GP Industries Limited
Annual Report 2022 – 2023

Corporate Calendar

Performance-related Dates

Announcement of FY2023 Half Year Results	8 November 2022
Announcement of FY2023 Full Year Results	29 May 2023
Website Publication of FY2023 Annual Report	10 July 2023

Dividend-related Dates

Dividends	Interim - FY2023	Paid on 15 December 2022
	Proposed Final - FY2023	
	Record Date	5:00 pm, 8 August 2023
	Payment Date	22 August 2023

Annual General Meeting ("AGM")-related Dates

2023 AGM Notice Issue Date	10 July 2023
Voting at 2023 AGM Book Close Date	23 July 2023
2023 AGM	25 July 2023

GP Industries Limited
Annual Report
2022-2023

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

Christopher LAU Kwan

AUDIT AND RISK COMMITTEE

LIM Ah Doo | Chairman

Allan CHOY Kam Wing

LIM Jiew Keng

GOH Boon Seong

Timothy TONG Wai Cheung

Christopher LAU Kwan

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

Christopher LAU Kwan

REMUNERATION COMMITTEE

Allan CHOY Kam Wing | Chairman

LIM Ah Doo

LIM Jiew Keng

GOH Boon Seong

Timothy TONG Wai Cheung

Christopher LAU Kwan

COMPANY SECRETARY

LEE Tiong Hock

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

Oversea-Chinese Banking Corporation Limited

DBS Bank Ltd

United Overseas Bank Limited

The Hongkong and Shanghai Banking Corporation Limited

Hang Seng Bank Limited

Bank of China Limited

SOLICITORS

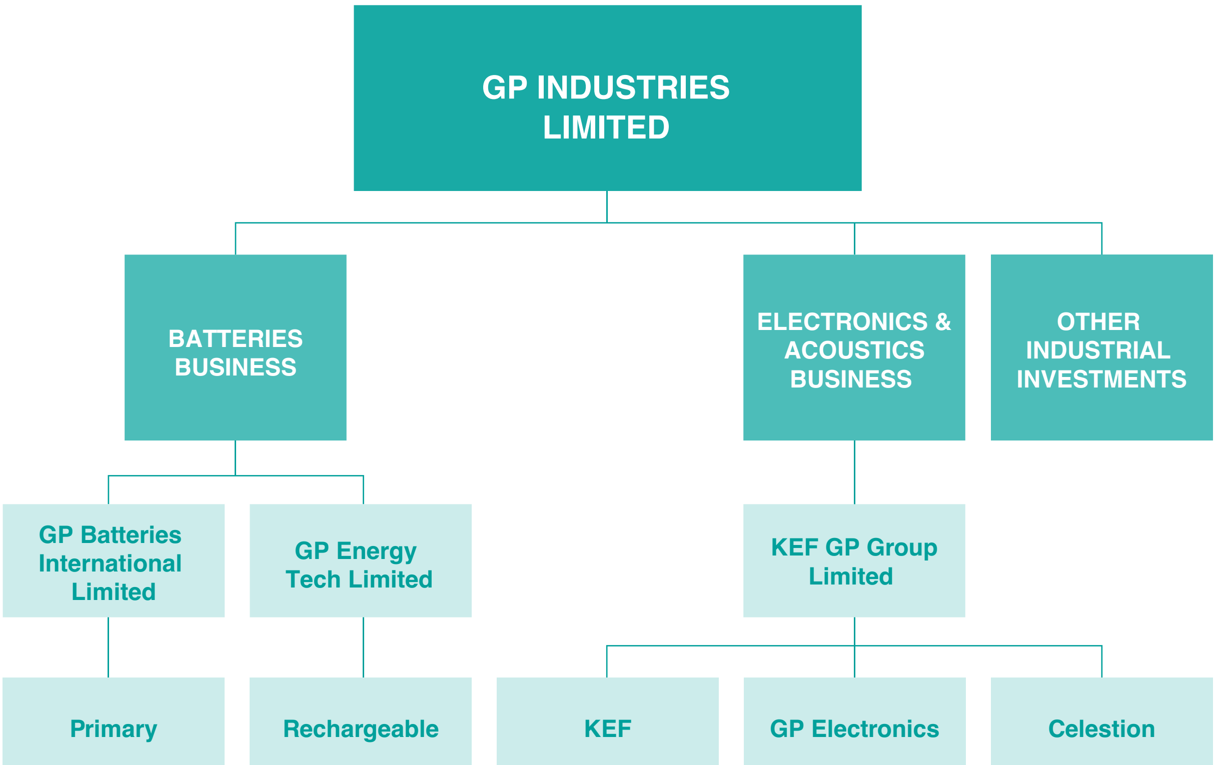
Allen & Gledhill LLP

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, electronics and acoustics 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 three major wholly-owned subsidiaries.

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

GP Energy Tech Limited focuses on the development, manufacturing and marketing of rechargeable battery products and energy storage solutions.

KEF GP Group Limited specializes in the design, manufacturing and marketing of professional audio products, KEF branded audio systems, Celestion branded loudspeakers and related electronic and acoustic 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 6,620 and occupies a total floor area of approximately 631,400 square metres.

