



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

Unaudited Condensed Interim Consolidated Financial Statements for the First Half Year ended 30 September 2024 and Dividend Announcement

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A. Business Review and Outlook

Highlights - Group's operating earnings improved significantly

- Group's revenue increased 1.1% to S\$570.5 million
- Primary Battery Business revenue increased 9.9% to S\$420.1 million
- Branded Acoustics Business revenue increased 14.1% to S\$87.2 million
- Nickel Metal Hydride Rechargeable Battery Manufacturing Business was excluded after the completion of distribution in specie of GP Energy Tech Limited in January 2024
- Gross profit margin improved from 27.4% to 29.7%
- Profit before finance costs and share of results of associates increased 53.9% to S\$37.8 million
- Profit attributable to equity holders of the Company increased 62.9% to S\$14.5 million
- Basic earnings per share increased 62.5% to 2.99 Singapore cents
- Interim dividend of 1.5 Singapore cents per ordinary share, increased 50%
- Improve Group's capital resource by S\$34.5 million including issuance of Perpetual Bonds

Review of Results

For the first half year ("1H") ended 30 September 2024 ("1HFY2025"), the Group's revenue increased by S\$6.3 million or 1.1% to S\$570.5 million, compared to the revenue reported for the first half last year ("1HFY2024"). The increment was mainly due to a 0.6% and 3.0% increase in revenue of the Battery Business and the Audio Business, respectively. In terms of geographical markets, sales to the Americas and Asia increased while sales to Europe decreased.

During 1HFY2025, the Group has enhanced factory efficiency, implemented strict cost control measures and monitored the optimal level and timing of commodities purchases. As a result, the Group's gross profit margin increased from 27.4% in 1HFY2024 to 29.7% in 1HFY2025 and achieved an increase in gross profit for 1HFY2025 from S\$154.3 million to S\$169.4 million.

Other operating income for 1HFY2025 increased by 17.6% from S\$12.8 million to S\$15.1 million, compared to 1HFY2024. During 1HFY2025, the Group reported a gain on de-registration of a dormant Malaysia Battery subsidiary of S\$2.0 million and fair value gain on financial assets at fair value through profit or loss of S\$2.1 million, mainly representing the unquoted equity shares of GP Energy Tech Limited. The Group did not have such one-off gain in 1HFY2024.

Distribution costs increased by S\$2.0 million or 2.9% to S\$71.8 million, when compared to 1HFY2024, due mainly to increase global shipping cost in 1HFY2025 and was in line with the increase in sales volume for 1HFY2025 especially sales to the Americas.

The Group continued to implement operational efficiency enhancement and expense control measures since 1HFY2024. The Group's administrative expenses remained at approximately the same level as 1HFY2024.

Other operating expenses for 1HFY2025 increased to S\$2.0 million, compared to S\$1.6 million for 1HFY2024. The increase in 1HFY2025 was due mainly to property, plant and equipment write-off for 1HFY2025 related to some aged production lines being upgraded to new production line in the Battery Business.

The Group's operating earnings have improved significantly during 1HFY2025. The Group's profit before finance costs and share of results of associate ("PBF CRA") for 1HFY2025 increased by 53.9% to S\$37.8 million, compared to S\$24.6 million for 1HFY2024. The adjusted PBF CRA, calculated by adding back the "Other Operating Expenses" and deducting "Other Operating Income" from PBF CRA, increased by 85.7% to S\$24.7 million for 1HFY2025, as compared to S\$13.3 million in 1HFY2024, reflecting a substantial improvement in the operating results before other operating items in 1HFY2025 as compared to 1HFY2024.

Finance costs for 1HFY2025 was S\$15.2 million, a decrease of S\$1.5 million or 8.6% from S\$16.7 million reported for 1HFY2024, due mainly to repayment of bank borrowings during 1HFY2025.

Share of results of associates excluding XIC Innovation Limited (“**XIC Innovation**”) for 1HFY2025 decreased by S\$4.6 million to S\$6.4 million. During 1HFY2024, there was a share of the one-off land disposal gain amounted to S\$4.0m from Changzhou Lithium Batteries Ltd.

Total profit attributable to equity holders of the Company increased by 62.9% to S\$14.5 million for 1HFY2025, as compared to S\$8.9 million for 1HFY2024. Based on the weighted average of 483,843,482 (1HFY2024: 483,843,482) shares in issue, basic earnings per share for 1HFY2025 was 2.99 Singapore cents, as compared to 1.84 Singapore cents reported in 1HFY2024.

Business Review

Business Segment Performance - The Group has three main business segments – Battery Business, Audio Business and Other Industrial Investments. For 1HFY2025, the Group recorded a revenue of S\$570.5 million, of which approximately 77.4% was contributed by the Battery Business, while Audio Business contributed the remaining 22.6%.

Battery Business - The revenue of the Battery Business for 1HFY2025 was S\$441.4 million, a slight increase of 0.6% as compared to that of 1HFY2024. Upon completion of the distribution in specie of the nickel metal hydride rechargeable battery manufacturing business (“**DIS**”) to the shareholders of the Company in January 2024, the Group’s revenue from the rechargeable battery business only covers the trading of GP brand rechargeable battery products. During 1HFY2025, the revenue contributed by the primary battery business increased by S\$37.9 million compared to 1HFY2024, which outweighed the drop in revenue from rechargeable battery business of S\$35.1 million after the completion of DIS as compared to 1HFY2024.

In geographical terms, sales to Asia and the Americas increased by 4.8% and 32.3%, respectively, while sales to Europe decreased by 24.5%.

Gross profit margin of the Battery Business for 1HFY2025 improved to 25.3% when compared to 23.4% for 1HFY2024. The improvement in the gross profit margin was due mainly to improvement in factory efficiency and product mix. The increase in gross profit margin of the Battery Business contributed to the increase in profit contribution from the Battery Business for 1HFY2025.

Audio Business - The revenue of the Audio Business for 1HFY2025 was S\$129.1 million, a 3.0% increase when compared to the S\$125.3 million revenue reported for 1HFY2024.

The strong products program, successful dealer and distributor connections, and the opening of new experience centers in Tokyo and London have positively impacted the KEF branded acoustics business. In 1HFY2025, revenue from branded acoustics business increased by 14.1% compared to the same period in FY2024. This growth reflects the effectiveness of the strategic initiatives in enhancing market presence and customer engagement. Sales of KEF products increased by 15.7%, with sales improved in the Americas, Europe and Asia markets. The Celestion brand professional speaker driver business reported a 8.1% revenue increase in 1HFY2025 when compared to 1HFY2024.

