long-term sustainability of the Group's operations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

GPI started a new journey to improve its standard of corporate governance in the last financial year and achieved a joint 98th ranking (compared to 161[th] in 2022) on the Singapore Governance and Transparency Index (General Category) ("SGTI") in 2023. The SGTI is aimed at assessing companies on their governance disclosure and practices, as well as the timeliness, accessibility and transparency of their financial results announcements.

This Corporate Governance Report ("CG Report") sets out the GPI's corporate governance framework and practices that were in place throughout the financial year ended 31 March 2024 ("FY2024") and adherence to the principles and provisions of the revised Code of Corporate Governance 2018, as amended (the "CG Code") and accompanying Practice Guidance ("Practice Guidance"), which form part of the continuing obligations of the rules of the listing manual ("Listing Rules") of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), through effective self-regulatory corporate practices.

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

Corporate Governance Framework
As at the date of the Company's annual report for FY2024 ("AR2024"), GPI's Corporate Governance Framework is as follows:



The Board currently has 13 members, the majority of whom are non-executive and independent. The composition and key objectives of GPI's Board as at the date of the AR2024 comprises:

Board of Directors	Key Objectives
Executive Directors ("EDs") Victor Lo Chung Wing (Chairman) Lam Hin Lap (Vice Chairman) Brian Li Yiu Cheung Waltery Law Wang Chak Grace Lo Kit Yee **Non-Executive Independent Directors ("NEIDs")** Lim Ah Doo (Lead ID) Allan Choy Kam Wing Lim Jiew Keng Goh Boon Seong Timothy Tong Wai Cheung Eric Yim Chi Ming (appointed on 1 August 2023) Seah Han Leong (appointed on 20 June 2024) Hung Cheung Fuk (appointed on 20 June 2024)	Provides leadership by setting the strategic directions and performance of GPI to achieve long-term success for the Group through value creation, innovation and sustainability. Oversees the performance of the Group for accountability to Shareholders by ensuring that the necessary financial, operational and human resources are in place for the Company to meet its strategic objectives, which are supported by an adequate and effective system of internal controls and risk management.

To ensure smooth operations, facilitate decision making and ensure proper controls, the Board is supported by committees (the "Board Committees"), namely the Audit and Risk Committee ("ARC"), Nominating Committee ("NC"), Remuneration Committee ("RC") and Sustainability Steering Committee ("SSC"). Each Board Committee (except for the SSC) comprise at least eight members, a majority of whom (including the Board Chairman) are non-executive and independent. The current composition and key objectives of the Board Committees are set out as follows:

Board Committees	Composition	Key Objectives
Audit and Risk Committee (8 members, all NEIDs)	**Lim Ah Doo, Chairman (Lead NEID)** Allan Choy Kam Wing (NEID) Lim Jiew Keng (NEID) Goh Boon Seong (NEID) Timothy Tong Wai Cheung (NEID) Eric Yim Chi Ming (NEID) Seah Han Leong (NEID) Hung Cheung Fuk (NEID)	Assists the Board in the discharge of statutory and other responsibilities relating to the integrity of the financial statements of the Group and reviews the adequacy and effectiveness of the internal controls and risk management systems. Considers the key risks of the Group under a risk management framework which takes into account the strategic objectives and risk appetite of the Group.
Nominating Committee (10 members, 8 NEIDs and 2 EDs)	**Lim Jiew Keng, Chairman (NEID)** Lim Ah Doo (Lead NEID) Allan Choy Kam Wing (NEID) Goh Boon Seong (NEID) Timothy Tong Wai Cheung (NEID) Eric Yim Chi Ming (NEID) Seah Han Leong (NEID) Hung Cheung Fuk (NEID) Victor Lo Chung Wing (ED) Lam Hin Lap (ED)	Assists the Board in its succession plan through the review of board size, composition and mix, and the recommendations on the independence of Directors, appointment, re-nomination and retirement of Directors. Assists the Board in the evaluation of the performance of the Board, the Board Committees and the Directors.
Remuneration Committee (8 members, all NEIDs)	**Allan Choy Kam Wing, Chairman (NEID)** Lim Ah Doo (Lead NEID) Lim Jiew Keng (NEID) Goh Boon Seong (NEID) Timothy Tong Wai Cheung (NEID) Eric Yim Chi Ming (NEID) Seah Han Leong (NEID) Hung Cheung Fuk (NEID)	Oversees the remuneration of the Board and the Key Management Personnel ("KMPs"), including setting appropriate remuneration frameworks, aligning with talent management framework and policies to reflect a performance-based remuneration system that is balanced between the current and long-term objectives of the Company.
Sustainability Steering Committee (6 members, 2 EDs and 4 Management)	**Brian Li Yiu Cheung, Chairman (ED)** Lam Hin Lap (ED) Victor Chong Toong Ying Edmund Lee Tak Yue Stella Tse Ching Yee Louis Wong Man Kon	Assists the Board in the review of the Company's sustainability issues and approach to sustainability reporting, reviews the Company's Environmental, Social and Governance ("ESG") framework, key ESG targets and long-term sustainability that contribute to the Company's performance and reputation as a global corporate citizen. Also assists the Board in the oversight of the Company's Workplace Safety and Health matters.

Adoption of New Constitution of the Company
The Company had obtained Shareholders' approval at its Extraordinary General Meeting ("EGM") held on 4 December 2023 to adopt the New Constitution, which consist of the old constitution of the Company (the "Existing Constitution") and incorporate amendments to take into account the changes to the Companies Act 1967 of Singapore (the "Companies Act") pursuant to the Amendment Acts.

At the same time, the objects clauses in the Existing Constitution are deleted and replaced by a general provision in the New Constitution giving the Company full capacity to carry on or undertake any business or activity, and do any act or enter into any transaction.

The New Constitution also contains updated provisions which are consistent and in compliance with the Listing Rules.

Content of CG Report
This CG Report is divided into five main sections, namely:
(A) Board Matters;
(B) Remuneration Matters;
(C) Accountability and Audit;
(D) Shareholder Rights and Engagement; and
(E) Managing Stakeholder Relationships

A. BOARD MATTERS

PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

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

For FY2024, the Board comprises five EDs and six NEIDs. The six NEIDs collectively comprises more than half of the Board.

Subsequent to 31 March 2024 and up to the date of AR2024, two additional NEIDs are appointed and the total number of NEIDs is increased to eight and continue to constitute a majority of the Board.

Profiles and qualifications of the Directors and the listed company directorships and principal commitments held by them as at the date of the AR2024 for the last three (3) years are set out in the section headed "Board of Directors and Senior Management" of the AR2024.

Role of the Board
(Provision 1.1)
The Board oversees the business affairs and performance of the Company and the Group, and is responsible for shaping the strategic direction, performance and business operations of the Group. It provides leadership and overall guidance by setting goals and objectives of the Company together with Management to achieve long-term success for the Group through value creation, innovation and sustainability.

While all Directors are fiduciaries who exercise due diligence and objectively discharge their duties and responsibilities in the best interest of the Company, the Board has Directors of different designations with different roles:
(i) EDs are members of Management who are involved in the day-to-day running of the business. They work closely with the Non-Executive Directors ("NED") on the long-term sustainability and success of the businesses. They provide insights and recommendations on the Group's operations at the Board and Board Committees meetings;
(ii) NEDs do not participate in the business operations. They constructively challenge Management on its decisions and contribute to the development of strategic goals and policies. They may participate in the review of Management's performance in achieving the strategic objectives as well as the appointment, assessment and remuneration of the EDs and KMPs; and
(iii) Independent Directors ("IDs") are NEDs (also referred as Non-Executive Independent Directors ("NEIDs") who are unrelated to any of the EDs and fulfill the conditions to be considered "independent" as set out in the Listing Rules and the CG Code and deemed to be impartial by the board), and have similar duties as the NEDs, with the additional responsibility of providing independent and objective advice and insights to the Board of Directors and Management.

In addition to statutory responsibilities under Companies Act, the Board's principal functions are:
- to approve the Group's strategic plans, significant investment and divestment proposals and funding decisions;
- to review the Group's financial performance and key operational initiatives;
- to ensure necessary financial, operational and human resources are in place to meet the Company's goal;
- to ensure the adequacy and effectiveness of the framework and process for internal control and risk management for safeguarding of Shareholders' interests and the Group's assets;
- to review the recommendation by the ARC on adequacy and effectiveness of the Group's internal control system, financial and audit related matters and the appointment/removal of the External Auditor;
- to review and decide the nominations recommendation by the NC;
- to review and endorse the recommendation of framework of remuneration for the Board and KMPs by the RC;
- to assume responsibility for good corporate governance, setting the right 'tone at the top' in its policies and decision; and
- to commit for integrating sustainability in key aspects of the Group's business and operations.

Code of Business Conducts and Ethics
(Provision 1.1)
The Board and Management are committed to conducting business transactions and interactions with integrity, consistent with the highest standard of probity and in compliance with all relevant laws and regulations. Directors have a responsibility to lead by example. The Board has adopted a Code of Business Conduct and Ethics for the Directors (the "Ethics Code") and incorporated the Ethics Code in

various corporate policies. The Ethics Code serves to guide the Directors on the following areas of ethical risk and sets a framework where integrity and accountability are paramount:

(i) to avoid conflict of interest in corporate opportunities and other board appointments;
(ii) to maintain confidentiality of confidential or proprietary information that a Director may learn of when discharging his/her duties as a Director;
(iii) to ensure compliance with laws, rules and regulations, including those relating to the dealing in the Company's securities; and
(iv) to ensure fair dealing with the Group's stakeholders including customers, suppliers, competitors and employees.

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

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

Conflict of Interests (Provision 1.1)

The Board acts in good faith and in the best interests of the Company by exercising due care, skills and diligence, and avoiding conflicts of interest. Directors, who are in any way, directly or indirectly, interested in a transaction or proposed transaction, declare the nature of their interests in accordance with the Section 156 of the Companies Act and the Company's Constitution, and in the case of any conflict of interest (actual or potential), recuse themselves from participating in the deliberation and abstain from decision making on such transactions, with abstention duly recorded within the minutes and/or the resolutions of the Board and/or the Board Committees.

In case the Board is of the opinion that the conflicted Director participation is necessary to enhance the efficacy of such discussion and his/her participation is permitted, the conflicted Director excuses himself/herself for an appropriate period during the discussions to facilitate full and frank exchange by the other Directors, and shall in any event recuse himself/herself from the decision making and to abstain from voting in relation to the conflict-related matters.

Each Director is also required to submit details of his/her associates for the purpose of monitoring interested persons transactions ("IPTs") annually. Details of the IPTs of the Group for FY2024 are set out in the section headed Interested Person Transactions ("IPTs") (Provision 10.1) of this CG Report on pages 138 to 139 of the AR2024.

Directors' Competencies (Provision 1.2)

All Directors have a good understanding of the Group's business as well as their directorship duties, including their roles as EDs, NEDs and IDs.

Directors are expected to develop their competencies to effectively discharge their duties and are provided with opportunities to develop and maintain their skills and knowledge at the Company's expense.

Induction, Training and Development (Provision 1.2)

The Company provides new Directors with orientation programmes to familiarize them with the business of the Group and its governance practices. Such orientation programmes include visiting the Group's principal factories and meeting with the management of various business units. Newly appointed Directors are informed, among other things, the roles, obligations, duties and responsibilities as a member of the Board and Board Committees, the Group's principal business, the Company's governance practices and process, internal control and risk management system. New Directors are also expected to be familiar with the Companies Act, the Listing Rules and the roles and responsibilities as a director of a SGX-ST listed company. New Directors who have no prior experience as a director of a listed company are required to undertake to attend necessary training, including certain specific modules of the Listed Entity Director Programme conducted by the Singapore Institute of Directors, at the Company's expense, to acquire relevant knowledge of what is expected of a listed company director.

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

The Company's external auditors, Messrs Deloitte & Touche LLP ("Deloitte" or "External Auditors"), in presenting its annual audit plan to the ARC, also highlights the important changes in relevant financial reporting standards. In addition, Directors who have professional qualifications also attend trainings in accordance with the continuing professional development or education requirements of the relevant professional bodies. The NC and the Board are kept informed of the training sessions attended by the Directors during the year.