* as at 20 June 2023

FY2023 Financial Highlights

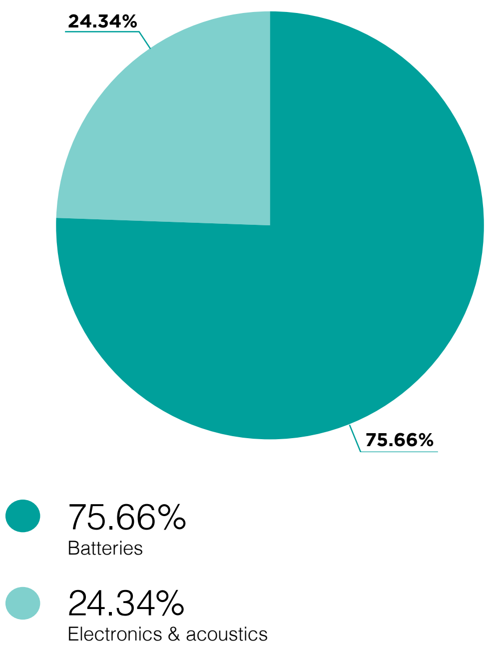
Consolidated Income Statement (S$ million) Year ended 31 March	2023	2022 (Restated)
Revenue - Continuing operations	**1,150.0**	1,222.7
Profit (Loss) after taxation		
- Continuing operations	**27.4**	49.2
- Discontinued operations	**-**	(3.1)
	27.4	46.1
Non-controlling interests	**(5.4)**	(6.1)
Profit attributable to equity holders	**22.0**	40.0
Basic earnings (loss) per share (cents)		
- Continuing operations	**4.56**	8.90
- Discontinued operations	**-**	(0.63)
	4.56	8.27
Tax-exempt (1-tier) dividend per share (cents)	**2.5**	3.25

Consolidated Statement of Financial Position (S$ million) As at 31 March	2023	2022
Shareholders' funds	**416.1**	523.8
Total equity	**527.8**	623.9
Total assets	**1,372.0**	1,583.1

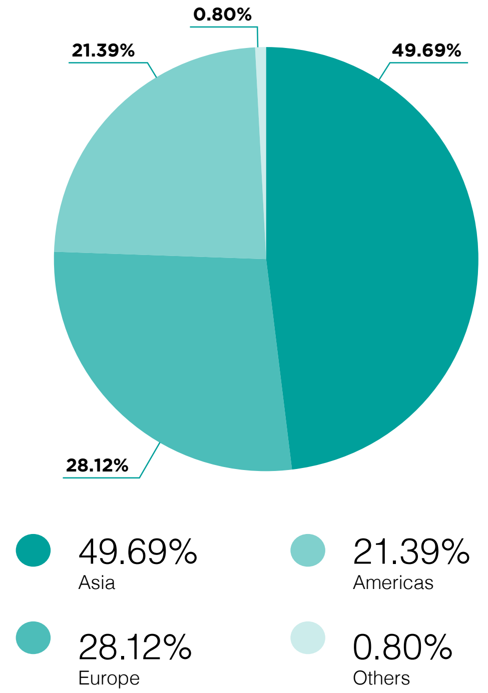
Ratios As at 31 March	2023	2022
Current assets : Current liabilities	**0.97**	0.91
Inventory turnover period (months)	**2.18**	2.50
Net bank borrowings : Total equity	**0.55**	0.60

Other Information As at 31 March	2023	2022
Number of employees (approx) - The Company and its subsidiaries	**6,620**	7,020
Total floor area (sq m) (approx) - The Company and its subsidiaries	**631,400**	643,400

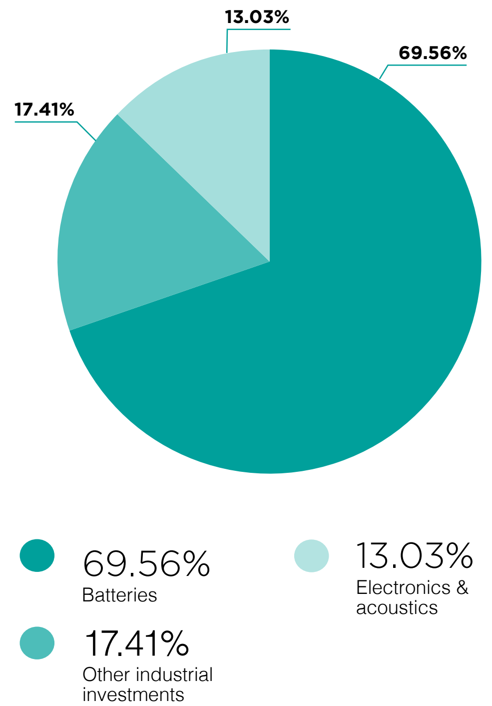
REVENUE BY BUSINESS SEGMENTS
Year ended 31 March 2023



REVENUE BY LOCATIONS
Year ended 31 March 2023



CONTRIBUTION BY BUSINESS SEGMENTS
Year ended 31 March 2023



Chairman's Statement

Despite the world's gradual recovery from the COVID-19 calamity, the financial year ended 31 March 2023 ("FY2023") was another very challenging year for the Group. Rapidly rising interest rates, high material costs combined with softened consumer demand in key markets put pressure on the Group's sales and profitability. Most economists expect this environment to persist, at least, in the first half of the new financial year. Amidst geopolitical events and economic challenges, the Group continued to focus on our core businesses with new product introductions, distribution channel enhancements, efficiency refinements, cost reduction and corporate streamlining to remain agile and persistent.

Against this backdrop, our revenue for FY2023 declined by 5.9% to S$1,150.0 million from S$1,222.7 million in the financial year ended 31 March 2022 ("FY2022"), whilst our profit from continuing operations attributable to equity holders stood at S$22.0 million for FY2023, a decrease of 48.8% over the restated profit last year.

Basic earnings per share for FY2023 was 4.56 Singapore cents, compared to 8.27 Singapore cents for FY2022. The Board has proposed a final dividend of 1.5 Singapore cents per share, which, together with the interim dividend of 1.0 Singapore cent per share, will bring the full-year dividend to 2.5 Singapore cents per share (FY2022: 3.25 Singapore cents per share), representing a payout ratio of 54.8% for FY2023.

Strategies against the Odds

With lifting of travel bans and resumption of normal shipping and logistics activities, the impacts of climbing interest rates and weakened consumer confidence led to cautious corporate and consumer spending worldwide. The recent collapse of some US regional banks could lead to further credit tightening and weakening of consumer spending across the entire economy.