Revenue of the professional audio manufacturing business decreased by 14.3% due mainly to the sales decline in the Americas and Europe.

Gross profit margin of the Audio Business for 1HFY2025 increased to 44.8%, an increment of 3.7% when compared with 1HFY2024. The increase in gross profit margin is mainly contributed by the increase in branded acoustics products with higher margin.

Other Industrial Investments - This business segment mainly includes the Group’s investments in Meiloon Industrial Co., Ltd. (“**Meiloon**”), Shinwa Industries (H.K.) Limited (“**Shinwa**”) and Wisefull Technology Limited. The contribution before taxation from this segment increased from S\$4.3 million for 1HFY2024 to S\$5.3 million for 1HFY2025, due mainly to the improvement in the share of results of Meiloon and Shinwa for 1HFY2025.

XIC Innovation and its subsidiaries (“**XIC Group**”) are continuing its business operations with support from major customers and suppliers and continues to explore the possibility of obtaining new funding from third parties to overcome the financial distress. The Company’s 39.13% direct equity interest in XIC Innovation as at 31 March 2024 of S\$46.2 million was classified as financial assets at fair value through

other comprehensive income. Starting from 1 April 2024, any fair value changes of XIC Group will be recognised in other comprehensive income (“OCI”) and will not affect the profit or loss of the Group.

Based on the valuation report prepared by an independent external valuer (“XIC Valuation Report”), the fair value of the Company’s interest in XIC Innovation as at 30 September 2024 was S\$15.2 million, after considering the additional impairment on certain assets of XIC Group based on updated information obtained up to the date of this results announcement, and a fair value loss of S\$31.0 million was recognized in OCI of the Group during 1HFY2025.

The independent external valuer used the asset-based approach, same approach as adopted for the financial year ended 31 March 2024, in the preparation of the XIC Valuation Report. The asset-based approach involves estimating the price at which an orderly transaction would take place in the principal or most advantageous market. The concept of orderly transaction implies that the transaction is not forced, such as forced liquidation or distress sale, which aligns with the current condition of XIC Group.

Capital Resource of the Group

During 1HFY2025, the Group has strengthened its capital base by (i) issuing perpetual subordinated bonds of an aggregate principal amount of US\$11,000,000 (S\$14.1 million); (ii) transferring certain portion of an industrial complex located in China with carrying amount of S\$7.8 million to investment properties after recognizing a revaluation gain of S\$5.9 million in OCI and (iii) enhancing the earnings with the profit attributable to equity holders of the Company for 1HFY2025 of S\$14.5 million. The total positive effect of these measures on net assets of the Group for 1HFY2025 was S\$34.5 million.

The Group intends to speed up the divestment of another vacant land and buildings of the Group’s unused factories in China and generate rental income before the completion of the disposal, which would further strengthen the Group’s net asset position.

Outlook

The global economy remains soft with high inflation and high interest rates persisting through 1HFY2025. These economic conditions may negatively impact consumer spending on electronic and acoustics products, potentially leading to slower growth in these sectors. Demand for the Group’s battery products is expected to remain stable as major overseas customers’ demand is stabilized following their inventory optimization processes that have been ongoing for the past few years.

With the new experience center in London opened in 1HFY2025 and combined with the strong products program, demand for KEF speakers is expected to gradually strengthen. Successful distribution channel expansion will further support this growth, enhancing customer engagement and product availability in the market.

Despite the interest rate reductions that began in September 2024, interest rates are expected to remain high throughout the year ending 31 March 2025, leading to significant finance costs which may continue to affect the profitability of the Group. The Group may explore funding some of its future expansions by other sources of financing, when appropriate, in order to reduce the Group’s bank borrowing and finance costs.

The future developments of XIC Group, including the results of its restructuring program, the outcome of the winding up petitions and its efforts in obtaining new funding from third parties is uncertain. Management will closely monitor the future developments of XIC Group and make further announcements to keep its shareholders and potential investors informed of any progress, if and when appropriate.

The Group will further strengthen its capital structure and base and provide sufficient buffer to accommodate any possible adverse financial impact on the liquidity position of the Group resulted from the continued challenges in the global economic landscape and any adverse changes in the fair value of the assets of the Group by (i) speeding up the divestment of non-core assets including the vacant land and buildings after the relocation of the Group’s unused factories and generate rental income before the conclusion of the sale agreements with potential buyers; (ii) implementing continuous cost reduction programs to enhance the financial resilience of the Group; and (iii) streamlining the corporate structure and simplify the work flows to increase the profitability of the Group.

No significant “Other Operating Income or Expenses” related to disposal of non-core assets is expected for the second half year ending 31 March 2025.

B. Condensed Interim Consolidated Statement of Profit or Loss

Half year ended 30 September 2024

	Note	1H ended 30.09.24 S\$'000	1H ended 30.09.23 S\$'000	Change %
Revenue	4	570,516	564,184	1.1
Cost of sales		(401,116)	(409,839)	(2.1)
Gross profit		169,400	154,345	9.8
Other operating income	5	15,085	12,827	17.6
Distribution costs		(71,789)	(69,768)	2.9
Administrative expenses		(71,056)	(70,930)	0.2
Allowance for expected credit losses, net		(1,824)	(351)	419.7
Other operating expenses	6	(2,007)	(1,555)	29.1
Profit before finance costs and share of results of associates		37,809	24,568	53.9
Finance costs		(15,236)	(16,668)	(8.6)
Share of results of XIC Innovation Limited ("XIC")		-	732	n/m
Share of results of associates, excluding XIC		6,412	11,025	(41.8)
Profit before taxation	7	28,985	19,657	47.5
Income tax expense	8	(6,709)	(5,811)	15.5
Profit after taxation		22,276	13,846	60.9
Attributable to:				
Equity holders of the Company		14,484	8,894	62.9
Non-controlling interests		7,792	4,952	57.4
		22,276	13,846	60.9
Earnings per share (Singapore cents) attributable to equity holders of the Company:				
Basic and diluted	9	2.99	1.84	62.5