Matters Requiring Board's Approval (Provision 1.3)

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

(i) decisions over the strategic direction, plans and performance objectives of the Group (including its risk appetite);
(ii) financial results announcements, annual reports and audited financial statements;
(iii) Group's financial objectives and annual budget;
(iv) major investment or acquisition/disposal proposals, including any other transactions of a material nature requiring announcements under the Listing Rules;
(v) nomination/appointment of Directors;
(vi) share issuance;
(vii) corporate and financial restructuring;
(viii) dividend policy and payouts; and
(ix) any other matters which require the Board's approval as prescribed under the relevant legislations and regulations as well as the provisions of the Company's Constitution.

Management is fully apprised of such matters which require the approval of the Board or the Board Committees. For operational efficiency, the Company also has a structured approval limits matrix which sets out the delegated authority to various levels of Management to approve operating expenditures up to pre-determined limits.

Delegation to Board Committees (Provision 1.4)

To assist the Board in the discharge of its oversight function, various Board Committees, namely the ARC, NC, RC, and SSC, have been constituted with clear written terms of reference approved by the Board. All the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group, and the Board is kept updated on discussions of the Board Committees via circulation of minutes and regular updates by the respective chairmen of the Board Committees at Board meetings. The Board Committees assist the Board operationally without the Board losing authority over major issues and abdicating the Board's overall responsibility. The terms of reference of the respective Board Committees are reviewed on an annual basis, along with the Board Committees' structures and membership, to ensure their continued relevance and effectiveness, taking into account the changes in the governance and regulatory environment. The terms of reference of the respective Board Committees setting out their responsibilities and authority are in Appendix 1 of this CG Report on pages 144 to 146 of the AR2024.

In addition to the Board Committees, the Board has also delegated some of its authority to the Executive Committee ("ExCo"), which comprises the EDs and Management. The Group's Risk Governance and Internal Control Manual ("IC Manual") set out, *inter alia*, the Group's approval guidelines, which describe the principles when delegating the authority to the ExCo and Management. Further information on the Group's IC Manual is discussed under the section headed "Risk Management Framework (Provision 9.1)" in this CG Report on pages 133 to 135 of the AR2024.

The following are the changes to the composition of the Board and its Board Committees during the period from 1 April 2023 to the date of the AR 2024:

(i) Mr Eric Yim Chi Ming was appointed as a NEID and a member of each of the Board Committees (except for SSC) with effect from 1 August 2023;
(ii) Mr Christopher Lau Kwan resigned as a NEID and a member of each of the Board Committees (except for SSC) with effect from 31 January 2024; and
(iii) Mr Seah Han Leong and Mr Hung Cheung Fuk were appointed NEIDs and members of each of the Board Committees (except for SSC) with effect from 20 June 2024.

All the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group. Minutes of the Board Committee meetings are available to all Board members. The Board acknowledges that while these various Board Committees have the authority to examine particular issues and report back to the Board with their decisions and recommendations, the ultimate responsibility on all matters lies with the Board.

Board and Board Committee Meetings (Provision 1.5)

The Board and Board Committees conduct meetings regularly, with the Board meeting held at least four times a year. A total of six Board meetings were held in FY2024. At the regular Board meetings, the Board agenda includes updates by Management on the Group's strategic initiatives and implementation status, updates on the Group's latest investments and developments, and the review of the Group's financial and operational performance. Of the four scheduled meetings, two were the half-year and full year Board meetings mainly to review and approve the Group's financial results, and two were scheduled to review the Group's quarterly operational performance, as well as review of the Company's strategic directions and initiatives.

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

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

The attendance (including both physical and virtual meetings) of the Directors[1] at the Annual General Meeting ("AGM") and EGM of the Company (collectively, "General Meetings"), and meetings of the Board and Board Committees as well as the frequency of such meetings held in FY2024, is disclosed in the table as follows:

	Board Meetings	Board Committee Meetings				FY2023 AGM	FY2024 EGM
		ARC	NC	RC	SSC		
Total Number of Meetings held in FY2024[1]	**6**	**4**	**1**	**1**	**2**	**1**	**1**
	Number of meetings attended in FY2024[1]						
Executive Director							
Victor Lo Chung Wing	6/6	-	1/1	-	-	1/1	1/1
Lam Hin Lap	4/6	-	1/1	-	2/2	1/1	1/1
Brian Li Yiu Cheung	6/6	-	-	-	2/2	1/1	1/1
Waltery Law Wang Chak	6/6	-	-	-	-	1/1	1/1
Grace Lo Kit Yee	6/6	-	-	-	-	1/1	0/1
Non-executive Independent Director							
Lim Ah Doo	6/6	4/4	1/1	1/1	-	1/1	1/1
Allan Choy Kam Wing	4/6	4/4	1/1	1/1	-	1/1	1/1
Lim Jiew Keng	6/6	4/4	1/1	1/1	-	1/1	1/1
Goh Boon Seong	6/6	4/4	1/1	1/1	-	1/1	1/1
Timothy Tong Wai Cheung	6/6	4/4	1/1	1/1	-	1/1	1/1
Eric Yim Chi Ming[2]	4/5	3/3	-	-	-	-	0/1
Christopher Lau Kwan[3]	5/5	3/3	1/1	1/1	-	1/1	1/1
Seah Han Leong[4]	-	-	-	-	-	-	-
Hung Cheung Fuk[4]	-	-	-	-	-	-	-

Notes:

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

(2) Mr Eric Yim Ching Ming was appointed as NEID and a member of each of the Board Committees (except for SSC) on 1 August 2023.

(3) Mr Christopher Lau Kwan resigned as NEID and a member of each of the Board Committees (except for SSC) on 31 January 2024.

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

Multiple Board Representations and Time Commitments (Provision 1.5)

Each Director is required to declare his/her board representations as soon as is practicable after the relevant facts have come to his/her knowledge and confirm annually to the NC as to whether he/she has any issue with competing time commitments which may impact his/her ability to provide sufficient time and attention to his/her duties as a Director of the Company. When considering the re-nomination of Directors for re-election, the NC takes into account the competing time commitments faced by Directors with multiple listed company board representations and/or other principal commitments. An analysis of the directorships (which includes directorships by groups and executive appointments) held by the Directors is reviewed annually by the NC. Based on the analysis, the Directors' annual confirmation and the Directors' commitments and contributions to the Company, which are also evident in their level of attendance and participation at Board and Board Committee meetings for FY2024, the NC is satisfied that all Directors are able to carry out and have been adequately carrying out their duties as Directors of the Company, as well as sufficient time and attention are given to the affairs of the Company.

The NC noted that including the directorship held in the Company, the number of listed company board representations currently held by each of the Directors ranged from one to five in number (including the Company). Based on the individual Director's confirmation provided to the NC in FY2024 on his/her ability to carry out his/her duties as a Director of the Company and to address any competing time commitments that may arise, the NC believes that it would not be necessary to put a limit on the maximum number of listed company board representations of each Director. The Board and the NC will review the requirement to determine the maximum number of listed company board representations as and when they deem fit.

Complete, Adequate and Timely Information and Access to Information (Provision 1.6)

Management prepares monthly management accounts and business analysis, which are reviewed by the ExCo. Prior to each meeting, members of the Board and the Board Committees are provided with the meeting agenda and the relevant papers submitted by Management, containing complete, adequate and timely information to enable full deliberation on the issues to be considered at the respective meetings. The ExCo is in attendance at such meetings, whilst the External Auditors and professional advisors who can provide additional insight into the matters for discussion are invited as required to attend the relevant meetings.

Management also provides the Board with quarterly updates on the Company's financial performance including an analysis of the same, with material variances between the comparative periods disclosed and explained, to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospect. In addition, Management also provides the Board with further information or ad hoc reports as and when required. Board members are consulted or updated with latest developments of the Group with regular management meetings, circulation of discussion papers and informal meetings such as discussions via tele-communications.

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

Access to Management and Company Secretary and Independent Professional Advisors (Provision 1.7)

All Directors have direct and independent access to the Management and the Company Secretary for additional information. To facilitate this access, all Directors are provided with the contact details of the ExCo and the Company Secretary. The contact details of the Head of Internal Audit Department ("Head of IA") are also provided to the ARC.

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

The Company Secretary, whose appointment and removal are subject to the Board's approval, attend all meetings of the Board to provide guidance for Board procedures to be followed and together with the Management to ensure that the Company complies with applicable laws and regulations. The Company Secretary also attends the meetings of the NC and the RC as the secretary of the respective committee. Together with the Management, the Company Secretary is also responsible for the Company's compliance with all applicable rules and regulations of the Listing Rules.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

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

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

As at the date of the AR2024, the Board comprises 13 members. Based on the NC's recommendation and pursuant to requirements under Rule 210(5)(c) of the Listing Rules and Provisions 2.2 and 2.3 of the CG Code, the Board has determined eight of them, being more than half of the Board, to be NEIDs, providing a strong and independent element on the Board to exercise objective judgement. No alternate Directors have been appointed in respect of any of the Directors.

When reviewing the independence of the NEIDs, the NC has considered the applicable Listing Rule 210(5)(d) and the guidelines for independence set out in Provision 2.1 of the CG Code and its accompanying Practice Guidance (collectively, the "Independence Guidance"). As part of the consideration of the NEIDs' independence, the NC has also taken into account the following:

(i) other directorships;
(ii) annual declarations regarding their independence;
(iii) disclosures of interest in transactions in which they have a direct/indirect interest;

(iv) their abilities to avoid any apparent conflicts of interest especially by abstaining from deliberation on such transactions;
(v) their abilities to maintain objectivity in their conduct as Directors; and
(vi) their abilities to objectively raise issues and seek clarification as and when from the Board, Management and the Company's external advisors on matters pertaining to their area of responsibilities whether on the Board or on the Board Committees.

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

Pursuant to Provision 4.4 of the CG Code, the NC and the Board take into account the existence of relationships or circumstances, including those identified by the CG Code, Practice Guidance and Listing Rules that are relevant in determining whether a Director is independent.

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

None of the NEIDs are currently employed or have been employed at any time during the past three financial years by the Company or any of its related corporations. They also do not have immediate family members who are currently employed or have been employed at any time during the past three financial years by the Company or any of its related corporations, and whose remuneration is determined by the RC. For the purpose of determining independence, the IDs have also provided confirmation that they are not related to the Directors or to any Shareholders holding 5% or more interest in the Company. The NC is satisfied that there is no other relationship which could affect their independence. The Directors undertook a review of their independence, with each NEID abstaining from participating in his/her own review by the Board and had concurred with the NC's determination of the independence of the NEIDs.

For FY2024, the NC has conducted its annual review of the Directors' independence and concluded that the Company had complied with Provision 2.1 of the CG Code, the Practice Guidance and Rule 210(5)(d)(i) and (ii) of the Listing Rules. The NEIDs did not have substantial interest in the shares of the Company and were not in foreseeable situation that could compromise their independence of thought and decision.

The Board, based on the result of the annual review conducted by the NC, is of the view that all NEIDs of the Company are independent.

As at the date of the AR2024, Mr Lim Ah Doo and Mr Allan Choy Kam Wing have been NEIDs for an aggregate period of more than 9 years from the dates of their first appointments. Pursuant to Rule 210(5)(d)(iv), which came into effect on 11 January 2023, they may continue to be NEIDs until the conclusion of the upcoming AGM for the financial year ended 31 March 2024.

Board Composition and Size and Diversity
(Provision 2.4)

The NC is responsible for examining the size and composition of the Board and Board Committees which comprise Directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid group think and foster constructive debate.

With a view to achieving a sustainable and balanced development, the Company recognises that diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The Company has adopted a diversity policy (the "Diversity Policy") which sets out the framework for promoting diversity on the Board. In designing the Board's composition, the Diversity Policy requires the NC and the Board to consider a number of aspects, including but not limited to gender, age, nationalities, ethnicity, cultural background, educational background, experience, skills, knowledge, independence and length of service.