A new subsidiary, the KEF GP Group Limited ("KGG"), was formed to consolidate our acoustic brands and manufacturing businesses, namely KEF, Celestion and GP Electronics, as a strategic move to optimize brand and market growth. An aggregate amount of US$13.7 million of "Series A" fundraising was completed by KGG in January 2023 to support the Group's continuous investments into experience centres in London, Tokyo and other key global cities, ongoing expansion of R&D activities, building strategic partnerships with other brands, and intensifying our social media marketing and e-commerce capabilities to further enhance our expanding global distribution.

In the post-COVID-19 period, sales of KEF household music systems have shown an encouraging growth trend in Asia. More efforts will be deployed to manage and strengthen distribution and to provide better user experience for our customers. The KEF experience centre in Tokyo will be relocated to a new location and a new experience centre in London will be opened in the financial year ending 31 March 2024. Moreover, plans for establishing more experience centres in China are under way. We have also modified our business and distribution models in several countries to further streamline our operations and increase cost efficiency. The co-branding project KEF x Lotus is bringing high-end audio experience through an all-new and all-electric Lotus Eletre Hyper-SUV to the wider audience in the globe.

Celestion, our professional loudspeaker driver business, on the other hand, is picking up on the comeback of public music events. The resumption of large-scale concerts has increased the demand for professional sound equipment. More marketing efforts have been put into the C-Music high performance busking amplifier during the year which led to enhanced awareness and positive reception from the market and customers.

Disruption from instability of material supply and rising energy costs and commodity prices posed challenges to our Batteries Business. During the year, the Group's strategic plan for rebalancing its manufacturing capacity in Southeast Asia was mostly completed. Our technicians were able to resume mobility to support the new plants following the uplift of travel ban and our factories in Southeast Asia have stabilized their operations. However, with the high interest rate, customers are reducing their inventory which resulted in the weakness reported by the Batteries

Business. Nevertheless, the management expects this adjustment to be short-term and business will likely resume its normal growth in the second half of the coming financial year.

Sustainability Efforts

During the year, we continued our efforts on environmental and climate change initiatives. Six plants in Malaysia, Vietnam and China have achieved Zero Waste to Landfill Gold Validation and further investments will be made to minimize waste and emissions. Solar energy will be more widely adopted in our facilities in Malaysia, China and the UK where solar panels will be installed to power part of our operations.

As a manufacturer, we are also doing our best to reduce the environmental impact from raw material acquisition and improve recyclability at product end-of-life. Currently, 10% or more recycled materials are used in our selected rechargeable battery models. We are working to increase this figure and expand its application to a wider product range. A re-branded Alkaline batteries range was launched with paper packaging as we pursue progressive elimination of plastics in our product packaging. This is one of our many steps to manifest our commitment to promoting a circular economy.

GP Energy Tech Limited ("GP Energy Tech"), a newly formed subsidiary, focuses on driving more innovative, sustainable and environmental-friendly battery products and energy storage solutions. With innovation by research and performance enhancement, we aim to revolutionize rechargeable energy as the energy solution for the future.

Innovation and R&D

Innovation and R&D remained our important business focuses. The laboratories in Hong Kong and Shenzhen, China have been engaging in several major projects, including the development of Nickel Metal Hydride ("NiMH") batteries with a high percentage use of recycled materials and the development of new alloy materials for NiMH batteries for extreme low-temperature applications. This expands the application range catering for different climate zones and widens the market for our rechargeable battery products.

With quality design, we deliver a more appealing user experience to our customers. Despite the soft market, the KEF LS60 Wireless flagship received strong market acceptance and good industry reception. We also expanded our R&D and innovation capabilities by developing talent hubs in Shenzhen, Kuala Lumpur, Hong Kong, and London to align with our global organization plan and development.

Outlook

We recognize that the global economy is expected to remain soft as interest rates and inflation are likely to stay at a relatively high level for a further period. We will stay agile and responsive to the market and remain innovative and creative. We will also continue to enhance efficiency and effectiveness in our operations while focusing resources on the drivers that grow our business.

KEF will continue to expand the market penetration of its active wireless music systems, which is the revenue driver of the business segment. Rechargeable power solution is the future of battery products and GP Energy Tech will lead the Group's business on sustainable energy with new development and applications of Nickel-based battery products, as alternative solutions to Lithium and Lead-acid batteries.

The Group will continue to invest in sustainability and contribute to climate change initiatives. More energy-saving equipment and facilities will be installed. Product packaging revamp will continue to minimize waste and improve recyclability. We aspire to reduce our carbon footprint in the whole life cycle, for both ourselves and our consumers, to play a part in creating a greener future.

Vote of Thanks

Navigating difficult times would not be possible without the concerted efforts of our stakeholders. On behalf of the Board, I would like to express our heartfelt appreciation to our management team and staff members for their devotion and persistence, fellow Board members for their commitment and dedication, and our customers, suppliers, shareholders, and bankers for their unfailing support.

Victor LO Chung Wing
Chairman and Chief Executive Officer
20 June 2023


GP
GP Ultra+
全新升級
Ultra+鹼性電池
hk.gpbatteries.com


享樂超盡情

Review of Operations

The financial year which ended on 31 March 2023 ("FY2023") was one of the very challenging years from the operations perspective. The global economic slowdown, instability in material supply, high energy costs, high commodity prices and high interest rates led to unprecedented price increases for most consumer goods and negatively affected global consumer demand.

During FY2023, revenue of the Group declined by S$72.7 million or 5.9% to S$1,150.0 million when compared to the last financial year which ended on 31 March 2022 ("FY2022"). The decline was mainly due to S$70.8 million or 7.5% decline in Batteries Business' revenue when compared to FY2022. In terms of geographical markets, sales to Europe and the Americas declined while sales to Asia increased.