n/m – not meaningful

C. Condensed Interim Consolidated Statement of Comprehensive Income

Half year ended 30 September 2024

	1H ended 30.09.24 S\$'000	1H ended 30.09.23 S\$'000
Profit after taxation for the financial period	22,276	13,846
Other comprehensive income (loss):		
<u>Items that will not be reclassified subsequently to profit or loss:</u>		
Fair value loss on financial assets at fair value through other comprehensive income	(31,329)	-
Revaluation gain on property, plant and equipment upon transfer to investment properties	5,855	-
<u>Items that are or may be reclassified subsequently to profit or loss:</u>		
Foreign exchange translation		
- Exchange translation deficit	(8,325)	(23,044)
- Exchange translation surplus, reclassified to profit or loss upon de-registration of a subsidiary	(1,991)	-
Share of other comprehensive income (loss) of associates		
- Exchange translation deficit, reclassified to profit or loss upon disposal and deemed disposal of interest in associates	-	89
- Exchange translation (deficit) surplus	(3,968)	7,392
Other comprehensive loss for the financial period, net of tax	(39,758)	(15,563)
Total comprehensive loss for the financial period	(17,482)	(1,717)
Attributable to:		
Equity holders of the Company	(23,675)	(4,786)
Non-controlling interests	6,193	3,069
	(17,482)	(1,717)

D. Condensed Interim Statements of Financial Position

As at 30 September 2024

As at	Note	Group		Company	
		30.09.24 S\$'000	31.03.24 S\$'000	30.09.24 S\$'000	31.03.24 S\$'000
Non-current Assets					
Investment properties	11	7,790	-	-	-
Property, plant and equipment	12	351,137	361,620	663	747
Right-of-use assets		32,523	36,185	1,716	2,065
Interest in subsidiaries		-	-	428,681	428,681
Interest in associates		159,770	155,254	16,586	16,586
Financial assets at fair value through other comprehensive income	13	17,594	49,037	15,223	46,238
Financial assets at fair value through profit or loss		6,058	3,957	6,058	3,957
Deferred tax assets		4,445	4,932	-	-
Deposits and prepayments		3,128	3,198	-	-
Intangible assets	14	9,427	10,058	-	-
		591,872	624,241	468,927	498,274
Current Assets					
Inventories		190,135	180,454	-	-
Receivables and prepayments		264,219	239,239	19,387	8,484
Dividend receivable		495	2,600	5,015	6,666
Taxation recoverable		1,638	3,087	-	-
Short-term investments		89	219	-	-
Bank balances, deposits and cash		125,509	187,102	12,889	14,521
		582,085	612,701	37,291	29,671
Total Assets		1,173,957	1,236,942	506,218	527,945
Current Liabilities					
Trade and other payables		273,737	262,903	109,988	91,006
Contract liabilities		12,976	14,961	-	-
Lease liabilities		10,665	10,410	634	615
Income tax payable		2,399	1,731	15	29
Bank and other loans		304,307	294,519	75,030	60,335
		604,084	584,524	185,667	151,985
Net Current (Liabilities) Assets		(21,999)	28,177	(148,376)	(122,314)
Non-current Liabilities					
Bank and other loans		124,297	196,252	127	32,280
Lease liabilities		23,058	26,472	896	1,206
Deferred tax liabilities		7,968	6,836	6	7
		155,323	229,560	1,029	33,493
Net Assets		414,550	422,858	319,522	342,467
Represented by:					
Issued capital	16	286,307	286,307	286,307	286,307
Treasury shares	16	(20,978)	(20,978)	(20,978)	(20,978)
Reserves		11,504	40,017	40,181	77,138
Ordinary equity		276,833	305,346	305,510	342,467
Perpetual bonds	17	14,012	-	14,012	-
Equity attributable to equity holders of the Company		290,845	305,346	319,522	342,467
Simple agreements for future equity ("SAFE")	18	18,793	18,793	-	-
Share of net assets of subsidiaries		104,912	98,719	-	-
Non-controlling interests		123,705	117,512	-	-
Total Equity		414,550	422,858	319,522	342,467

E. Condensed Interim Statements of Changes in Equity

Half year ended 30 September 2024

	Attributable to equity holders of the Company													Non-controlling interests			Total equity S\$'000	
	Issued capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Legal reserve S\$'000	Capital reserve on consolidation S\$'000	Exchange translation reserve S\$'000	Fair value reserve S\$'000	Share-based payment reserve S\$'000	Property revaluation reserve S\$'000	Retained profits S\$'000	Total ordinary equity S\$'000	Perpetual bonds S\$'000	Total S\$'000	SAFE S\$'000	Share of net assets of subsidiaries S\$'000	Total S\$'000		
Group																		
Balance at 01.04.24	286,307	(20,978)	(56,250)	15,540	27,175	(133,812)	1,409	1,467	955	183,533	305,346	-	305,346	18,793	98,719	117,512	422,858	
<u>Total comprehensive income (loss)</u>																		
Profit for the financial period	-	-	-	-	-	-	-	-	-	14,484	14,484	-	14,484	-	7,792	7,792	22,276	
Other comprehensive (loss) income for the financial period	-	-	-	-	-	(11,046)	(31,329)	-	4,216	-	(38,159)	-	(38,159)	-	(1,599)	(1,599)	(39,758)	
Total comprehensive (loss) income for the financial period	-	-	-	-	-	(11,046)	(31,329)	-	4,216	14,484	(23,675)	-	(23,675)	-	6,193	6,193	(17,482)	
<u>Transactions with owners, recognised directly in equity</u>																		
Contributions by and distributions to owners:																		
Issue of perpetual bonds, net of transaction costs	-	-	-	-	-	-	-	-	-	-	-	14,012	14,012	-	-	-	14,012	
Dividend paid	-	-	-	-	-	-	-	-	-	(4,838)	(4,838)	-	(4,838)	-	-	-	(4,838)	
Total transactions with owners	-	-	-	-	-	-	-	-	-	(4,838)	(4,838)	14,012	9,174	-	-	-	9,174	
Transfer from reserve	-	-	(12)	-	-	-	-	-	-	12	-	-	-	-	-	-	-	
Balance at 30.09.24	286,307	(20,978)	(56,262)	15,540	27,175	(144,858)	(29,920)	1,467	5,171	193,191	276,833	14,012	290,845	18,793	104,912	123,705	414,550	