Based on the information as at the date of the AR2024:

Independence

Designation	ED	NEID	Total
No. of Directors	5	8	13
% of Total No. of Directors	38%	62%	100%

Gender Diversity

Gender	Male	Female	Total
No. of Directors	12	1	13
% of Total No. of Directors	92%	8%	100%

Age Group

Age	50-59	60-69	>70	Total
No. of Directors	2	5	6	13
% of Total No. of Directors	15%	39%	46%	100%

NEIDs' Directorship with the Company

Year	0-5	>5-9	>9	Total
No. of Directors	4	2	2	8
% of Total No. of Directors	50%	25%	25%	100%

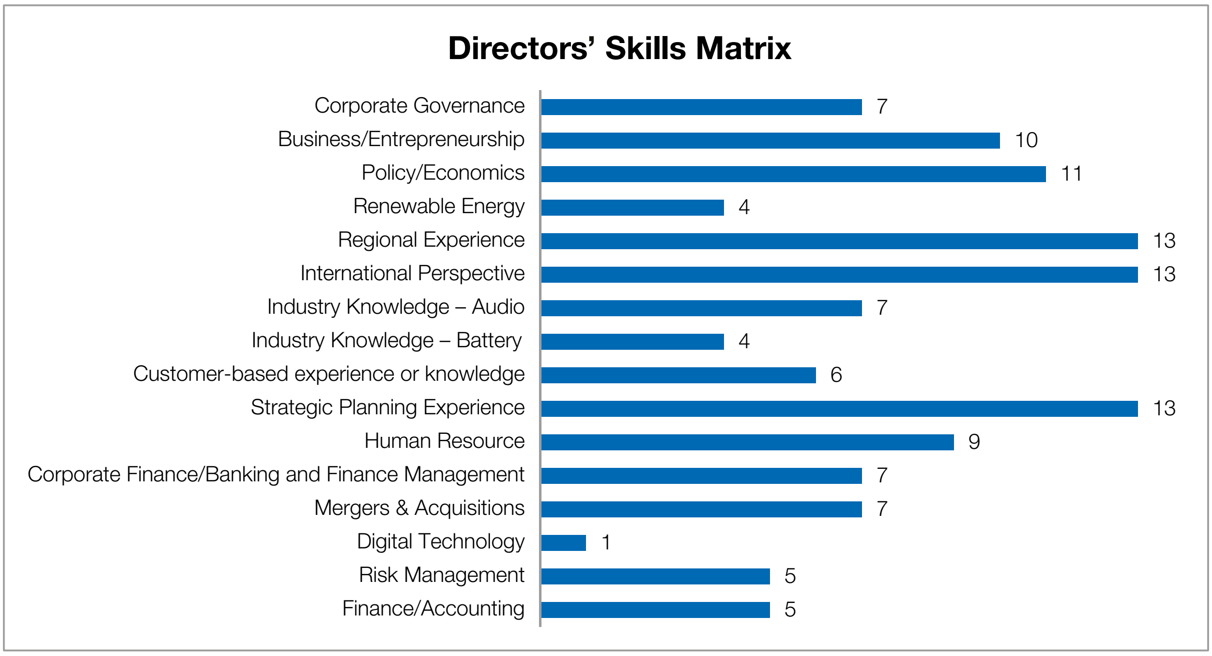
When reviewing and assessing the size and composition of the Board and Board Committees and making recommendations to the Board annually including the appointment/re-appointment of Directors, the NC will consider all aspects of diversity based on targets and timelines set for promoting and achieving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

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

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

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

The profile of each Director which includes key information regarding academic qualifications, directorships and chairmanships both present and those held over the preceding three years in other listed companies, and other principal commitments, is set out on pages 8 to 14 of the AR2024. The details of Directors' shareholdings in the Company can be found under the section on Directors' interests in shares and debentures on page 30 of the Directors' Statement.



Diversity Targets and Progress in FY2024 and up to date of the AR2024

Age Diversity	
Targets	Increase age diversity of the Directors with ages ranging from 55 to 60, with majority of the Directors in the 50 to 69 age group range.
Progress	After the appointments of Mr Eric Yim Chi Ming in August 2023 and both Mr Seah Han Leong and Mr Hung Cheung Fuk in June 2024 as Directors, the percentage of Directors within ages ranging from 50 to 69 increased from 36% in FY2023 to 54% as at the date of the AR2024. The Board will continue to maintain this target for the next three to five years and prioritise the appointment of younger candidate(s). The Board has continued to maintain this target.
Gender Diversity	
Targets	Not less than 20% female Directors
Progress	As at 31 March 2024, the proportion of female Directors is approximately 8% of the total number of Directors. With reference to the recommendation by the Council of Board Diversity for listed companies, the Board will actively strive to achieve a 20% to 25% female representation on the Board over the next 3 to 5 years. The NC will strive to ensure that: (a) if external search consultants are used to search for candidates for Board appointments, the brief will include a requirement to also present female candidates; (b) when seeking to identify a new Board member, female candidates will be requested and included for consideration; and (c) female representation on the Board be continually monitored over time, based on the targets set by the Board.
Tenure of Appointment of NEIDs	
Targets	Refresh the tenure of appointment of NEIDs
Progress	After the appointments of Mr Eric Yim Chi Ming in August 2023 and both Mr Seah Han Leong and Mr Hung Cheung Fuk in June 2024 as NEIDs, the total number of NEIDs increased to eight as at the date of the AR2024. As two out of eight of the NEIDs (25% of the total number of NEIDs) have served on the Board for more than nine years, these two NEIDs will be retired at the forthcoming AGM for the financial year ended 31 March 2024. After the retirements of the two NEIDs at the forthcoming AGM, the total number of NEIDs will be decreased to six and the percentage of NEIDs with directorship over 5 years but less than 9 years to the total number of NEIDs will be increased from 25% to 33%, with majority of the NEIDs served on the board for less than five years. To avoid an abrupt loss of members with extensive experience and core competencies that are crucial to the Group, the Board will continue to pace the retirement of its Directors as needed.
Skills Diversity	
Targets	Broaden and strengthen the core skill set, source for candidates with extensive knowledge and experience in investment, Battery and Audio industries knowledge, branding and legal aspect relevant to the Battery and Audio industries.
Progress	Mr Eric Yim Chi Ming and both Mr Seah and Mr Hung were appointed as NEIDs after the AGM for FY2023. Mr Yim, who was appointed in August 2023, is actively involved and has more than 40 years of in-depth experience and expertise in business, industrial and design sectors. He is currently the chairman of Hong Kong Design Centre and an advisor to the Hong Kong Foundation. His appointment supports the acceleration of GPI expansion in branding business. Mr Seah, who was appointed in June 2024, has more than 35 years of extensive experience in the electrical and electronics industries. He is currently an NEID of Battery Metals Technologies Limited as well as Special Advisor to Chairman at Kawin Biosciences Singapore Pte Limited. His appointment strengthens and broadens the Board's industry knowledge in Audio business. Mr Hung, who was appointed in June 2024, has more than 29 years of extensive experience in the investment banking industry and had led various products and industry groups as well as acting senior management roles based in Hong Kong and Shanghai. He had led the execution of a wide range of corporate finance advisory, Mergers and Acquisition ("M&A"), financing and capital markets transactions. His appointment can strengthen the Board's knowledge in Corporate Governance, Corporate Finance and M&A.

NEIDs' Participations (Provision 2.5)

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

NEIDs are encouraged to participate actively at Board meetings for the development of the Company's strategic plans and direction, and in the review and monitoring of Management's performance against targets. To facilitate this, all Directors, in particular the NEIDs, are kept informed of the Company's businesses and performance as well as market and industry developments that are relevant to the business of the Group, through monthly reports and industry updates from Management and have unrestricted access to Management. This knowledge is essential for the NEIDs to engage in informed and constructive discussions. They also sit on various Board Committees established by the Board to provide unbiased and independent views, constructive input and the independent review and monitoring the performance of the Management. A meetings of the NEIDs, chaired by the Lead ID, was held in FY2024 without the presence of Management. The NEIDs would also confer among themselves without the presence of the Management as and when the need arises. The Lead ID collates the views and feedback from the NEIDs and communicates the same to the Board and/or the Board Chairman as appropriate.

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

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER ("CEO")

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

Chairman and CEO (Provisions 3.1 and 3.2)

Currently, the Company adopts a single leadership structure: Mr Victor Lo Chung Wing is the Board Chairman and CEO of the Company. The Board Chairman and CEO remains involved in significant corporate matters, including overall operations of the Group, matters of strategic nature and governance of the Board.

As the Board Chairman, Mr Victor Lo Chung Wing is the most senior executive in the Company and responsible for the effective function of the Board and exercise control over the quality, quantity and timeliness of the flow of information between Management and the Board, these include:

(i) ensuring the Board's effectiveness through his leadership;
(ii) ensuring that Board meetings are held when necessary and to approve the meeting agenda;
(iii) providing oversight on accurate and clear information contained in the Board papers circulated to the Board members;
(iv) allowing sufficient time for the discussion of the agenda items;
(v) monitoring communications and relations within the Board and between the Board and Management to facilitate constructive dialogue;
(vi) facilitating effective contribution of the NEIDs; and
(vii) ensuring compliance with the guidelines set out in the CG Code.

As the CEO, Mr Victor Lo Chung Wing leads the member of the ExCo and is responsible for the Group's overall management, including overseeing the Group's operation, setting directions for new growth areas and developing business strategies. He plays an instrumental role in developing the business of the Group and has been providing the Group with strong leadership and vision.

Deviation from Provisions 3.1 and 3.2 of the CG Code

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

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

The Board is of the view that whilst the Chairman and CEO is the same person, the existing single leadership arrangement is effective and appropriate for the Group after taking into consideration the nature and scale of the Group's businesses, and there are sufficient safeguards against an uneven concentration of power and authority in a single individual. The Board is satisfied that one person is able to effectively discharge the duties of both positions. There is sufficient independent representation on the Board and Board Committees which provide diversity of thought and an independent and objective element to the Group and strategic level decision making.

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

As such, whilst the Chairman and CEO of the Company is the same person, the Board is of the view that the governance practices currently in place by the Company ensure no one individual of the Board has unfettered powers of decision making and thus are consistent with the intent of Principle 3 of the CG Code.

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

Lead Independent Director ("Lead ID") (Provision 3.3)

The Board has designated a Lead ID who serves as a sounding board for the Board Chairman and as an intermediary between the NEIDs and the Board Chairman, cognizant of the fact that the Board Chairman is an Executive Director and thus not independent. Mr Lim Ah Doo has been appointed as the Lead ID since 14 August 2013 and he is the contact person for Shareholders when the Shareholders have concerns and for which contact through the normal channels of communication with the Board Chairman and CEO or Management are inappropriate or inadequate. In addition, Mr Lim Ah Doo would lead the periodic meetings of the NEIDs and provide feedback to the Board Chairman and CEO after such meetings. After the retirement of Mr Lim Ah Doo as NEID of the Company at the conclusion of the AGM for FY2024, Mr Goh Boon Seong has been appointed as the Lead ID with effect from 26 July 2024.

PRINCIPLE 4: BOARD MEMBERSHIP

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

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

NC Composition and Terms of Reference (Provisions 4.1 and 4.2)

The NC comprises a total of ten members and eight of them, including the NC Chairman and Lead ID, are NEIDs. The detailed terms of reference of the NC are disclosed in Appendix 1 of this CG Report on pages 144 and 145 of the AR2024.

Nomination of Directors (Provision 4.3)

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

Selection, Appointment and Re-appointment of Directors (Provision 4.3)

The NC is responsible for making recommendations to the Board on Board appointments, overseeing the Board and Senior Management's succession and leadership development plans and conducting annual review of Board diversity, Board size, Board independence, and Directors' commitments.

Board Succession Planning

The Board believes that orderly succession and renewal are achieved as a result of careful planning, where the appropriate composition of the Board is continually under review. In this regard, the Board has put in place a formal process for the renewal of the Board and the selection of new Directors so that the experience of longer serving Directors can be drawn upon while tapping into the new external perspectives and insights which more recent appointees bring to the Board's deliberation. The NC leads the process and makes recommendation to the Board on the appointment of new Directors and re-nomination of Directors.

Process for appointment of new Directors

(i) NC reviews annually the balance and mix of skills, knowledge, experience, diversity of profiles (including gender and age) and Board size which would facilitate decision-making. In this review, the NC would also take into account the needs of GPI, the collective skills and competencies of the Board and service tenure spread of the Directors.
(ii) In light of such review and in consultation with Management, the NC assesses if there is any inadequate representation in respect of any of those attributes and if so, determines the role and the desirable competencies for a particular appointment.
(iii) The NC will in all cases take into consideration the following objective criteria identified as necessary for the Board and Board Committees to be effective:
   a. Integrity
   b. Independent mindedness
   c. Able to commit time and effort to carry out duties and responsibilities effectively
   d. Track record of making good decisions
   e. Experience in high-performing companies
   f. Financial literacy
(iv) External help (for example, Singapore Institute of Directors and search consultants) may be used to source for potential candidates if need be. Directors and Management may also make recommendations.
(v) NC meets with the short-listed candidate(s) to assess suitability and to ensure that the candidate(s) is/are aware of the expectations and the level of commitment required.
(vi) NC makes recommendations to the Board for approval.