Gross profit margin increased from 25.9% in FY2022 to 26.6% in FY2023. The increase was due mainly to improvements in the sales mix and an increase in selling prices for some of the Group's products, implemented to mitigate the adverse effects of higher material costs.

Distribution costs decreased by S$9.4 million or 6.1% to S$145.3 million when compared to FY2022 due mainly to a reduction in freight cost and custom duties for the Batteries Business and reduced advertising and promotion expenses. Administrative expenses decreased by S$4.5 million or 3.0% to S$144.2 million due mainly to a decrease in staff costs.

Other operating income decreased by S$2.7 million to S$45.9 million in FY2023 when compared to FY2022. Other operating income for FY2023 mainly consisted of a 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 ("Modern Battery"), a wholly-owned subsidiary of the Company.

Other operating expenses decreased by S$16.6 million to S$20.5 million in FY2023 when compared to FY2022. Other operating expenses included the impairment charges for the property, plant and equipment of the Lithium rechargeable business and cumulative translation deficit charged to profit or loss account upon de-registration of a subsidiary. The decrease in FY2023 was contributed by the one-off impairment charges for the business in Russia and the cost of relocating the factories of the Batteries Business from Huizhou to Dongguan, China recorded during FY2022.

Business Segment Performance

The Group has three main business segments – Batteries Business, Electronics and Acoustics Business and Other Industrial Investments. For FY2023, the Group recorded revenue of S$1,150.0 million, of which

approximately 75.7% was contributed by the Batteries Business, while Electronics and Acoustics Business contributed the remaining 24.3%. The Batteries Business accounted for 69.6% of the Group's contribution before taxation compared to 13.0% from Electronics and Acoustics Business and 17.4% from Other Industrial Investments.

Batteries Business

The revenue of the Batteries Business for FY2023 was S$870.1 million, a decline of 7.5% when compared to FY2022. Sales of primary batteries declined by 6.2%, with sales of button batteries increased while sales of all types of cylindrical batteries and 9-volt batteries dropped. Sales of rechargeable batteries declined by 15.5% mainly due to a sales decline in Nickel Metal Hydride rechargeable batteries. In geographical terms, sales to the Americas, Europe and Asia decreased by 17.5%, 13.4% and 1.4%, respectively.

Gross profit margin of the Batteries Business for FY2023 remained at approximately 21.2%, the same level as in FY2022. Management worked closely with customers to increase product prices and improved product mix. However, those improvements were offset by higher material costs and lower market demand.

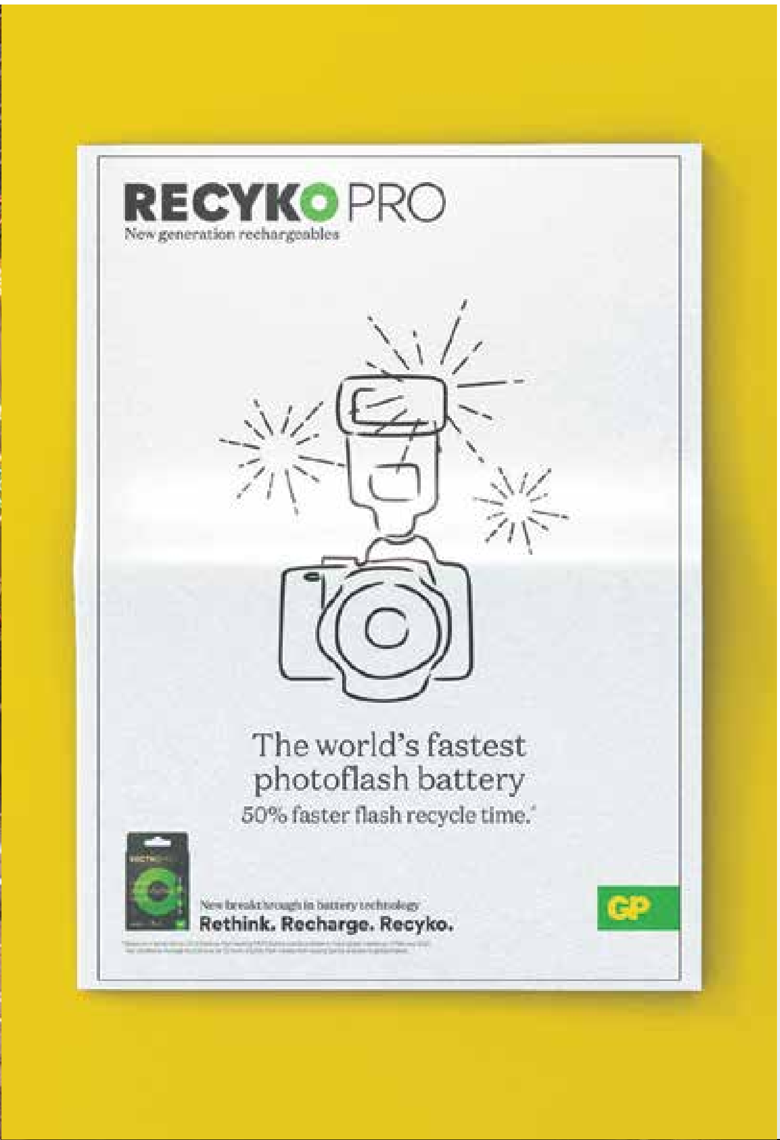
The Group disposed of part of the Group's shareholding in STL from 29.28% to 15.14% on 6 April 2022. The gain from disposal of interest in STL amounted to S$4.3 million in FY2023 and the remaining 15.14% interest of STL was accounted for as financial assets at fair value through profit or loss with a fair value gain of S$8.2 million in FY2023. The Group disposed of all the remaining interest in STL during FY2023.