Half year ended 30 September 2023

	Attributable to equity holders of the Company											Non-controlling interests		Total equity S\$'000	
	Issued capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Legal reserve S\$'000	Capital reserve on consolidation S\$'000	Exchange translation reserve S\$'000	Fair value reserve S\$'000	Share-based payment reserve S\$'000	Property revaluation reserve S\$'000	Retained profits S\$'000	Total S\$'000	SAFE S\$'000	Share of net assets of subsidiaries S\$'000		Total S\$'000
Group															
Balance at 01.04.23	286,307	(20,978)	(55,801)	18,354	29,602	(128,035)	802	1,467	955	283,463	416,136	18,793	92,877	111,670	527,806
<u>Total comprehensive income (loss)</u>															
Profit for the financial period	-	-	-	-	-	-	-	-	-	8,894	8,894	-	4,952	4,952	13,846
Other comprehensive loss for the financial period	-	-	-	-	-	(13,680)	-	-	-	-	(13,680)	-	(1,883)	(1,883)	(15,563)
Total comprehensive (loss) income for the financial period	-	-	-	-	-	(13,680)	-	-	-	8,894	(4,786)	-	3,069	3,069	(1,717)
<u>Transactions with owners, recognised directly in equity</u>															
Contributions by and distributions to owners:															
Dividends paid	-	-	-	-	-	-	-	-	-	(7,258)	(7,258)	-	(6,479)	(6,479)	(13,737)
Total transactions with owners	-	-	-	-	-	-	-	-	-	(7,258)	(7,258)	-	(6,479)	(6,479)	(13,737)
Transfer to reserve	-	-	-	4	-	-	-	-	-	(4)	-	-	-	-	-
Balance at 30.09.23	286,307	(20,978)	(55,801)	18,358	29,602	(141,715)	802	1,467	955	285,095	404,092	18,793	89,467	108,260	512,352

	Attributable to equity holders of the Company							
	Issued capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Fair value reserve S\$'000	Retained profits S\$'000	Total ordinary equity S\$'000	Perpetual bonds S\$'000	Total equity S\$'000
Company								
Balance at 01.04.24	286,307	(20,978)	614	-	76,524	342,467	-	342,467
<u>Total comprehensive loss</u>								
Loss for the financial period	-	-	-	-	(1,104)	(1,104)	-	(1,104)
Other comprehensive loss for the financial period	-	-	-	(31,015)	-	(31,015)	-	(31,015)
Total comprehensive loss for the financial period	-	-	-	(31,015)	(1,104)	(32,119)	-	(32,119)
<u>Transactions with owners, recognised directly in equity</u>								
Issue of perpetual bonds, net of transaction costs	-	-	-	-	-	-	14,012	14,012
Dividend paid	-	-	-	-	(4,838)	(4,838)	-	(4,838)
Balance at 30.09.24	286,307	(20,978)	614	(31,015)	70,582	305,510	14,012	319,522
Balance at 01.04.23	286,307	(20,978)	614	-	63,607	329,550	-	329,550
<u>Total comprehensive income</u>								
Profit for the financial period	-	-	-	-	384	384	-	384
Total comprehensive income for the financial period	-	-	-	-	384	384	-	384
<u>Transactions with owners, recognised directly in equity</u>								
Dividend paid	-	-	-	-	(7,258)	(7,258)	-	(7,258)
Balance at 30.09.23	286,307	(20,978)	614	-	56,733	322,676	-	322,676

F. Condensed Interim Consolidated Statement of Cash Flows

Half year ended 30 September 2024

	1H ended 30.09.24 S\$'000	1H ended 30.09.23 S\$'000
Operating activities		
Profit before taxation	28,985	19,657
Adjustments for:		
Share of results of associates	(6,412)	(11,757)
Depreciation of property, plant and equipment	15,218	16,559
Depreciation of right-of-use assets	5,630	5,826
Amortisation of intangible assets	187	270
Finance costs	15,236	16,668
Interest income	(1,516)	(1,665)
Write-off and gain on disposal of property, plant and equipment, net	871	223
Allowance for inventory obsolescence and write-off of inventory, net	1,185	544
Allowance for expected credit losses, net	1,824	351
Fair value loss on short-term investments	124	34
Fair value gain on financial assets at fair value through profit or loss	(2,053)	-
Loss from disposal / deemed disposal of interest in associates, net	-	211
Gain on bargain purchase arising from purchase of additional interest in associates	-	(3)
Gain from de-registration of a subsidiary	(1,991)	-
Gain on lease early termination	(1)	(1)
Unrealised exchange gain	(541)	(1,571)
Operating cash flows before movements in working capital	56,746	45,346
Inventories	(18,096)	11,931
Receivables and prepayments	(40,235)	(25,692)
Trade and other payables, and contract liabilities	30,940	(7,400)
Cash generated from operations	29,355	24,185
Income tax paid	(3,076)	(4,930)
Finance costs paid	(15,951)	(16,179)
Interest received	1,281	1,645
Net cash generated from operating activities	11,609	4,721

	1H ended 30.09.24 S\$'000	1H ended 30.09.23 S\$'000
Investing activities		
Purchase of property, plant and equipment	(16,238)	(5,678)
Deposits paid for purchase of property, plant and equipment	(29)	(242)
Dividends received from associates	6,041	7,076
Proceeds from disposal of property, plant and equipment, net of transaction costs	77	317
Additional investment in associates	-	(1,855)
Proceeds from disposal of associates	-	51
Proceeds from disposal of short-term investments	-	9
Investment in financial assets at fair value through profit or loss	(49)	-
Investment in an associate	(6,088)	-
Net cash used in investing activities	(16,286)	(322)
Financing activities		
Repayment of bank and other loans	(49,415)	(31,966)
Payment of lease liabilities	(5,191)	(6,118)
Dividend paid	(4,838)	(7,258)
Dividend paid to non-controlling interests	-	(6,479)
Proceeds from issue of perpetual bonds	3,202	-
Proceeds from issue of SAFE by a subsidiary	-	673
Non-trade receipt from related parties	1,613	-
Net cash used in financing activities	(54,629)	(51,148)
Net decrease in cash and cash equivalents	(59,306)	(46,749)
Cash and cash equivalents at beginning of financial period	187,102	209,513
Effects of exchange rate changes on the balance of cash held in foreign currencies	(2,287)	(5,200)
Cash and cash equivalents at end of financial period, representing bank balances, deposits and cash	125,509	157,564

G. Notes to the Condensed Interim Consolidated Financial Statements

30 September 2024

1. Corporate information

GP Industries Limited (the "Company") is incorporated in the Republic of Singapore and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited. The Company's registered office and principal place of business is at 83 Clemenceau Avenue, #14-01, UE Square, Singapore 239920.