Process for re-nomination of retiring Directors

(i) Pursuant to the Constitution of the Company, not less than one-third of the Directors for the time being shall retire from office at the Company's AGM every year, and a Director appointed by the Board after the last AGM shall only hold office until the next AGM. If eligible, these Directors may submit themselves for re-election.
(ii) NC reviews each Director's eligibility, independence, contribution and performance (such as attendance, preparedness, participation and candour), with reference to the results of the assessment of the performance of the individual Director by his/her peers and his/her tenure.
(iii) NC makes recommendations to the Board for approval.

Retirements and Re-nominations

For the upcoming AGM, Mr Goh Boon Seong will be retiring by rotation pursuant to Article 101 of the Constitution of the Company and being eligible, will be seeking for re-election. Mr Lim Ah Doo and Mr Allan Choy Kam Wing, who will be retiring pursuant to Article 101 of the Constitution of the Company and will not seek for re-elections, after serving the Board for more than nine years. Mr Eric Yim Chi Ming, Mr Seah Han Leong and Mr Hung Cheung Fuk, having been appointed after the AGM held in FY2023, will also be retiring pursuant to Article 82 of the Constitution of the Company at the upcoming AGM, and being eligible, will be seeking for re-elections.

The NC has reviewed the abovementioned Directors' eligibilities, contributions and performance, and taking into account the results of the recent peer assessment, are of the view that the Directors have given sufficient time and attention to the affairs of GPI and have been able to discharge their duties as Directors effectively. The Board, at the recommendation of the NC, approved the re-nominations of Mr Goh Boon Seong, Mr Eric Yim Chi Ming, Mr Seah Han Leong and Mr Hung Cheung Fuk, at the upcoming AGM.

The Company has not appointed any alternate Director.

Determining Independence of Directors (Provision 4.4)

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

Key Information on Directors (Provision 4.5)

Please refer to the section headed "Board of Directors and Senior Management" of the AR2024 for key information on the Directors, including the dates of their first appointments and last election/re-election to the Board (if applicable), their qualifications, major appointments/ principal commitments, directorships held in listed companies for both the current and in the preceding three years, and other relevant information.

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

The details of the shareholdings of the Directors as at 31 March 2024 are disclosed on page 30 of the AR2024 under section headed "Directors' interest in shares and debentures" of the Directors' Statement.

Board Development (Provision 4.5)

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

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

Directors' Time Commitments (Provision 4.5)

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

PRINCIPLE 5: BOARD PERFORMANCE

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

Assessment and Evaluation Process (Provision 5.1)

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

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

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

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

Board Evaluation Process (Provision 5.1)

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

Board and Board Committees Evaluation Criteria (Provision 5.2)

The self-assessment questionnaires evaluation criteria of the Board include:

(i) composition of the Board;
(ii) information provided to the Board;
(iii) conduct of Board meetings;
(iv) accountability of the Board, including whether the various Board Committees are functioning properly; and
(v) the Board's standards of conduct.

The self-assessment questionnaires qualitative criteria used by the NC to evaluate the Board covers five key areas relating to Board structure, the Board's review of the Company's strategy and performance, Board's oversight on the Company's governance, including risk management and internal controls, and the effectiveness of the Board Chairman and Board processes. The quantitative criteria used to evaluate the overall Board performance comprises performance indicators which include a comparison of the Group's performance (including segmental performance) for the financial period under review against the Group's performance for the corresponding period in previous years, and other indicators such as the Company's share price performance over a historical period.

When assessing the overall Board performance, the NC takes into consideration the feedback from individual Directors on areas relating to the Board's qualitative criteria as stated above and the result of the quantitative assessment. The results of the overall evaluation of the Board by the NC, including its recommendation for improvements, if any, are presented to the Board.

The self-assessment questionnaires evaluation criteria of the Board Committees include:

(i) frequency and duration of the Board Committee meetings;
(ii) authority to investigate matters within its respective terms of reference;
(iii) resources available to and access to management in discharging the duties and responsibilities of a Board Committee;
(iv) availability of financial resources and authority to engage external professional advice if necessary; and
(v) training resources available to the members of the respective Board Committees.

Individual Director Evaluation Criteria (Provision 5.2)

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

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

The self-assessment questionnaires focused on the following key attributes of a Director:

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

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

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

Effectiveness of the Board and Board Committees (Provision 5.2)

Based on the summary of findings of the evaluation for FY2024 together with the feedback and recommendations from each Director, the NC and the Board concluded that the overall performance of the Board and the Board Committees were consistently good in all aspect and met their performance objective for FY2024 and no major issues or findings in relation to the ARC, NC, RC and SSC that required the attention of the Board have been identified.

Effectiveness of Individual Director (Provision 5.2)

After considering the results of the self-assessment questionnaires and the contributions from the Directors during the Board and Board Committees meetings, including charting the Group's strategy, advising Management on risk management, sharing of their industry experiences and opinions on matters tabled at the meetings, the NC and the Board were collectively satisfied that the competency of each of the Board members had met the intended objectives to balance an appropriate mix of professional experience, environmental or contextual knowledge and personal attributes and skills in facilitating effective decision making of the Board in FY2024.

B. REMUNERATION MATTERS

PRINCIPLE 6: PROCEDURE FOR DEVELOPING REMUNERATION POLICIES

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

RC Composition and Terms of Reference
(Provisions 6.1 and 6.2)
The RC comprises entirely all eight NEIDs. All members of RC are knowledgeable with executive compensation. The detailed terms of reference of the RC are disclosed in Appendix 1 of this CG Report on page 145 of the AR2024.

In carrying out the above-mentioned duties, the RC shall, *inter alia*:

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

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

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

Engagement of Remuneration Consultants
(Provision 6.4)
The RC has access to advice from the internal human resource department and, if necessary, the RC may seek advice from external professionals in the field of executive compensation and related matters of which the expenses will be borne by the Company. No external consultant was engaged by the Company in FY2024.

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

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

Level and Mix of Remuneration of Directors and KMPs
(Provisions 7.1, 7.2 and 7.3)
The remuneration policy for the EDs and KMPs adopted by the Company generally comprises a basic salary and a variable bonus that is linked to the performance of the Company and individual ED or KMPs. Currently, the Company does not have any share option or incentive share scheme.

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

The remuneration structure of the EDs and KMPs is reviewed annually by the RC to determine whether it is effective in attracting, retaining and motivating them. The review includes comparisons against available industry information compiled by the Group's human resource department.

An annual review of the remuneration package of the EDs, CEO and KMPs are carried out by the RC to ensure that the remuneration of the EDs, CEO, and KMPs after taking into consideration, among other things, their performance and that of the Company, and the market averages.

The EDs are not paid Directors' fees. The Company advocates a performance-based remuneration system for EDs and KMPs that is flexible and responsive to the market, comprising a base salary and other fixed allowances, as well as variable performance bonus which is based on the Group's performance and the individual's performance such as management skills, process skills, people skills and business planning skills. This is designed to align remuneration with the interests of Shareholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group.

Policy in Respect of Non-executive Directors' Remuneration

The fee structure for the NEIDs is determined after taking into account factors such as, the NEIDs' respective roles and responsibilities on the Board and Board Committees, the changes in the business, corporate governance practices and regulatory rules and level of contributions including attendance and time spent at and outside the formal environment of the Board and Board Committees meetings. Each NEID's remuneration comprises a basic fee and an additional fee for services performed on Board Committees. The Lead NEID also receives additional fee to reflect his expanded responsibility. Each Board Committee Chairman is also paid a higher fee compared with the members of the respective Board Committees in view of the greater responsibility carried by that office.

The Directors' fee structure is regularly benchmarked with comparable listed companies to ensure that their remuneration is fair and appropriate. The NEIDs participated in additional ad-hoc meetings with Management during the year receive additional fees to reflect the additional time and efforts for such additional meetings when the number of such meetings attended exceeded the respective pre-determined number.

The structure of fees payable to NEIDs for FY2024 is set out as follows:

Appointment as/attending:	Fees per annum (S$)
Board of Directors	60,000 (Basic fee)
Lead Independent Director	5,000
Additional Board meeting	2,000 per meeting

	Chairman	Member
Additional fee for appointment to:	Fees per annum (S$)	Fees per annum (S$)
Audit and Risk Committee	20,000	2,000
Nominating Committee	5,000	2,000
Remuneration Committee	5,000	2,000

PRINCIPLE 8: DISCLOSURE ON REMUNERATION

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

Disclosure on Remuneration of Directors, CEO and KMPs (Provision 8.1)

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

Details on the remuneration to Directors and the KMPs for FY2024 are reported below. During FY2024, there were no termination, retirement or post-employment benefits (other than CPF contributions) granted to any Director or any KMPs.

The remuneration of each Director for FY2024 including a breakdown of basic salary, variable bonuses/allowances, fees and other benefits for FY2024 is disclosed as follows:

Names of Directors	Fees[5]	Salary[1]	Variable bonus	Other benefits	Total
	S'000	S'000	S'000	S'000	S'000
Executive Director					
Victor Lo Chung Wing	-	939	175	60	1,174
Lam Hin Lap	-	601	-	40	641
Brian Li Yiu Cheung	-	784	214	64	1,062
Waltery Law Wang Chak	-	771	30	3	804
Grace Lo Kit Yee	-	630	-	58	688
Non-executive Independent Director					
Lim Ah Doo	97	-	-	-	97
Allan Choy Kam Wing	75	-	-	-	75
Lim Jiew Keng	77	-	-	-	77
Goh Boon Seong	74	-	-	-	74
Timothy Tong Wai Cheung	74	-	-	-	74
Eric Yim Chi Ming[2]	48	-	-	-	48
Christopher Lau Kwan[3]	61	-	-	-	61
Seah Han Leong[4]	-	-	-	-	-
Hung Cheung Fuk[4]	-	-	-	-	-

Notes:
(1) Includes contributions to post-retirement benefits.
(2) Mr Eric Yim Chi Ming was appointed as NEID and a member of each of the Board Committees (except for SSC) on 1 August 2023.
(3) Mr Christopher Lau Kwan resigned as NEID and a member of each of the Board Committees (except for SSC) on 31 January 2024.
(4) Mr Seah Han Leong and Mr Hung Cheung Fuk were appointed as NEIDs and members of each of the Board Committees (except for SSC) on 20 June 2024.
(5) For FY2024, there was no change in the Directors' fee structure. The aggregate amount of proposed Directors' fees for FY2024 of S$506,000 will be paid to the NEIDs upon approval by Shareholders at the forthcoming AGM.

The aggregate remuneration paid to the top five management personnel including the KMPs (who are not EDs) for FY2024 was S$3,324,000. The level and mix of remuneration of each of such key management personnel (who are not EDs), are set out as follows:

Remuneration Band and Names of Key Management Personnel	**Salary[1]**	**Variable bonus**	**Other benefits**	**Total**
	%	**%**	**%**	**%**
S$550,001 to S$800,000				
Victor Chong Toong Ying	78	-	22	100
Charlton Kwong Yiu Cheung	97	-	3	100
Alec Malcolm Chanin	84	11	5	100
Zhu Xiang Kui Vincent	28	72	-	100
Wang Jian Hao William	23	77	-	100

Notes:
(1) Includes contributions to post-retirement benefits

Disclosure on Remuneration of Immediate Family Member of a Director, the CEO or a Substantial Shareholder (Provision 8.2)
During FY2024, Mr Alan Lo Yeung Kit, son of Mr Victor Lo Chung Wing, the Board Chairman and brother of Ms Grace Lo Kit Yee, an ED, is an employee of the Company whose remuneration was more than S$400,000 but less than S$500,000. There are no other employees of the Group who are an immediate family members of a Director, the CEO or a substantial Shareholder of the Company whose remuneration exceeded S$100,000 during FY2024.

Details of Employee Share Scheme (Provision 8.3)
During FY2024, no remuneration or compensation was paid or is to be paid in the form of share options as the Company does not have any share option or share incentive plans. The Company may implement such share option or share incentive plans in the future.