GP號
全新升級
Ultra+
鹼性電池
+200%
Ultra+
G-TECH
GP = 享樂超盡情

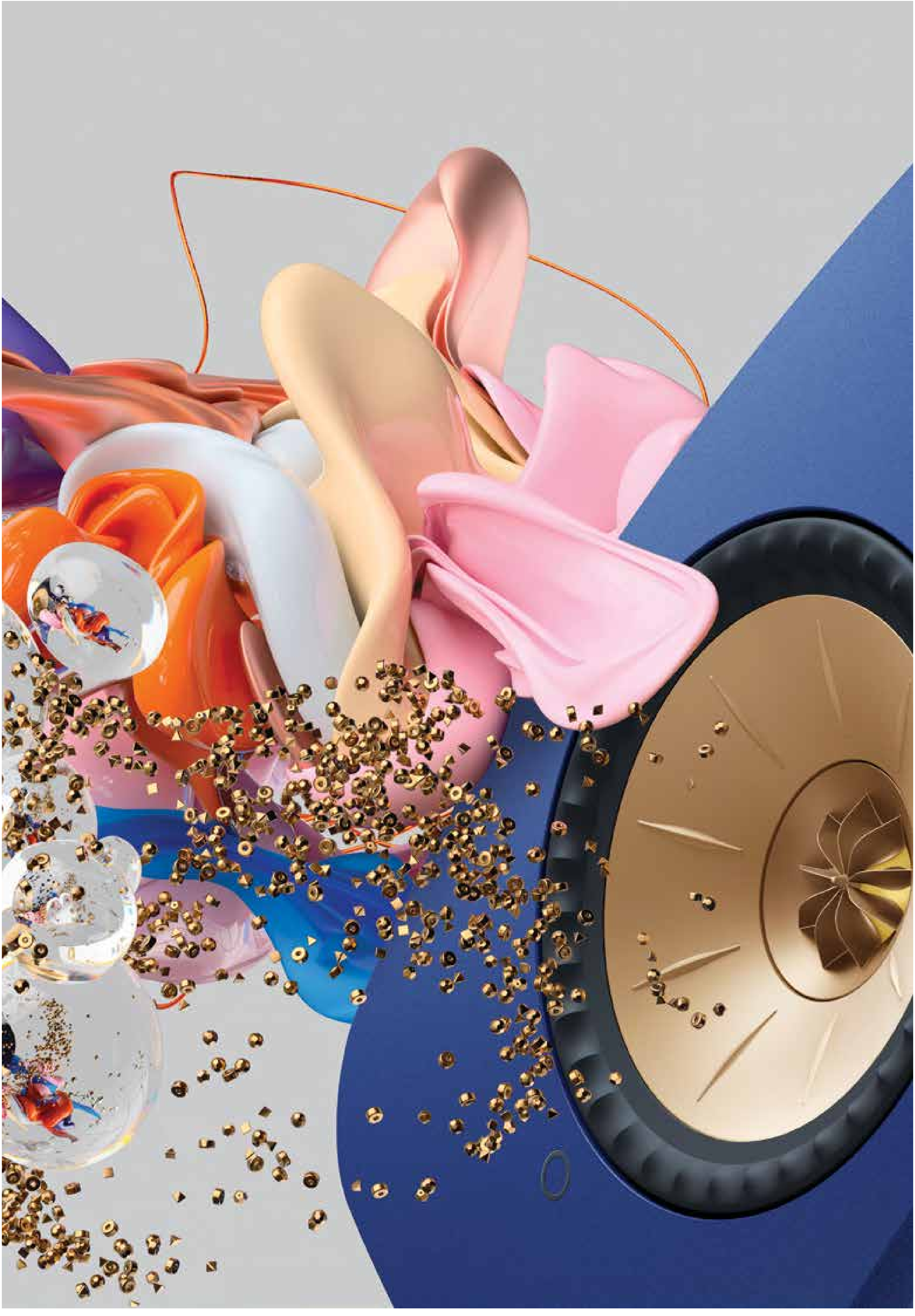

55%
laddning
på 30 min
ELGIGANTEN


55%
laddning
på 30 min
ELGIGANTEN


GP
Ultra+
G-TECH


RECYKO PRO
New generation rechargeables
The world's fastest photoflash battery
50% faster flash recycle time.*
New breakthrough in battery technology
Rethink. Recharge. Recyko.
GP


RECYKO
New generation rechargeables
RECYKO
The future is rechargeable.
GP Batteries
The world is yours to XPLOR
Discovery begins here
GP Batteries



During FY2023, the Group completed the disposal of Modern Battery after relocating its rechargeable battery production to the new manufacturing campus located at Xiegang, Dongguan, China. The gain from disposal of Modern Battery amounted to S$10.6 million in FY2023.

Despite the decrease in revenue of Batteries Business and impairment charges for the property, plant and equipment of Lithium rechargeable business, the disposal of STL and Modern Battery contributed to the increase in profit contribution from the Batteries Business in FY2023.

In view of the rapid material price increases and continued disruption to the supply chain during FY2022, the Group adopted its strategy to increase raw materials and finished products held in inventory so as to maintain supply to customers. In FY2023, the Group reduced its inventory holding back to a normal level as at 31 March 2023 after the global supply chain has stabilized.

During FY2022, the Group initiated a review of the strategic direction of the Batteries Business. On 28 December 2021, the Company announced the proposed distribution in-specie of the rechargeable batteries manufacturing business (the "Proposed Distribution"). The Proposed Distribution is conditional, inter alia, on the completion of the restructuring of the rechargeable batteries manufacturing business and obtaining all necessary waivers, consent and approval from third parties and regulatory authorities, which is still in progress in FY2023.

Electronics and Acoustics Business

The revenue of the Electronics and Acoustics Business for FY2023 was S$279.9 million, a 0.7% decrease when compared to the revenue reported in FY2022.

KEF's sales declined by 3.1% in FY2023, with sales to the Americas and Europe dropped by 10.8% and 3.7% respectively, outweighing by the 15.5% increase in sales to Asia. Sales of high-fidelity wireless speakers continue to grow while traditional speakers suffer from lower market demand and fierce destocking from competitors.