These condensed interim consolidated financial statements as at and for half year ended 30 September 2024 (the "Interim Financial Statements") comprise the Company and its subsidiaries (collectively, the "Group").

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

The principal activities of the Group are the development, manufacture and marketing of batteries and related products, and audio products.

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

2. Basis of preparation

The Interim Financial Statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The Interim Financial Statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last audited annual financial statements for the financial year ended 31 March 2024 ("FY2024").

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

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

2.1 New and amended standards adopted by the Group

The Group has adopted all new and revised SFRS(I) pronouncements that are relevant to its operations and effective for the Company's financial year commenced on 1 April 2024. The adoption of these new / revised SFRS(I) pronouncements does not result in any substantial change to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current and prior financial period.

2.2 Use of judgements and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 March 2024.

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

3. Seasonal operations

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

4. Revenue

Revenue comprised product sales recognised at a point in time.

	1H ended 30.09.24 S\$'000	1H ended 30.09.23 S\$'000
Batteries and battery-related products	441,398	438,854
Audio products	129,118	125,330
	570,516	564,184

5. Other operating income

	1H ended 30.09.24 S\$'000	1H ended 30.09.23 S\$'000
Product development and engineering fee income ⁽¹⁾	76	3,098
Interest income	1,516	1,665
Gain on disposal of property, plant and equipment	45	66
Management fee income from associates	323	471
Management fee income from related parties	842	-
Consultancy fee income from related parties	63	-
Operating lease income	179	465
Net rental income from investment properties	313	-
Government grant	4,372	3,296
Gain on sale of parts, samples, scrap and surplus materials	255	408
Realised gain on derivative financial instruments	-	4
Gain from disposal of interest in an associate	-	19
Recovery of bad debts	2	1
Gain on bargain purchase arising from purchase of additional interest in associates	-	3
Fair value gain on financial assets at fair value through profit or loss	2,053	-
Gain from de-registration of a subsidiary ⁽²⁾	1,991	-
Royalty income	247	399
Exchange gain	2,507	2,893
Others	301	39
	15,085	12,827

⁽¹⁾ The decrease was mainly contributed by product development projects completed during the first half financial year ended 30 September 2023 ("1HFY2024") for the electronic business.

⁽²⁾ Being exchange translation surplus reclassified to profit or loss upon de-registration of a subsidiary of the Battery segment.

6. Other operating expenses

	1H ended 30.09.24 S\$'000	1H ended 30.09.23 S\$'000
Property, plant and equipment written-off	916	289
Bank charges	724	837
Fair value loss on short-term investments	124	34
Realised loss on derivative financial instruments	-	33
Loss from deemed disposal of interest in an associate	-	230
Others	243	132
	2,007	1,555

7. Profit before taxation

Profit before taxation was arrived at after charging the following:

	1H ended 30.09.24 S\$'000	1H ended 30.09.23 S\$'000
Depreciation and amortisation	21,035	22,655
Allowance for expected credit losses and bad debts recovered, net	1,822	350
Allowance for inventory obsolescence and write-off of inventory, net	1,185	544

8. Income tax expense

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

	1H ended 30.09.24 S\$'000	1H ended 30.09.23 S\$'000
Current taxation:		
Provision for taxation in respect of profit for the financial period	5,073	4,406
Over-provision in respect of prior years	(193)	(1)
Withholding tax on overseas income	255	1,030
Deferred taxation:		
Charge for the financial period	1,574	376
	6,709	5,811

The Group is subject to the global minimum top-up tax under the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (the "Pillar Two Rules"). For the financial year ending 31 March 2025, the Pillar Two Rules have or will become effective in certain countries such as Germany, Japan, South Korea, Malaysia, the Netherlands, the United Kingdom (including Poland and the United States) and Vietnam in which are the jurisdictions that the Group operates. The top-up tax relates to the Group's operation in Vietnam, where the annual effective income tax rate is estimated to be below 15 per cent. Therefore, a top-up tax is accrued in the current interim period using the tax rate based on the estimated adjusted covered taxes and net globe

income for the year. The Group has recognised a current tax expense of S\$451,000 related to the top-up tax for 1HFY2025 which is expected to be levied on group entities. The Group has applied the temporary mandatory exception for recognising and disclosing deferred tax assets and liabilities for the impacts of the top-up tax and will account for it as a current tax when it is incurred.

9. Earnings per ordinary shares

Earnings per share ("EPS")	1H ended 30.09.24 Singapore cents	1H ended 30.09.23 Singapore cents
Basic and Diluted EPS	2.99	1.84

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

	1H ended 30.09.24	1H ended 30.09.23
Weighted average number of ordinary shares used in calculating basic and diluted EPS	483,843,482	483,843,482

There were no dilutive potential voting shares for 1HFY2025 and 1HFY2024.

10. Net asset value

As at	Group		Company	
	30.09.24 Singapore cents	31.03.24 Singapore cents	30.09.24 Singapore cents	31.03.24 Singapore cents
Net asset value per ordinary share based on 483,843,482 issued shares excluding treasury shares and subsidiary holdings as at 30 September 2024 (31 March 2024: 483,843,482)	60.11	63.11	66.04	70.78

11. Investment properties

During the 1HFY2025, certain portion of an industrial complex (the "property") located in the People's Republic of China ("China" or "PRC") with carrying amount of S\$7,790,000 was transferred to investment properties as it was leased to a third party.

Immediately before the transfer, the Group remeasured the property to fair value and recognised a gain of S\$5,855,000 in other comprehensive income. The fair value is determined by an independent professional valuer on the highest and best use basis. In determining the fair value, the valuer has used techniques which involve certain estimates.

The key assumptions include rental price of properties and net initial yield. The valuation technique and significant observable inputs used in measuring the fair value of the property at the date of transfer is based on income approach, which relies on market-observable recent rental income from

similar properties in similar locations and is categorised under Level 2 of the fair value measurement hierarchy.

During the 1HFY2025, rental income from investment properties of S\$328,000 and direct operating expenses of S\$15,000, the net rental income of S\$313,000 was included in other operating income.