C. ACCOUNTABILITY AND AUDIT

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

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

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

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

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

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

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

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

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

Roles of ARC
(Provision 9.1)
The ARC assists the Board in carrying out the Board's responsibility of overseeing the Group's ERM framework and policies for the Group and ensuring that Management maintains a sound system of internal controls and risk management. The overall objective of the ARC is to provide oversight that:

(i) Management has created and maintained an effective risk management and control environment in the Company; and
(ii) Management demonstrates the necessary aspect of the internal control structure among all parties.

The ARC is governed by its terms of reference and its responsibilities relating to risk management and internal controls cover:

(i) to review with the External Auditors, *inter alia*, their evaluation of the system of internal accounting controls;
(ii) to review at least once annually the adequacy and the effectiveness of the Company's internal controls, i.e. the financial, operational, compliance and information technology controls, and risk management systems, including the overall risk assessment process to ensure a robust risk management system is maintained and report to the Board;
(iii) to review the assurance provided by the Chairman and CEO and Chief Financial Officer ("CFO"), as well as the assurance provided by the Head of IA regarding, *inter alia*, the effectiveness of the Company's risk management and internal control systems ("RMICS");
(iv) to review reports submitted by the CRO and prepare ARC report regarding the adequacy and effectiveness of RMICS to the Board;
(v) to ensure the Head of IA and CRO has direct and unrestricted access to the Board Chairman and ARC; and
(vi) to recommend to the Board the statement to be included in the Company's annual report relating to the adequacy and effectiveness of the Company's RMICS.

Roles of CRO
(Provision 9.1)
The role of the CRO is:

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

The responsibilities of the CRO include:

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

Risk Management and Internal Control Systems
(Provision 9.1)
The Board has, with the assistance of the ARC, evaluated the adequacy and effectiveness of the Group's RMICS.

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

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

The Three Lines Model

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

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

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

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

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

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

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

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

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

(i) written assurance from the CEO and CFO that as at 31 March 2024, the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
(ii) written assurance from the CEO, CFO and other KMPs that the Group's risk management and internal controls systems in place were adequate and effective as at 31 March 2024 to address the risks (including financial, operational, compliance and information technology risks) within the current scope of the Group's business operations for FY2024.

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

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

The Board with the assistance of the ARC, has undertaken an annual evaluation of the adequacy and effectiveness of the RMICS. The assessment considered both the key risk profile of the Company, the ability to discharge proper risk governance responsibilities and the existence and effectiveness of the principles within the Company to meet the requirements of an effective internal control system as stipulated by COSO.

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

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

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

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

Board's and ARC's Opinion on Internal Controls and Risk Management Systems
(Provision 9.2)
Based on the work performed by the IA, the External Auditors, and the periodic reports from the Management together with the written assurances from the KMPs to support the opinion to be given by the ARC and the Board, the Board with the concurrence of the ARC, is of the opinion that the internal controls and risk management systems in place as at 31 March 2024 are adequate and effective to address in all material respects the financial, operational, compliance and IT risks within the current scope of the Group's business operations for FY 2024.

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

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

PRINCIPLE 10: AUDIT AND RISK COMMITTEE

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

Composition and Terms of Reference of ARC
(Provisions 10.1, 10.2 and 10.3)
The ARC comprises entirely all eight NEIDs and is chaired by the Lead NEID.

The members of the ARC are experienced professionals and/or businessmen. They have relevant experience and are knowledgeable in accounting, banking and financial management. The members have been elected also on the basis that they possess extensive general business knowledge. The Board is of the view that all members of the ARC have sufficient financial management expertise, commercial and business experience to discharge their duties and responsibilities adequately and effectively.

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

In addition to the oversight for risk management matters and internal controls, the ARC also provides oversight for financial and audit related matters of the Group. The ARC has a formalised terms of reference which sets out the membership, administration, duties, reporting procedure, attendance at General Meetings and remuneration of the members of the ARC. The ARC's responsibilities relating to risk management and internal controls are discussed under section headed "Risk Management and Internal Control Systems (Provision 9.1)". The detailed terms of reference of the ARC are disclosed in Appendix 1 of this CG Report on page 144 of the AR2024.

The ARC has explicit authority to investigate any matter within its terms of reference and has full and unfettered access to and co-operation by Management. The ARC is able to draw on independent professional advice at the Company's expense, to enable it to discharge its function properly.

The ARC meetings are held with the Internal and External Auditors and by invitation, any Director and Management representative.

Activities of ARC
(Provision 10.1)
The ARC convened four meetings during FY2024. During these meetings, the ARC reviewed, *inter alia*, the unaudited half-yearly and full year financial results before they were announced to SGX-ST, received the reports by the IA and was briefed by the External Auditors on their annual audit plans and reports prepared in connection with the annual statutory audit.

The ARC had therefore been apprised of the relevant new or changes to financial reporting standards and relevant laws and regulations via their review of the annual audit plans and reports prepared by External Auditors and are kept abreast of changes of accounting standards and issues which have a direct impact on financial statements through updates from the External Auditors.

The ARC reviewed the annual audit plan for FY2024 prepared by the External Auditors and agrees with the External Auditors' proposed significant risks and areas of audit focus that impact the financial statements. The ARC also reviewed and addressed key audit matters ("KAMs").

ARC's commentary on Key Audit Matters
(Provision 10.1)
The ARC has considered the reports from Deloitte, including their findings on significant risks and the key areas of audit focus. The ARC has discussed and reviewed the KAMs included in the independent auditor's report for FY2024 with Management and Deloitte, and is in agreement with the KAMs highlighted. The independent auditor's report for FY2024 is set out on pages 33 to 37 of the AR2024.

Following the review, the ARC is satisfied that the aforesaid KAMs have been properly dealt with and recommended the Board to approve the financial statements. The Board has approved the Audit Financial Statement on 21 June 2024.

Internal Audit
(Provision 10.4)

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

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

All members of IA including the Head of IA have the relevant qualifications and experience. The Head of IA, Mr Edward Mo, is a Certified Internal Auditor and holds professional certifications in internal auditing issued by the Institute of Internal Auditors (the "IIA"). The IA is given sufficient time and resources dedicated by Management to facilitate the proper completion of internal audits and reporting of any material matters to the ARC.

The IA adopts the internal control framework established by COSO when performing its work and the IA plan is developed through a risk centric approach. The IA has adopted and conducts its IA reviews based on the International Standards for the Professional Practice of Internal Auditing (the "IIA Standards") of the International Professional Practices Framework of the IIA. This ensures that the IA maintains the appropriate level of conformance to the attribute and performance standards of an IA function. Members of the IA also undergo continuous professional training through attendance at professional technical training sessions organised by qualified external institutions and bodies.

The IA formally reports the findings from the IA reviews conducted at the quarterly ARC meetings. On an annual basis, the ARC reviews and approves annual IA plan as well as any further requirements in professional resources to conduct the required IA reviews. The key findings from the IA reviews are also shared with the risk management team and the CRO, to facilitate the necessary inclusion in the consideration of the Group's risks during the risk assessment process.

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

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

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

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

The IA function has a Quality Assurance and Improvement Programme ("QAIP") in place to ensure that its audit activities confirm to the IIA Standards. As part of the QAIP, internal Quality Assurance Reviews ("QAR") are conducted at least once every three years, and an external QAR is carried out at least once every five years by qualified professionals from an external organisation. In FY2023, PriceWaterhouseCoopers ("PwC") was appointed to conduct the external QAR, based on Standard 1312 – External Assessments of International Professional Practices Framework of the IIA. The QAR covered the attribute standards (attributes of the function and individuals that perform IA) and the performance standards (which defines the nature of IA and provides quality criteria to measure the performance of these services). Based on PwC's assessment, the IA function has been rated to have conformed with the requirements of the IIA Standards in all material respects.

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

Independent Meeting with External Auditors without the Management
(Provision 10.5)

The ARC held four meetings during FY2024 and carried out its duties as set out within its terms of reference. The Company Secretary maintains records of all ARC meetings including records of discussions on key deliberations and decisions taken. The ARC meets with the Internal and External Auditors, each separately without the presence of Management, at least once annually. The ARC members continually keep themselves abreast of changes to accounting standards, risks and other issues which may have a material impact on financial statements.

Evaluation of External Auditors
(Provision 10.1)

During FY2024 and as in past years, the ARC reviewed the annual audit plans and reports prepared by Deloitte, discussed on the planned audit scope, materiality in auditing, significant risks and areas of audit focus, internal control plans, involvement of internal specialists, timing of audit and audit quality indicators.

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

The ARC undertook a review of the independence and objectivity of the External Auditors, their approach of the audit work, their proposed audit fees as well as the non-audit fees awarded to them.

The ARC has reviewed all non-audit services rendered and fees charged by Deloitte and its member firms and is of the opinion that such services received would not affect the auditor's independence. During FY2024, the aggregate amount of fees paid and payable to Deloitte and its member firms is as follows (excluding fees paid or payable by the Group's associates):

	FY2024		FY2023	
Types of service	**S$'000**	**% of Total Fees**	**S$'000**	**% of Total Fees**
Audit fees to Deloitte Singapore	279	16.5%	274	16.3%
Audit fees to Deloitte member firms outside Singapore	1,385	82.1%	1,368	81.2%
Total Audit Fees	**1,664**	**98.6%**	**1,642**	**97.5%**
Total Non-audit Fees (both Singapore and its member firms)	23	1.4%	42	2.5%
Total Fees	**1,687**		**1,684**	

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

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

The ARC and Board noted that the Company's External Auditors are engaged to audit the financial statements of the Company and its Singapore-incorporated subsidiaries. The ARC and Board are satisfied that suitable auditing firms are engaged for its significant foreign-incorporated subsidiaries. Accordingly, the Company complies with Rules 712 and 715 of the Listing Rules in relation to the Company's appointment of auditing firms.

The ARC has full access to, and has the full co-operation of Management and staff. It also has full discretion to invite any Director or any member of Management to attend its meetings.

Interested Person Transactions ("IPTs")
(Provision 10.1)

The Company had obtained Shareholders' approval at its AGM held on 25 July 2023 ("FY2023 AGM") for the Company, its subsidiaries and its associated companies not listed on SGX-ST or an approved exchange, over which the Company, its subsidiaries and/or interested persons have control, to enter into transactions within the categories of IPTs set out in the Company's Letter to Shareholders dated 10 July 2023 ("Letter to Shareholders"), with such persons within the class or classes of Interested Persons as described in the Letter to Shareholders, provided that such transactions are entered into in accordance with the review procedures set out in the Letter to Shareholders (the "IPT Mandate"). The IPT Mandate is subject to annual renewal by the Shareholders. Given that such IPTs are expected to occur with some degree of frequency and may arise at any time, and to allow the Group to undertake such transactions in an expeditious manner, Shareholders' approval will be sought at the AGM held on 26 July 2024 ("2024 AGM") for the renewal of the IPT Mandate. The ARC has confirmed that an independent financial adviser's opinion is not required for the renewal of the IPT Mandate as the methods or procedures for determining the transaction prices of the IPTs conducted under the IPT Mandate have remained appropriate since Shareholders approved the renewal of the IPT Mandate at the FY2023 AGM, and the methods or procedures continue to be sufficient to ensure that these IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

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

The Company's disclosure in accordance with Rule 907 of the Listing Rules in respect of IPTs for FY2024 is as follows:

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under Shareholders' mandate pursuant to Rule 920 of the Listing Rules)		Aggregate value of all interested person transactions conducted under Shareholders' mandate pursuant to Rule 920 of the Listing Rules during the financial year under review (excluding transactions less than S$100,000)	
		2024	**2023**	**2024**	**2023**
		S$'000	**S$'000**	**S$'000**	**S$'000**
Sales:					
Huizhou Light Engine Limited	(Note a)	-	67	8	85
GP Energy Tech Limited and its subsidiaries ("GPET Group")	(Note a, c)	-	-	254	-
Purchases:					
Light Engine Limited	(Note a)	-	137	36	402
GPET Group	(Note a, c)	-	-	8,124	-
Management income:					
GPET Group	(Note a, c)	953	-	-	-
Receipt of non-trade balance:					
GPET Group	(Note a, c)	7,561	-	-	-
Advance of non-trade balance:					
Gold Peak	(Note d)	6,028	-	-	-
Consideration payable by an associate for proposed acquisition:					
United Luminous International (Holdings) Limited	(Note a, b)	-	75,916	-	-

(Note a) An associate of a controlling shareholder.