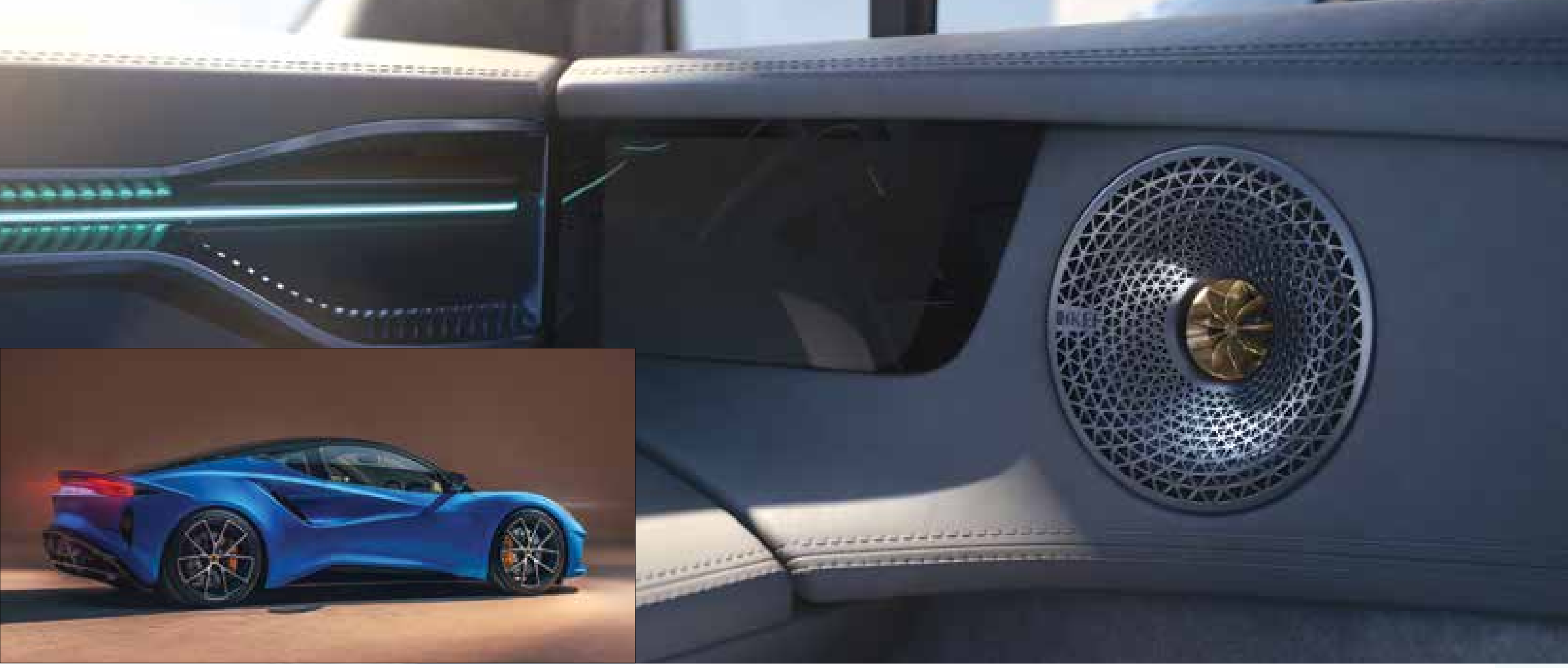
Celestion branded professional speaker driver business reported a 6.1% revenue growth, the combined result of a 17.6% and a 15.9% increase in sales to Europe and Asia, respectively and an 11.4% decrease in sales to the Americas. The increases were mainly driven by a strong recovery of the professional sound reinforcement market as more countries restarted public music performances after COVID-19 lockdowns, offsetting sales decline in prosumer type products intended for home use.

The professional audio manufacturing business reported a 1.1% increase in revenue in FY2023 with increased sales to major geographical markets, including a 15.6% and 10.9% increase to Europe and Asia respectively while sales to the Americas declined by 8.0%.

In April 2022, the manufacturing facilities of the electronics factory in Huizhou, China was relocated to Dongjiang Industrial Park in Huizhou, China and production was disrupted by nearly two months. The operation efficiency of the factory subsequently recovered after relocation and contributed to an increase in profitability of the Electronics and Acoustics Business.

The Electronics and Acoustics Business was also adversely affected by high material costs and flat sales. However, gross profit margin increased from 41.9% in FY2022 to 43.4% in FY2023 due partly to new product introduction and partly to improved operation efficiency.

During FY2023, the professional audio manufacturing business received the "2022 Quality at the Source Award" from one of its globally renowned customers, Fender Musical Instrument Corporation, for its outstanding supply performance during the period of electronic component supply shortage. KEF also introduced the LS60 Wireless Music System which was named “Best Product 2022-2023: Wireless Floorstanding Loudspeakers” by the esteemed EISA and received “The Applause Award” from StereoNET, Australia. Also, KEF LS60 Wireless Lotus Edition, the first KEF x Lotus car co-branded all-in-one speaker system, was launched in China.



During FY2023, the Group proposed an internal Electronics and Acoustics restructuring exercise (the "E&A Restructuring") involving the transfer of the Group's principal subsidiaries in the Electronics and Acoustics 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 Electronics and Acoustics Business in research and development, product design, manufacturing, branding, marketing and sales activities, and will enable and facilitate direct capital contribution into KGG.

On 26 January 2023, KGG entered into simple agreements for future equity ("SAFE") with certain investors, who are long-term partners, business associates 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 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 issued by KGG are classified as non-controlling interests and recognized under equity in the consolidated statement of financial position.