12. Property, plant and equipment

During 1HFY2025, the Group acquired property, plant and equipment amounting to S\$16,483,000 (1HFY2024: S\$5,794,000) of which S\$245,000 (1HFY2024: S\$116,000) were transferred from deposits paid for assets. Net book value of property, plant and equipment disposed and written-off during the 1HFY2025 was S\$948,000 (1HFY2024: S\$540,000).

13. Financial assets at fair value through other comprehensive income

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

As at	Group	
	30.09.24 S\$'000	31.03.24 S\$'000
Non-current assets		
Investment in unquoted equity shares	17,594	49,037

As at 30 September 2024, the Group has assessed the financial assets at FVTOCI using the same valuation method as FY2024. During the 1HFY2025, the Group has recognised a fair value loss of S\$31,015,000 for investment in XIC Innovation Limited ("XIC") in other comprehensive income.

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

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

The fair values of financial assets and financial liabilities approximate their respective carrying amounts. The financial instruments carried at fair value, analysed by fair value hierarchy, are as follows:

	Group			
	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
30 September 2024				
<u>Financial assets</u>				
Financial assets at FVTOCI	-	-	17,594	17,594
Financial assets at FVTPL	89	6,058	-	6,147
	89	6,058	17,594	23,741
31 March 2024				
<u>Financial assets</u>				
Financial assets at FVTOCI	-	-	49,037	49,037
Financial assets at FVTPL	219	3,957	-	4,176
	219	3,957	49,037	53,213

	Company			
	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
30 September 2024				
<u>Financial assets</u>				
Financial assets at FVTOCI	-	-	15,223	15,223
Financial assets at FVTPL	-	6,058	-	6,058
	-	6,058	15,223	21,281
31 March 2024				
<u>Financial assets</u>				
Financial assets at FVTOCI	-	-	46,238	46,238
Financial assets at FVTPL	-	3,957	-	3,957
	-	3,957	46,238	50,195

14. Intangible assets

	Goodwill S\$'000	Trademarks S\$'000	Patent S\$'000	Total S\$'000
Group				
Cost				
At 1 April 2024	15,449	6,552	432	22,433
Currency realignment	(692)	(293)	(19)	(1,004)
At 30 September 2024	14,757	6,259	413	21,429
Accumulated impairment loss and amortisation				
At 1 April 2024	9,126	2,842	407	12,375
Charge for the period	-	162	25	187
Currency realignment	(409)	(132)	(19)	(560)
At 30 September 2024	8,717	2,872	413	12,002
Carrying amounts				
At 30 September 2024	6,040	3,387	-	9,427
At 1 April 2024	6,323	3,710	25	10,058

14.1 Goodwill impairment

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

The recoverable amounts of the Relevant CGUs are estimated annually unless impairment indicators exist. As at 30 September 2024, as there was no indication of significant change to these key assumptions, the recoverable amounts approximate their carrying values.

14.2 Trademarks and Patents

The Group's patents are the right to use the design for certain Acoustics products. 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 20 years and 2 years respectively.

15. Aggregate amount of Group's borrowings, debt securities and lease liabilities

As at	30.09.24 S\$'000	31.03.24 S\$'000
Amount repayable in one year or less, or on demand:		
Secured ⁽¹⁾	28	40
Unsecured	304,279	294,492
	304,307	294,532
Amount repayable after one year:		
Secured	127	141
Unsecured	124,170	196,111
	124,297	196,252

⁽¹⁾ Included lease liabilities as at 31 March 2024 of S\$13,000 which were secured against leased assets.

Details of any collateral

As at	30.09.24 S\$'000	31.03.24 S\$'000
Net book value of property, plant and equipment held under secured borrowings / right-of-use assets secured over lease liabilities:		
(i) Motor vehicles	240	268
(ii) Machinery and equipment	-	967

16. Issued capital, treasury shares and dividend**16.1 Issued capital and treasury shares**

	Group and Company	
	Number of ordinary shares	S\$'000
<u>Issued capital</u>		
Issued and fully paid up:		
At 1 April 2024 and 30 September 2024	521,358,482	286,307
<u>Treasury shares</u>		
At 1 April 2024 and 30 September 2024	37,515,000	20,978

As at	Group and Company	
	30.09.24	30.09.23
Total number of issued shares excluding treasury shares and subsidiary holdings	483,843,482	483,843,482
Treasury shares held	37,515,000	37,515,000
Subsidiary holdings held	-	-
	37,515,000	37,515,000
Percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of issued shares excluding treasury shares and subsidiary holdings	7.75%	7.75%

- a) There was no change in the Company's issued capital during 1HFY2025.
- b) As at 30 September 2024, the total number of issued shares excluding treasury shares was 483,843,482 (31 March 2024: 483,843,482).
- c) There were no shares that may be issued on conversion of any outstanding convertibles as at 30 September 2024 and 2023.
- d) As at 30 September 2024, there were no sales, transfers, cancellation and/or use of treasury shares.
- e) As at 30 September 2024, there were no sales, transfers, cancellation and/or use of subsidiary holdings.

16.2 Dividends

Dividends paid during the financial period are as follows:

	Group and Company	
	1H ended 30.09.24 S\$'000	1H ended 30.09.23 S\$'000
Final tax-exempt (1-tier) dividend of 1.0 Singapore cents per ordinary share for FY2024	4,838	-
Final tax-exempt (1-tier) dividend of 1.5 Singapore cents per ordinary share for FY2023	-	7,258
	4,838	7,258

17. Perpetual bonds

On 30 September 2024, the Company has entered into subscription agreements with certain investors for the issue of fixed rate resetting perpetual subordinated bonds up to an aggregate principal amount of US\$11 million (approximately S\$14,089,000) (the "perpetual bonds"). Incremental costs directly attributable to the issuance of perpetual bonds incurred amounting to S\$77,000 were recognised in equity, deducted against the principal amount.

In accordance with the terms and conditions of the subscription agreements, *inter alia*, (i) the distribution rate on the perpetual bonds is at 9.5% per annum and 8.5% per annum for the first and second year respectively and will reset annually thereafter; (ii) the distribution will be payable semi-annually in arrear, unless deferred at the discretion of the Company and will be cumulative; and (iii) the perpetual bonds have no fixed redemption date and are redeemable in whole at the Company's

option on the third anniversary of the issue date of the perpetual bonds or any anniversary of the issue date thereafter, at their principal amount, together with any accrued, unpaid or deferred distributions.