(Note b) Completion of the proposed acquisition, which was announced on 31 March 2022, was approved by independent Shareholders of the Company at a meeting convened on 30 December 2022.

(Note c) GPET is a subsidiary of Gold Peak upon completion of the DIS on 29 January 2024. The value of the transactions with the GPET Group is for the period from 1 February 2024 to 31 March 2024, after the completion of the DIS.

(Note d) A controlling Shareholder.

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

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

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

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

A copy of the whistleblowing policy and reporting procedure is posted on the Group's intranet encouraging the report of any behaviour or actions that anyone reasonably believes might by suspicious, against any rules/regulations/accounting standards and internal policies.

Details on the dedicated channels of communication (email and postal address) have also been made available on the Group's intranet and corporate website. A dedicated whistle-blowing email account at internal.audit@gp.industries has been set up for the Head of IA to receive complaints and information from all employees of the Group or other persons in order to facilitate and encourage the reporting of such matters. The ARC monitors the whistleblowing complaints based on reports prepared by the Head of IA and ensures appropriate follow-up actions are taken.

D. SHAREHOLDER RIGHTS AND ENGAGEMENT

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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

Shareholders' Participation in General Meetings
(Provision 11.1)
During FY2024, the Company held its AGM and an EGM to seek Shareholders' approval for:
(i) the special resolutions - Proposed alteration to the Objects Clause and proposed adoption of the New Constitution of the Company; and
(ii) the ordinary resolution - Distribution in specie of all the ordinary shares in the issued share capital of GP Energy Tech Limited to Shareholders.

Both General Meetings were held physically at the PARKROYAL COLLECTION Marina Bay, Singapore, in line with GPI's practice prior to the pandemic and following the cessation of the COVID-19 (Temporary Measures). The Company's General Meetings are generally held physically in central locations which are easily accessible by public transportation, ensuring that Shareholders have the opportunity to participate effectively and vote at such meetings.

Shareholders are informed of the meetings through notices sent to them and via SGXNet and made available on the Company's website at http://www.gp.industries, and reports or circulars sent or made available to all Shareholders. In order to provide ample time for the Shareholders to review, the notice of AGM, together with the annual report, is announced via SGXNet and the Company's website fourteen days before the scheduled AGM date. Shareholders are encouraged to attend the General Meetings to ensure a high level of participation and accountability.

As part of the Group's commitment towards environmental sustainability, the Company will only distribute printed copies of the notice of AGM and proxy form to its Shareholders. Printed annual report will only be sent to Shareholders upon receipt of duly completed annual report request forms.

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

The rules for the appointment of proxies, including information that voting will be conducted by way of poll, are set out in the notice of General Meetings. In accordance with the Constitution of the Company, if any Shareholder is unable to participate at the physical meeting, he/she is allowed to appoint up to two proxies to vote on his/her behalf at the meeting through proxy forms sent in advance. The proxy forms must be deposited at such place or places specified in the notice or document accompanying the notice convening the General Meetings at least seventy-two hours before the time set for the General Meetings. Specified intermediaries, such as banks and capital markets services licence holders which provide custodial services, may appoint more than two proxies. The proxy form is sent with the notices of General Meetings to all Shareholders. This will enable indirect investors, including SRS investors, to be appointed as proxies to participate in the physical meetings. Such indirect investors, where so appointed, will have the same rights as direct investors to vote at the physical meeting.

Interaction with Shareholders (Provision 11.3)
Shareholders are invited to submit questions they may have on the motions to be debated and decided upon, to the Chairman of the meetings prior to the General Meetings. Responses to substantial and relevant questions submitted by Shareholders prior to the meetings are uploaded to SGXNet and GPI's website prior to the events and addressed at the General Meetings. The CEO and CFO of the Company will give a presentation at the AGM, providing further elaboration to Shareholders.

At General Meetings of the Company, Shareholders are invited to put forth any further questions they may have on the motions to be debated and decided upon, and are given the opportunity to communicate their views and raise questions and discuss with the Directors and Management on matters affecting the Company, and vote on the resolutions at General Meetings. Each distinct issue is proposed as a separate resolution. Such resolutions include matters of significance to Shareholders such as, where applicable, proposed amendments to the Constitution, the authorisation to issue additional shares, the transfer of significant assets, re-election of Directors, and the remuneration of NEIDs. The rationale for the resolutions to be proposed at the meeting is set out in the notices to the meeting or their accompanying appendices. However, where the issues are interdependent and linked so as to form one significant proposal, the Company may propose "bundled resolutions" and will set out the reasons and material implication in the notices to the meeting or its accompanying appendices. Detailed information on each item in the AGM agenda is provided in the explanatory notes to the notice of AGM.

Conduct of Resolutions and Voting (Provision 11.2)
To ensure transparency, the Company conducts electronic poll voting for Shareholders/proxies present at the physical meeting for all the resolutions proposed at the General Meeting. Shareholders are also informed of the rules, including voting procedures, governing such General Meetings. A scrutineer will be appointed to count and validate the votes cast at the meetings. Votes cast for and against and the respective percentages, on each resolution will be displayed live to Shareholders/proxies immediately after each poll is conducted. The total number of votes cast for or against the resolutions and the respective percentages are also announced in a timely manner after the General Meeting via SGXNet. Each share is entitled to one vote.

Where possible, all Directors will attend the General Meetings of the Company. The chairmen of the Board and each Board Committee are required to be present to address questions at General Meetings. External Auditors are also present at such meetings to assist the Directors to address Shareholders' queries, if necessary.

The Constitution allows for absentia voting at General Meetings. Where Shareholders are unable to attend General Meetings, they may appoint proxies to attend, speak and vote on their behalf.

Minutes of General Meetings (Provision 11.5)
The Company Secretary prepare minutes of General Meetings, which incorporate substantial and relevant comments or queries from Shareholders relating to the agenda of the meeting and responses from the Board and Management. These minutes are available to Shareholders upon their requests. All minutes of General Meetings will be published on the Company's website as soon as practicable. Minutes of the AGM and EGM held during FY2024 were published on both the Company's website and SGXNet within one month from the respective meetings.

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

Attendance of Directors at the General Meetings held during FY2024 are disclosed under the section headed "Board and Board Committee Meetings (Provision 1.5)" of this CG Report.

Dividend Policy (Provision 11.6)
The Company is committed to rewarding Shareholders fairly and sustainably, while balancing the payment of dividends with its capital requirements to ensure that the best interests of GPI are served, after taking into account the Group's financial performance, short and long-term capital requirements, future investment plans and other factors as the Board may deem appropriate including general global and business economic conditions and any regulatory factors. While it does not have a formal dividend policy, the Company has a track record for distributing about 50% to 60% of its annual net profit as dividends. Any payment of interim dividend or, upon receipt of Shareholders' approval at AGMs, final dividend, will be paid to all Shareholders in an equitable and timely manner. For FY2024, the Company will be paying out a total cash dividend of 2 cents per share to Shareholders.

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

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

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

In FY2024, results for the half-year were released via SGXNet within 45 days of the end of 30 September 2023 whilst the full year results were released within 60 days from the financial year end. In presenting the Group's financial results, the Board aims to provide investors with a balanced and understandable assessment of the Group's performance and financial position with a commentary at the date of the announcement of the significant trends and competitive conditions of the industries in which it operates.

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

Price-sensitive information is first publicly released, either before the Company meets with any group of investors or investment analysts or simultaneously with such meetings, if necessary.

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

In FY2024, the following documents related to General Meetings were made available to Shareholders by electronic means via publication on the Company's corporate website and SGXNet:

(i) 2023 AGM

- Notice and Proxy Form;
- FY2023 Annual Report;
- Letter to Shareholders dated 10 July 2023, in relation to the proposed (a) renewal of the share purchase mandate; and (b) renewal of the General Mandate for IPTs.

(ii) EGM held on 4 December 2023

- Notice and Proxy Form;
- Circular to Shareholders dated 10 November 2023;
- Election Forms to Entitled Shareholders.

Investor Relations Practices (Provisions 12.1, 12.2 and 12.3)

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

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

Shareholders and investors can contact the Company or access information on the Company at its corporate website at http://www.gp.industries which provides, *inter alia*, information on the Board of Directors, Management, and the Group's key business units, Annual Reports, corporate announcements, press releases and financial results as released by the Company on SGXNet, and contact details of its investor relations.

Shareholder Communication (Provision 12.1)

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

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

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

Dialogue with Shareholders (Provisions 12.1 and 12.2)

The AGM is the annual forum at which the Company directly communicates with the Shareholders, gather their views and input and address their concerns. As the 2024 AGM will be held in wholly physical format, Shareholders are encouraged to attend in person so that they can engage with the Board directly.

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

E. MANAGING STAKEHOLDER RELATIONSHIPS

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

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

Engagement with Stakeholders (Provision 13.1)

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

The stakeholders have been identified as those who are impacted by the Group's business and operations and those who are similarly able to impact the Group's business and operations. Six (6) stakeholders' groups have been identified through an assessment of their significance to the business operations. They are namely, employees, customers, suppliers, Shareholders, government and regulators authorities, and local communities.

Sustainability

The Board recognises sustainability as the key to the Group's long-term success in enhancing the stakeholder value. Facilitated by a third party, the Company conducts materiality assessments annually to determine the key Environmental, Social and Governance ("ESG") issues that are important to the Company's stakeholders. These issues are foundational to the Company's annual sustainability reporting.

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

The Board has delegated the responsibility for monitoring and overseeing the Group's sustainability efforts to Management, comprising the EDs and the HODs, and heads of business units. The Group's Environmental, Health and Safety Committee (the "EHS Committee") is tasked to evaluate and determine the environmental, health and safety related risks pertaining to the Group's businesses.

Sustainability and ESG Governance

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

The detailed terms of reference of the SSC are disclosed in Appendix 1 of this CG Report on pages 145 to 146 of the AR2024.

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

GPI's Sustainability Report ("SRs") are available on its corporate website. The Group's sustainability efforts and performance for FY2024 will be discussed in more details in the Company's SR for FY2024 (the "FY2024 SR"). FY2024 SR, which meets the requirement of the Listing Rules, is expected to be available by late July 2024.

Strategy and Key Areas of Focus (Provision 13.2)

The Company and the Group have undertaken a process to determine the economic, environmental and social issues, which are considered important to these stakeholders. These issues form the materiality matrix upon which targets, performance and progress are set and monitored.

The Company has arrangements in place to engage and manage relationship with its material stakeholders. The "FY2024 SR" sets out in more details how the Group identifies its material stakeholders and strategies employed by the Group to engage its stakeholders, as well as such engagement activities during FY2024.

Corporate Website (Provision 13.3)

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

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

Internal Code on Dealing in Securities

The Group has adopted a Code of Best Practices on Securities Transactions with respect to dealings in securities by Directors and officers of the Group in the Company's internal code on securities trading which sets out the implications of insider trading and provides guidance and internal regulation with regard to dealings in the Company's securities by the Company, its Directors and employees. These guidelines prohibit dealing in the Company's securities (a) on short-term considerations; (b) during the "closed period", commencing one month before the date of announcement of the Company's half-year and full year financial results and ending on the date of the announcement of the relevant results; and (c) while in possession of unpublished material price-sensitive information in relation to such securities. The Directors and employees of the Company are notified in advance of the commencement of each "closed period" relating to dealing in the Company's securities. Accordingly, the Company has complied with its Code of Best Practices on Securities Transactions and Rule 1207(10) of the Listing Rules.