Other Industrial Investments

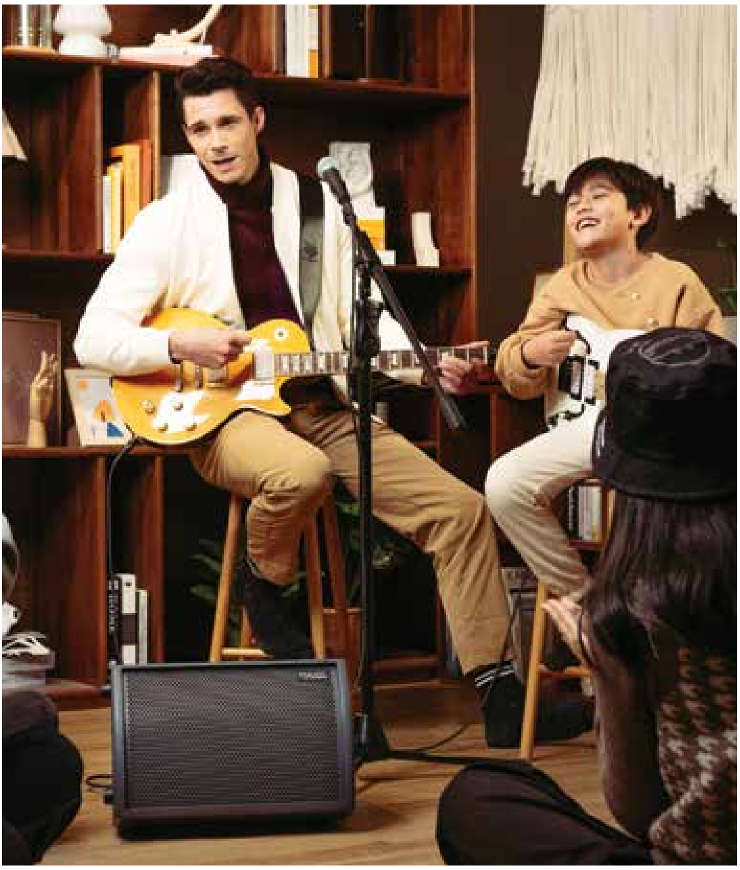
This business segment includes the Group's investments in Meiloon Industrial Co., Ltd. and XIC Innovation Limited ("XIC" which was formerly known as Linkz Industries Limited, together with its subsidiaries "XIC Group").

In March 2022, XIC completed the disposal of its 63.58%-owned subsidiary, Time Interconnect Technology Limited ("Time Interconnect"), and reported a disposal gain in FY2022. Profit contribution from XIC decreased in FY2023 after the disposal of Time Interconnect. During FY2023, XIC completed the acquisition of Light Engine Technologies Limited ("Light Engine", together with its subsidiaries "Light Engine Group") of which XIC and Light Engine were under the common control of their controlling shareholder preceding to this acquisition. As a result, the consolidated financial statements of XIC Group for FY2022 have been restated to include assets and liabilities and the operating results of Light Engine Group, as if Light Engine Group had been in existence as at 1 April 2021. The Group's restated profit attributable to shareholders for FY2022 increased to S$40.0 million from S$35.3 million previously reported.

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. The Group recorded net current liabilities of approximately S$17.2 million as at 31 March 2023 as compared to S$69.2 million as at 31 March 2022. The Group's current ratio improved from 0.91 as at 31 March 2022 to 0.97 as at 31 March 2023. The Group's gearing ratio, calculated basing on the net bank borrowings divided by total equity, was 55.4% as at 31 March 2023 as compared to 60% as at 31 March 2022. The decrease of the Group's gearing ratio in FY2023 was mainly due to the repayment of borrowings by utilizing cash generated from disposals of STL and Modern Battery and the increase in cash balance after the completion of the equity fund raising exercise by KGG in January 2023.

As at 31 March 2023, the maximum limit of the banking facilities available to the Group amounted to S$331.2 million (31 March 2022: S$378.9 million). The bank borrowings were denominated in Hong Kong dollars and Singapore dollars. As at 31 March 2023, the capital structure of the Group consisted of equity attributable to owners of the Company of approximately S$416.1 million, comprising issued share capital and reserves.



Outlook

High inflation and repeated interest rate hikes during FY2023 might have adversely affected consumer spending on manufactured goods. Demands for the Group's battery products slowed in FY2023 but should gradually recover when major overseas customers replenish their inventory in the latter part of the financial year ending 31 March 2024 ("FY2024").

The abnormally high interest rates are expected to significantly increase the Group's finance costs. The Group may fund some of its future expansions by equity financing, where appropriate, to reduce the Group's borrowing level.

The Batteries Business will continue to be affected by volatile raw material prices and global logistics challenges. The manufacturing capacity rebalancing project has mostly been completed in FY2023. As a result, the Group's manufacturing efficiency is expected to improve with reduced redundant operations and improved economies of scale in FY2024.

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

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

The project to rebalance the Group's manufacturing facilities is substantially completed, with the relocation of Zhongyin (Ningbo) Battery Co Ltd.'s operations to the new factory complex to be completed by the end of FY2024. The existing factory site will then be disposed of and the proceeds will be used to fund the Group's deleveraging program. No significant "Other Operating Income or Expenses" related to disposal of non-core assets is expected for FY2024.

Michael Lam

LAM Hin Lap
Vice Chairman & Executive Vice President
20 June 2023

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
11 September 2020

Length of service as Director (as at 20 June 2023)
27 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.

Subject to shareholders' approval at the annual general meeting of the Company to be held on 25 July 2023 ("2023 AGM"), Mr Lo is proposed to be appointed as an Executive Director of the Company, and if his appointment is approved, he would also be appointed as a member of Nominating Committee following the conclusion of the 2023 AGM.