As a result, the Company is considered to have no contractual obligations to repay its principal or to pay any distributions and the perpetual bonds do not meet the definition for classification as a financial liability under SFRS(I) 1-32 *Financial Instruments: Presentation*. The whole instrument is presented within equity, and distributions are treated as dividends.

As at 30 September 2024, the Company has received proceeds of US\$2.5 million (approximately S\$3,202,000) from the issuance of perpetual bonds.

The investors of the perpetual bonds include certain directors of the Company and an associated company. The directors have subscribed for an aggregate principal amount of US\$4 million (approximately S\$5,123,000). A wholly owned subsidiary of Meiloon Industrial Co., Ltd. has subscribed for the principal amount of US\$1 million (approximately S\$1,281,000).

18. Simple agreements for future equity

On 26 January 2023, KEF GP Group Limited ("KEF GP"), 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. The SAFE provide the investors with rights to future equity in KEF GP 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 issued by KEF GP are classified as non-controlling interests and recognised under equity in the consolidated statement of financial position.

19. Segment and revenue information

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

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

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

Other Industrial Investments - Comprises dormant companies, investment holding companies and the Group's associates, namely Meiloon Industrial Co., Ltd. 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. 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 costs and income taxes, which are managed on a group basis, are not allocated to the business segments.

19.1 Operating segments

	1H ended 30.09.24				
	Battery S\$'000	Audio S\$'000	Other industrial investments S\$'000	Elimination S\$'000	Total S\$'000
Revenue					
External revenue	441,398	129,118	-	-	570,516
Inter-segment revenue	7	28	-	(35)	-
Total revenue	441,405	129,146	-	(35)	570,516
Results					
Contribution (Loss) before taxation	20,045	(1,554)	5,294	-	23,785
Other information					
Interest income	724	501	-	-	1,225
Finance costs	9,628	3,107	-	-	12,735
Share of results of associates	2,731	-	3,681	-	6,412
Depreciation and amortisation	14,386	6,031	618	-	21,035
Allowance for inventory obsolescence and write-off of inventory, net	1,023	162	-	-	1,185
Gain (Loss) on disposal of property, plant and equipment, net	54	(9)	-	-	45
Allowance for expected credit losses, net	1,511	313	-	-	1,824
Fair value loss on short-term investments	-	-	124	-	124
Fair value gain on financial assets at fair value through profit or loss	-	-	2,053	-	2,053
Gain from de-registration of a subsidiary	1,991	-	-	-	1,991

	As at 30 September 2024				
	Battery S\$'000	Audio S\$'000	Other industrial investments S\$'000	Elimination S\$'000	Total S\$'000
Assets and liabilities					
Assets	909,902	295,654	170,472	(208,154)	1,167,874
Liabilities	527,946	228,134	132,427	(208,154)	680,353
Other information					
Interest in associates	55,274	-	104,496	-	159,770
Additions to property, plant and equipment	8,656	7,817	10	-	16,483
Additions to right-of-use assets	350	2,403	-	-	2,753

	1H ended 30.09.23				
	Battery S\$'000	Audio S\$'000	Other industrial investments S\$'000	Elimination S\$'000	Total S\$'000
Revenue					
External revenue	438,854	125,330	-	-	564,184
Inter-segment revenue	8	59	-	(67)	-
Total revenue	438,862	125,389	-	(67)	564,184
Results					
Contribution (Loss) before taxation	17,119	(767)	4,253	-	20,605
Other information					
Interest income	588	534	-	-	1,122
Finance costs	8,146	3,606	-	-	11,752
Share of results of associates	7,602	-	4,155	-	11,757
Depreciation and amortisation	16,555	5,456	644	-	22,655
Allowance for (Write-back of) inventory obsolescence and write-off of inventory, net	550	(6)	-	-	544
Gain (Loss) on disposal of property, plant and equipment, net	75	(9)	-	-	66
Allowance for expected credit losses, net	24	327	-	-	351
Fair value loss on short-term investments	-	-	34	-	34
Loss from disposal / deemed disposal of interest in associates, net	211	-	-	-	211

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

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

	1H ended 30.09.24 S\$'000	1H ended 30.09.23 S\$'000
Results		
Contribution before taxation per reportable segments	23,785	20,605
Unallocated finance costs, net	(2,210)	(4,373)
Taxation	(6,709)	(5,811)
Share of taxation of associates	(1,718)	(2,368)
Taxation attributable to non-controlling interests' share of results	1,336	841
Profit attributable to equity holders of the Company	<u>14,484</u>	<u>8,894</u>
Interest income		
Per reportable segments	1,225	1,122
Unallocated interest income	291	543
Per consolidated Interest income	<u>1,516</u>	<u>1,665</u>
Finance costs		
Per reportable segments	12,735	11,752
Unallocated finance costs	2,501	4,916
Per consolidated finance costs	<u>15,236</u>	<u>16,668</u>

As at	30.09.24 S\$'000	31.03.24 S\$'000
Assets		
Per reportable segments	1,167,874	1,228,923
Other unallocated assets	6,083	8,019
Per consolidated total assets	<u>1,173,957</u>	<u>1,236,942</u>
Liabilities		
Per reportable segments	680,353	719,081
Unallocated bank loans and lease liabilities	68,687	86,436
Other unallocated liabilities	10,367	8,567
Per consolidated total liabilities	<u>759,407</u>	<u>814,084</u>

19.2 Geographical segments

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

	1H ended 30.09.24 S\$'000	1H ended 30.09.23 S\$'000
Singapore	3,867	4,973
PRC	274,658	252,644
Other Asian countries	28,303	32,681
Asia	306,828	290,298
Germany, Netherlands, Russia and United Kingdom	63,887	77,530
Other European countries	54,009	74,761
Europe	117,896	152,291
United States of America	133,224	109,533
Other American countries	8,858	8,351
Americas	142,082	117,884
Others	3,710	3,711
Revenue	570,516	564,184

20. Capital commitments

As at	Group	
	30.09.24 S\$'000	31.03.24 S\$'000
Commitments for the acquisition of property, plant and equipment	176	438

21. Contingent liabilities (unsecured)

As at	Group		Company	
	30.09.24 S\$'000	31.03.24 S\$'000	30.09.24 S\$'000	31.03.24 S\$'000
Guarantees given to certain banks in respect of banking facilities utilised by subsidiaries	-	-	274,154	312,852
Others	3,611	3,490	-	-

22. Related party transactions

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

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

	Group			
	Associates		Related companies	
	1H ended 30.09.24 S\$'000	1H ended 30.09.23 S\$'000	1H ended 30.09.24 S\$'000	1H ended 30.09.23 S\$'000
Sales	22,807	26,588	1,607	-
Purchases	(44,175)	(44,377)	(11,351)	-
Interest income	-	-	224	-
Rental income	22	19	157	122
Royalty income	64	54	-	-
Rental expenses	-	-	(128)	-
Utilities expenses	-	-	(240)	-
Marketing expenses	(344)	-	-	-
As at	30.09.24 S\$'000	31.03.24 S\$'000	30.09.24 S\$'000	31.03.24 S\$'000
Rental commitments as lessee under non-cancellable operating leases	-	-	131	-

23. Subsequent events

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

H. Other Information Required by Listing Rule Appendix 7.2

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

The figures have not been audited or reviewed.