APPENDIX 1
BOARD COMMITTEES – Terms of Reference of Board Committees

A. Terms of Reference of ARC

The ARC's terms of reference are primarily:

(i) to review with External Auditors, *inter alia*, their audit plan, nature and scope of the audit, evaluation of internal controls and audit report;

(ii) to review half-yearly and full year results for public announcement and annual financial statements to ensure their integrity before submission to the Board for approval, with particular focus on significant financial reporting issues and judgements, changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, going concern statement, compliance with accounting standards, SGX-ST and statutory/regulatory requirements;

(iii) to discuss problems and concerns, if any, arising from the audit;

(iv) to review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the External Auditors annually;

(v) to review reports submitted by the CRO and preparing ARC report regarding the adequacy and effectiveness of RMICS to the Board;

(vi) to review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance;

(vii) to review the IA programme and the adequacy and effectiveness of IA, and ensuring co-ordination between the Internal and External Auditors and Management;

(viii) to ensure the IA is independent of the activities it audits, reports primarily to the ARC, has unfettered access to all the Company's documents, records, properties and personnel has sufficient resources to perform its duties, and has appropriate standing within the Company;

(ix) to approve the hiring, removal, evaluation and compensation of the Head of the IA, or the accounting firm/auditing firm or corporation to which the IA function is outsourced;

(x) to recommend to the Board the appointment/re-appointment of the External Auditors, the audit fee and matters related to the resignation or dismissal of the auditors;

(xi) to review Company's procedures for detecting fraud and arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensure that arrangements are in place for such concerns to be raised and independently investigated and for appropriate follow-up actions to be taken;

(xii) to ensure External Auditors have direct and unrestricted access to the ARC Chairman and the Board Chairman;

(xiii) to review the assurance provided by the CEO and CFO (or their equivalents) regarding the financial records being properly maintained and the financial statements give a true and fair view of the Company's operations;

(xiv) to review the Group's IPTs and considering whether they are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders; and

(xv) to undertake such other reviews and projects as may be requested by the Board, and such other functions and duties as required by statute or the Listing Rules or the CG Code.

B. Terms of Reference of NC

The NC's terms of reference are primarily:

(i) to examine and review regularly and strategically the structure, size and composition of the Board and Board Committees and recommend changes, if any, to the Board;

(ii) to develop the performance evaluation framework for the Board, the Board Committees and individual Directors. The NC should also propose objective performance criteria for the Board, the Board Committees and individual Directors. It conducts the evaluations, analyses the findings and reports the results to the Board. The NC will also recommend areas that need improvement. This process can be assisted by independent third party facilitators;

(iii) to identify and nominate candidates to fill Board vacancies as they occur;

(iv) to review the board diversity policy and recommend to the Board annually, objectives for diversity (whether qualitative and quantitative) and review the progress made towards achieving the Board's objectives for diversity;

(v) to recommend the membership of the Board Committees to the Board;

(vi) to review and determine the independent status of NEIDs annually (and as and when circumstance requires) (in accordance with Rule 210(5)(d) of the Listing Rules and Provision 2.1 of the CG Code) and as and when circumstances require and that of the alternate Director, if applicable, or when necessary, along with issues of conflict of interest;

(vii) to evaluate the performance of the Board, the Board Chairman, Board Committees and the individual Directors;

(viii) to review the succession plans for the Board Chairman, Directors, CEO and KMPs of the Company to ensure continuity of leadership;

(ix) to review appointment and re-appointment of Directors (including the Board Chairman and the CEO, and alternate directors, if any) and the reasons for their resignations;
(x) to review appointments and the reasons for resignations and terminations of the KMPs who are not Directors;
(xi) to review and confirm the induction programmes for newly appointed Directors and for existing Directors in respect of their appointments to any of the Board Committees;
(xii) to identify and review the training and continuous professional development programme for the Directors; and
(xiii) to review other directorships held by each Director and decide whether or not a Director is able to carry out, and has been adequately carrying out, his/her duties as a Director, taking into consideration the Director's number of listed company directorships and principal commitments, and the NC may establish guideline on the maximum number of listed company directorships and principal commitments for each Director or type of Director.

C. Terms of Reference of RC

The RC's terms of reference are primarily:

(i) to review and make recommendation to the Board on a framework of remuneration, including the specific remuneration packages, for the Board and KMPs;
(ii) to review and recommendation to the Board on the specific remuneration of the NEIDs which should be appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities;
(iii) to consider the talent management framework so as to align with the review of the overall remuneration framework, in consultation with the NC and Management;
(iv) to review the design of all long-term incentive plans such as offers of shares, grants of options or other forms of deferred remuneration for approval by the Board, and if necessary, Shareholders;
(v) to review the Company's obligations arising in the event of termination of the EDs' and KMPs' contract of service, to ensure that such contracts of service contain fair and reasonable termination clause which are not overly onerous; and
(vi) to review performance measures and targets for any performance-related pay schemes operated by the Company.

D. Terms of Reference of SSC

The SSC's terms of reference are primarily:
(i) to review the Company's sustainability strategy, with reference to industry peers and expectations, to ensure that they are relevant to evolving local and global sustainability trends and developments;
(ii) to ensure that the Company has in place an effective governance structure for sustainability matters;
(iii) to review annually the reasons for and the process of selecting the ESG factors identified to be material to GPI's business, taking into account the prevailing business strategy, market conditions and stakeholder concerns.
(iv) to review annually the processes for identifying, assessing, and managing climate-related risks and opportunities across the 4 pillars of governance, strategy, risk management, and metrics and targets, and related reporting aligned with the Task Force on Climate-related Financial Disclosures;
(v) to oversee the adoption of the Company's sustainability goals and targets, as well as Management's plans and progress towards achieving the goals and targets;
(vi) to consider Management's proposals and recommendations on sustainability related policies and practices and make recommendations to the Board where relevant;
(vii) to monitor the Company's performance against previously disclosed targets in relation to identified material ESG factors;
(viii) to monitor the integration of the Company's sustainability strategy into the Company's general commercial objectives and align the management of key sustainability issues and impacts with the Company's broader business and sustainability strategy;
(ix) to monitor international sustainability related trends and developments and consider the implications on the Company's sustainability strategy;
(x) to review stakeholder engagement plan(s) to ensure that stakeholders' concerns are meaningfully captured and addressed;
(xi) to review and approve the independent assurance and audit process, and assess annually the adequacy and effectiveness of the process;
(xii) to review the Company's diversity and inclusion management;
(xiii) to review the Company's sustainability reporting and sustainability-related disclosures;
(xiv) to review the policies, practices and performance of the Company relating to safety, including in particular the safe condition and responsible operation of GPI's assets and business, as well as employee health and well-being;
(xv) to ensure that the safety functions in GPI are adequately resourced (in terms of number, qualification and budget) and have appropriate standing within the organisation;
(xvi) to monitor EHS performance of the Company, analyse trends and accident root causes, and recommend or propose company-wide initiatives for improvement where appropriate to ensure a robust EHS management system is maintained;

(xvii) to review the major changes to EHS risk profile of GPI that has changed or will change as a result of new business, new market, new product, etc. and the steps taken to monitor, control and mitigate such risks;

(xviii) to structure an audit programme of the Company's EHS management programme to verify effectiveness and use its resources to lead the execution of such audits, drawing additional resources from the line where needed;

(xix) to ensure a process is in place to have fatalities and other major incidents investigated by an independent and competent team;

(xx) to review any major incident that impact, or has the potential to impact, the Company's safety, environmental and social performance;

(xxi) to assist the Board in fulfilling its responsibility for oversight of the Group's sustainability matters;

(xxii) to formulate sustainability strategies, policies and goals;

(xxiii) to identify, evaluate and manage sustainability-related risks;

(xxiv) to lead the progress of the Group's sustainable development; and

(xxv) to review and advise the Board on the Group's ESG reporting.

Additional Information on Directors Seeking Re-election

The information required under Rule 720(6) and Appendix 7.4.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in respect of the Directors seeking re-election at the forthcoming Annual General Meeting ("**2024 AGM**") of the Company to be convened on 26 July 2024 is set out below:

Name of Director and appointment	**Mr Goh Boon Seong**
Date of first appointment	1 January 2018
Date of last re-appointment (if applicable)	27 July 2021
Age	69
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board had considered, *inter alia*, the recommendation of the Nominating Committee and Mr Goh's qualifications and experience as well as taking into consideration the size, composition and diversity of skillsets of the Board, and approved that Mr Goh stands for re-election as a Non-Executive Independent Director. The Board considers Mr Goh to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive Independent
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Non-Executive Independent Director • Audit and Risk Committee - Member • Nominating Committee - Member • Remuneration Committee - Member
Professional qualifications	Refer to section on "Board of Directors and Senior Management" on page 12 of this Annual Report.
Working experience and occupation(s) during the past 10 years	Boustead Medical Care Holdings Pte Ltd *(Managing Director)* WhiteRock Medical Company Pte. Ltd *(Director and Chief Executive Officer)*
Shareholding interest in the listed issuer and its subsidiaries	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments including Directorships - Past (for the last 5 years)	None
Other Principal Commitments including Directorships - Present	Sleep Care Pte Ltd *(Advisor)*
Information required pursuant to Listing Rule 704(7) - Confirmation under items (a) to (k) in Appendix 7.4.1 of the SGX-ST Listing Manual	Confirmed that all responses to be "No".

Name of Director and appointment	**Mr Eric Yim Chi Ming**
Date of first appointment	1 August 2023
Date of last re-appointment (if applicable)	N/A
Age	62
Country of principal residence	Hong Kong Special Administrative Region, PRC
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board had considered, *inter alia*, the recommendation of the Nominating Committee and Mr Yim's qualifications and experience as well as taking into consideration the size, composition and diversity of skillsets of the Board, and approved that Mr Yim stands for re-election as a Non-Executive Independent Director. The Board considers Mr Yim to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive Independent
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Non-Executive Independent Director • Audit and Risk Committee - Member • Nominating Committee - Member • Remuneration Committee - Member
Professional qualifications	Refer to section on "Board of Directors and Senior Management" on page 13 of this Annual Report.
Working experience and occupation(s) during the past 10 years	9H Limited *(Chairman)*
Shareholding interest in the listed issuer and its subsidiaries	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments including Directorships - Past (for the last 5 years)	Hong Kong Export Credit Insurance Corporation *(Chairman)* Vocational Training Council *(Deputy Chairman)* Technology Voucher Programme (TVP) Committee *(Chairman)* Chief Executive's Council of Advisers on Innovation and Strategic Development *(Advisor)* Ocean Park Hong Kong *(Director)*
Other Principal Commitments including Directorships - Present	Hong Kong Design Centre *(Chairman)* Our Hong Kong Foundation *(Advisor)* Mega Arts and Cultural Events Committee *(Member)* Education Commission *(Member)* School of Design of Hong Kong Polytechnic University *(Professor of Practice)*
Information required pursuant to Listing Rule 704(7) - Confirmation under items (a) to (k) in Appendix 7.4.1 of the SGX-ST Listing Manual	Confirmed that all responses to be "No".

Name of Director and appointment	Mr Seah Han Leong
Date of first appointment	20 June 2024
Date of last re-appointment (if applicable)	N/A
Age	60
Country of principal residence	Hong Kong Special Administrative Region, PRC
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board had considered, *inter alia*, the recommendation of the Nominating Committee and Mr Seah's qualifications and experience as well as taking into consideration the size, composition and diversity of skillsets of the Board, and approved that Mr Seah stands for re-election as a Non-Executive Independent Director. The Board considers Mr Seah to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive Independent
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Non-Executive Independent Director • Audit and Risk Committee - Member • Nominating Committee - Member • Remuneration Committee - Member
Professional qualifications	Refer to section on "Board of Directors and Senior Management" on page 13 of this Annual Report.
Working experience and occupation(s) during the past 10 years	Technovator International Limited *(Chief Operating Officer and Executive Director)* Neo Neon Holdings Limited *(President, Chief Operating Officer, Executive Director and Non-Executive Director)* THTF Lighting Group Limited *(President)*
Shareholding interest in the listed issuer and its subsidiaries	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments including Directorships - Past (for the last 5 years)	Neo Neon Holdings Limited *(President, Chief Operating Officer & Director)*
Other Principal Commitments including Directorships - Present	Battery Metals Technologies LTD *(Independent Non-Executive Director)* Kawin Biosciences Singapore Pte Ltd *(Special Advisor to Chairman)*
Information required pursuant to Listing Rule 704(7) - Confirmation under items (a) to (k) in Appendix 7.4.1 of the SGX-ST Listing Manual	Confirmed that all responses to be "No".