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

Not applicable.

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

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

Not applicable.

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

Not applicable.

4. **Financial Review**

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

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

- (i) "Allowance for expected credit losses, net": The increase was due mainly to the recognition of the expected credit losses by a 70%-owned subsidiary of battery business, Ningbo GP & Sonluk Battery Co., Ltd.
- (ii) "Profit after taxation attributable to non-controlling interests": The increase was due mainly to profit contribution of subsidiaries in Vietnam and PRC with non-controlling interest.

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

- (i) "Right-of-use assets" and "Total lease liabilities": The decrease in right-of-use assets and total lease liabilities was due mainly to depreciation charge and payment of lease liabilities respectively, and the set-off by additions of approximately S\$2.8 million during the 1HFY2025.
- (ii) "Financial assets at fair value through profit or loss": This relates to the Company's investment in unquoted equity shares of approximately 11.31% interests in GP Energy Tech Limited ("GPET") as of 30 September 2024. The increase was due mainly to the fair value gain recognised during the 1HFY2025.
- (iii) "Receivables and prepayments": The increase was due mainly to the net effect of (i) the increase of trade receivables from the battery business; and (ii) the decrease in non-trade balances due from GPET Group, related parties of the Group.
- (iv) "Bank and other loans - current and non-current": The increase in amount repayable within one year and the decrease in amount repayable after one year was due mainly to the effect of repayment of term loans, and reclassification of non-current loans to current liabilities.

- (v) “Net current liability position”: The net current liabilities as at 30 September 2024 was due mainly to the increase in loans repayable within one year after reclassification of non-current loans to current liabilities, the funding of capital expenditure and repayment of term loans and loan interest with cash and short term borrowings.

(c) Statement of financial position - Company

- (i) “Right-of-use assets” and “Total lease liabilities”: The decrease was due to depreciation charge and due mainly to payment of lease liabilities.
- (ii) “Financial assets at fair value through profit or loss”: Refer to section (b) (ii) above.
- (iii) “Receivables and prepayments”: The increase was due mainly to the amounts due from certain investors of the perpetual bonds. Refer to Note 17 for details on perpetual bonds.
- (iv) “Trade and other payables”: The increase was due mainly to increase in amounts due to subsidiaries.
- (v) “Total borrowings”: The increase in amount repayable within one year was due mainly to the net effect of (i) reclassification from non-current liabilities of term loan; and (ii) repayments of term loan and short term borrowings. The decrease in the amount repayable after one year was due to reclassification of amounts to current liabilities.

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

Not applicable.

6. Dividend

(a) Current financial period reported on

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

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share	1.5 Singapore cents per ordinary share tax-exempt (1-tier)

(b) Corresponding period of the immediately preceding financial year

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

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share	1.0 Singapore cent per ordinary share tax-exempt (1-tier)

(c) Date payable

To be announced later.

(d) Record date

To be announced later.

(e) Other comments relating to dividend

The Directors are pleased to recommend an interim tax-exempt (1-tier) dividend of 1.5 Singapore cents (30 September 2023: 1.0 Singapore cent) per share amounting to approximately S\$7.3 million for its financial year ending 31 March 2025. The dividend will be paid in cash and the dividend was not included as liabilities as at 30 September 2024.

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

Not applicable.

8. Interested person transactions

Pursuant to the shareholders' mandate on interested person transactions approved by the shareholders at the Annual General Meeting held on 26 July 2024, the interested person transactions entered into by the Group during the 1HFY2025 are as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 during the financial period under review (excluding transactions less than S\$100,000)	
		1H ended 30.09.24 S\$'000	1H ended 30.09.23 S\$'000	1H ended 30.09.24 S\$'000	1H ended 30.09.23 S\$'000
Sales:					
Huizhou Light Engine Limited	(Note a)	-	-	-	8
GP Energy Tech Limited and its subsidiaries ("GPET Group")	(Note a)	-	-	1,526	-
Purchases:					
Light Engine Limited	(Note a)	-	-	-	47
GPET Group	(Note a)	-	-	11,141	-
Management income:					
GPET Group	(Note a)	842	-	-	-
Interest income:					
GPET Group	(Note a)	224	-	-	-
Receipt of non-trade balance from:					
GPET Group	(Note a)	1,613	-	-	-
Repayment and advance of non-trade balance received from:					
Gold Peak Technology Group Limited	(Note b)	6,757	-	-	-
Subscription of perpetual bonds by:					
Brian Li Yiu Cheung	(Note c)	1,281	-	-	-
Waltery Law Wang Chak	(Note c)	3,202	-	-	-
Grace Lo Kit Yee	(Note c)	640	-	-	-

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 during the financial period under review (excluding transactions less than S\$100,000)	
		1H ended 30.09.24 S\$'000	1H ended 30.09.23 S\$'000	1H ended 30.09.24 S\$'000	1H ended 30.09.23 S\$'000
Rental expenses: GPET Group	(Note a)	128	-	-	-
Utilities expenses: GPET Group	(Note a)	240	-	-	-

(Note a) An associate of controlling shareholder.

(Note b) A controlling shareholder.

(Note c) A director of the Company.

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

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

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

We, Victor Lo Chung Wing and Lam Hin Lap, being two directors of GP Industries Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the unaudited financial statements for the financial period ended 30 September 2024 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Victor Lo Chung Wing
Chairman and Chief Executive Officer

Lam Hin Lap
Vice Chairman and Executive Vice President

13 November 2024