Name of Director and appointment	Mr Hung Cheung Fuk
Date of first appointment	20 June 2024
Date of last re-appointment (if applicable)	N/A
Age	52
Country of principal residence	Hong Kong Special Administrative Region, PRC
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board had considered, *inter alia*, the recommendation of the Nominating Committee and Mr Hung's qualifications and experience as well as taking into consideration the size, composition and diversity of skillsets of the Board, and approved that Mr Hung stands for re-election as a Non-Executive Independent Director. The Board considers Mr Hung to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive Independent
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Non-Executive Independent Director • Audit and Risk Committee - Member • Nominating Committee - Member • Remuneration Committee - Member
Professional qualifications	Refer to section on "Board of Directors and Senior Management" on page 14 of this Annual Report.
Working experience and occupation(s) during the past 10 years	• Credit Suisse (Hong Kong) Limited ➢ *Vice Chairman, Investment Banking and Capital Markets ("IBCM"), Asia Pacific* ➢ *Co-Head of IBCM, Asia Pacific* ➢ *Head of IBCM Greater China & Vice Chairman of Global Markets Solutions Group Greater China*
Shareholding interest in the listed issuer and its subsidiaries	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments including Directorships - Past (for the last 5 years)	Credit Suisse (Hong Kong) Limited *(Board Member, Board of Director)*
Other Principal Commitments including Directorships - Present	ANE (Cayman) Inc. *(Independent Non-executive Director)*
Information required pursuant to Listing Rule 704(7) - Confirmation under items (a) to (k) in Appendix 7.4.1 of the SGX-ST Listing Manual	Confirmed that all responses to be "No".

Shareholdings Statistics

As at 14 June 2024

Class of equity securities	:	Ordinary shares
Number of issued shares	:	521,358,482
Number of issued shares excluding treasury shares and subsidiary holdings	:	483,843,482
Voting rights	:	One vote per ordinary share

Treasury shares and subsidiary holdings

Number of treasury shares	:	37,515,000
Number of subsidiary holdings	:	Nil
Percentage of treasury shares and subsidiary holdings held against the total number of issued shares excluding treasury shares and subsidiary holdings	:	7.75%

Distribution of shareholdings

Size of shareholdings	Number of shareholders	%	Number of shares	%
1 - 99	44	3.23	1,624	0.00
100 - 1,000	227	16.68	188,457	0.04
1,001 - 10,000	635	46.66	2,991,734	0.62
10,001 - 1,000,000	445	32.70	31,904,041	6.59
1,000,001 and above	10	0.73	448,757,626	92.75
	1,361	100.00	483,843,482	100.00

Public float

As at 14 June 2024, approximately 13.94% of the Company's issued shares (excluding treasury shares and subsidiary holdings) are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Substantial shareholders

(as recorded in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
Name of substantial shareholder	Number of shares	%	Number of shares	%
Gold Peak Technology Group Limited ("Gold Peak")	414,098,443	85.59	-	-
Victor Lo Chung Wing ("Mr Lo") [1]	300,000	0.06	414,098,443	85.59

Note:

[1] Mr Lo's deemed interest in 414,098,443 issued shares of the Company arises pursuant to his direct interest in the issued shares of Gold Peak of approximately 26.54%, and Gold Peak's direct interest in 414,098,443 issued shares of the Company.

Twenty largest shareholders

No.	Name of shareholders	Number of shares	%
1.	Gold Peak Technology Group Limited	414,098,443	85.59
2.	UOB Kay Hian Private Limited	14,652,327	3.03
3.	Ablewood International Limited	5,830,000	1.21
4.	DBS Nominees (Private) Limited	3,625,059	0.75
5.	DBS Vickers Securities (Singapore) Pte Ltd	2,484,954	0.51
6.	Koh Beng Ling	2,266,750	0.47
7.	Citibank Nominees Singapore Pte Ltd	2,134,486	0.44
8.	Brian Li Yiu Cheung	1,465,000	0.30
9.	Phillip Securities Pte Ltd	1,136,007	0.23
10.	Heng Siew Eng	1,064,600	0.22
11.	Ng Poh Mui	850,100	0.18
12.	Woo Koon Chee	777,700	0.16
13.	ABN Amro Clearing Bank N.V.	711,851	0.15
14.	Raffles Nominees (Pte.) Limited	682,207	0.14
15.	Tan Seok Ling	673,409	0.14
16.	Eng Koon Hock	630,000	0.13
17.	Quah Biow Chye	593,140	0.12
18.	Jack Investment Pte Ltd	578,500	0.12
19.	Hobee Print Pte Ltd	570,000	0.12
20.	iFAST Financial Pte. Ltd.	561,900	0.11
		455,386,433	94.12

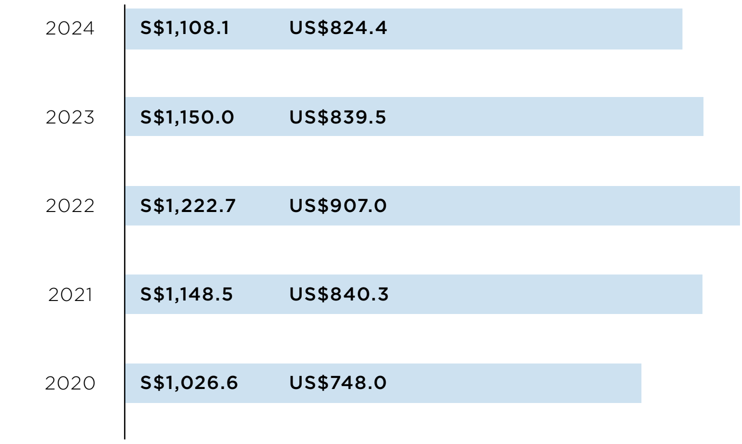
Five-year Financial Summary

Consolidated Income Statement Year ended 31 March	**2024** S$'000	**2023** S$'000	**2022** S$'000 (Restated)	**2021** S$'000	**2020** S$'000
Revenue - Continuing operations	**1,108,131**	1,150,046	1,222,749	1,148,508	1,026,581
(Loss) Profit after taxation					
- Continuing operations	**(47,034)**	27,437	49,178	41,035	27,085
- Discontinued operations	**-**	-	(3,050)	1,248	1,880
	(47,034)	27,437	46,128	42,283	28,965
Non-controlling interests	**(11,712)**	(5,393)	(6,112)	(10,563)	(9,499)
(Loss) Profit attributable to equity holders	**(58,746)**	22,044	40,016	31,720	19,466

Consolidated Statement of Financial Position As at 31 March	**2024** S$'000	**2023** S$'000	**2022** S$'000 (Restated)	**2021** S$'000	**2020** S$'000
Property, plant and equipment	**361,620**	392,085	411,572	386,321	336,061
Right-of-use assets	**36,185**	43,802	47,749	44,206	25,696
Interest in associates	**155,254**	268,581	355,145	304,316	270,887
Financial assets at fair value through other comprehensive income	**49,037**	4,191	6,739	1,968	2,496
Financial assets at fair value through profit or loss	**3,957**	-	-	-	-
Deposits and prepayments	**3,198**	3,333	4,286	5,843	3,879
Non-current receivables	**-**	-	3,226	14,924	15,318
Deferred tax assets	**4,932**	5,829	5,937	4,812	3,833
Intangible assets	**10,058**	10,387	10,696	12,551	13,660
Current assets	**612,701**	643,798	737,769	726,434	625,980
Total assets	**1,236,942**	1,372,006	1,583,119	1,501,375	1,297,810
Non-current liabilities	**229,560**	183,228	152,310	212,090	51,925
Current liabilities	**584,524**	660,972	806,948	778,910	777,350
Total liabilities	**814,084**	844,200	959,258	991,000	829,275
Net assets	**422,858**	527,806	623,861	510,375	468,535
Shareholders' funds	**305,346**	416,136	523,813	419,230	374,448
Non-controlling interests	**117,512**	111,670	100,048	91,145	94,087
Total equity	**422,858**	527,806	623,861	510,375	468,535

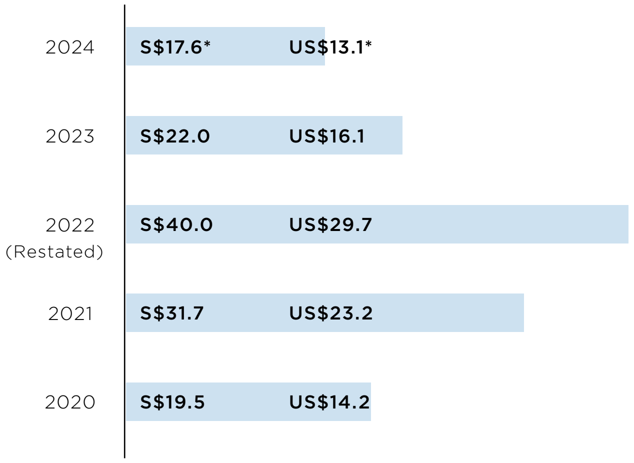
REVENUE - CONTINUING OPERATIONS

Year ended 31 March (million)



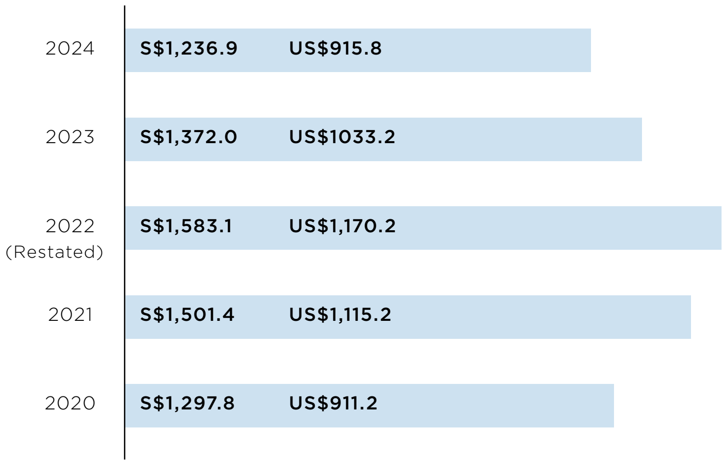
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

Year ended 31 March (million)



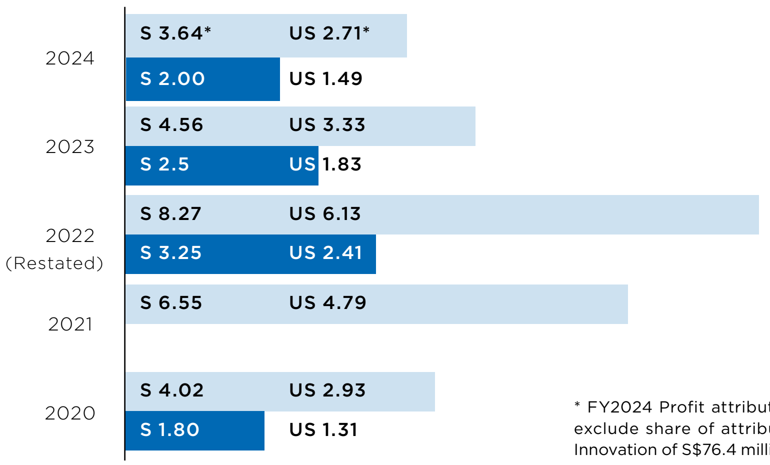
TOTAL ASSETS

As at 31 March (million)



EARNINGS PER SHARE & DIVIDENDS PER SHARE

Year ended 31 March (cents)



Earnings per share

Dividends per share

* FY2024 Profit attributable to equity holders and earnings per share exclude share of attributable loss (including impairment loss) of XIC Innovation of S$76.4 million

Definitions & Glossary

AGM I Annual General Meeting

Board I the board of Directors of the Company

China or PRC I The People's Republic of China

Directors I directors of the Company

FY I financial year, 1 April of a year to 31 March of the following year

FY2023 I the financial year ended 31 March 2023

FY2024 I the financial year ended 31 March 2024

FY2025 I the financial year ending 31 March 2025

Gold Peak I Gold Peak Technology Group Limited, a corporate incorporated and listed in Hong Kong and the ultimate holding company of the Company

GP Batteries I GP Batteries International Limited, a wholly-owned subsidiary of the Company

GP Energy Tech I GP Energy Tech Limited

GP Industries or the Company I GP Industries Limited

GPEHZ I GP Electronics (Huizhou) Co., Ltd, a wholly-owned subsidiary of the Group

Group I the Company and its subsidiaries

Hong Kong I Hong Kong Special Administrative Region, China

KGG I KEF GP Group Limited, a wholly-owned subsidiary of the Company

Meiloon I Meiloon Industrial Co., Ltd., an associate of the Company

NiMH I Nickel Metal Hydride

SGX-ST I Singapore Exchange Securities Trading Limited

S$ and cents I Singapore dollars and cents, respectively

UK I United Kingdom

US or USA I United States of America

XIC I XIC Innovation Limited

ZYNB I Zhongyin (Ningbo) Battery Co Ltd, a 70%-owned subsidiary of the Group

% I Per centum or percentage

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GP Industries Limited

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