LAM Hin Lap, 62
Vice Chairman and Executive Vice President
Executive Director

First appointment as Director
1 October 2016

Last re-election as Director
29 July 2022

Length of service as Director (as at 20 June 2023)
6 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 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 20 June 2023)
27 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 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, 60

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

First appointment as Director
1 April 2019

Last re-election as Director
27 July 2021

Length of service as Director (as at 20 June 2023)
4 years and 2 months

Board Committee(s)
None

Present directorships in other listed companies and principal commitments
Gold Peak (*Executive Director and Senior Vice President, Group Finance Management*)
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 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 public accountant with the Hong Kong Institute of Certified Public Accountants, and 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.

Subject to shareholders' approval at the 2023 AGM, Mr Law is proposed to be appointed as an Executive Director of the Company.

Grace LO Kit Yee, 52
Executive Director

First appointment as Director
1 July 2021

Last re-election as Director
27 July 2021

Length of service as Director (as at 20 June 2023)
1 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.

Subject to shareholders' approval at the 2023 AGM, Ms Lo is proposed to be appointed as an Executive Director of the Company.

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 20 June 2023)
26 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
None

Other principal commitments
Singapore Technologies Telemedia Pte Ltd (*Director*)
STT Communications Ltd (*Director*)
STT Global Data Centres India Private Limited (*Director*)
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, 79

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 20 June 2023)
10 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
11 September 2020

Length of service as Director (as at 20 June 2023)
5 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 had 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.

Subject to shareholders' approval at the 2023 AGM, Mr Lim is proposed to be appointed as a Non-Executive Independent Director of the Company, and if his appointment is approved, he would also be appointed as the Chairman of Nominating Committee and a member of each of the Audit and Risk and Remuneration Committees following the conclusion of the 2023 AGM.

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 20 June 2023)
5 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*)
WhiteRock Medical Company Pte. Ltd. (*Director and Chief Executive Officer*)

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 20 June 2023)
3 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*)
Xiaomi Corporation (*Independent Non-Executive Director*)

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

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*)

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

Professor Tong's public engagement includes serving as the chairman of the 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.

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

Christopher LAU Kwan, 43

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 20 June 2023)
3 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
None

Past directorships in other listed companies over the preceding three years
eCargo Holdings Limited (*Non-Executive Director*)

Other principal commitments
XK Capital Limited (*Managing Director*)
Hong Kong Chinese Importers' & Exporters' Association (*Director*)

Mr Lau has been holding senior positions in shipping, logistics and e-commerce technology for more than 15 years.

Mr Lau is a member of the 14th and 15th Nanjing Political Consultative Conferences of China, vice-chair of the Youth Affairs Committee in the HKCPPCC (Provincial) Members Association, vice-president of the Nanjing (H.K.) Association, and vice-chair of the Programme and Fundraising Committee at The Dragon Foundation. He has been an honorary court member of Hong Kong Baptist University since 2012, a member of The Young President's Organization since 2021 and The Entrepreneur's Organization since 2008.

Mr Lau holds a Bachelor's degree in Accounting and Finance from the Stern School of Business, New York University, US.

Board of Directors and Senior Management (cont'd)

Senior Management [1]

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.

Victor CHONG Toong Ying
Executive Director – Gold Peak
Director, Vice Chairman and President – GP Batteries

Mr Chong joined the Group in 2016. He has over 30 years' working experience in electrical energy management, and has held senior management positions in strategic leadership and international operation and business development covering China, Asia Pacific, Europe and the Middle East. Mr Chong is a member of Australian Institute of Company Directors, The Singapore Chamber of Commerce (Hong Kong) and The Hong Kong Institute of Directors. He holds a Bachelor's degree in Electrical Engineering from Royal Melbourne Institute of Technology, Australia.

Charlton KWONG Yiu Cheung
Director and Executive Vice President – GP Batteries

Mr Kwong joined the Group in 2017. He has over 30 years' experience in global business and industrial operation management. He holds a Bachelor's degree in Mechanical Engineering from University of Sunderland, UK and an MBA degree from City University of Hong Kong.

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 over 20 years' working 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.

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.

William WANG Jian Hao
General Manager – Zhongyin (Ningbo) Battery Co Ltd

Mr Wang joined the Group in 1983. He holds an Associate degree in Mechanics from Zhejiang Radio and Television University, China and a Bachelor's degree in Law from China University of Geosciences, Wuhan, China.

Brian WONG Tze Hang
Executive Director and Chief Financial Officer – Gold Peak
Director and Chief Financial Officer – GP Batteries

Mr Wong joined the Group in 1993. He has over 35 years' experience in the finance and accounting field and is a fellow of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants of the UK. He holds a Bachelor of Laws degree from the University of London, UK.

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.

Richard YEW Cheng Teik

Executive Vice President – GPEHK
Director – GP Batteries

Mr Yew joined the Group in 2014. He has over 30 years' working experience and has held senior management positions in multinational industrial companies in Asia. He holds a Bachelor of Science degree in Electrical Engineering from University of Arkansas, US and an MBA degree from Janus University (formerly Newport University), US.

Notes:

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

(2) Gold Peak – Gold Peak Technology Group Limited
GP Batteries – GP Batteries International Limited
GPEHK – GP Electronics (HK) Limited

Events and Achievements

Corporate Event

- On 26 January 2023, the Company announced the issuance of simple agreements for future equity of the newly formed subsidiary, KEF GP Group Limited, as a new grouping of the acoustics and electronics businesses to facilitate its future development.

Sustainability Awards

- Six plants in Malaysia, Vietnam and China received UL Zero Waste to Landfill Gold Validation to acknowledge their efforts and achievements in maximizing waste diversion and energy recovery rates as well as their ongoing commitment to improving sustainability performance.
- GP Batteries and a factory in China were awarded “Hong Kong-Guangdong Cleaner Production Partner (Supply Chain)” and “Hong Kong-Guangdong Cleaner Production Excellent Partner (Manufacturing)” by the Environment and Ecology Bureau of Hong Kong SAR and the Department of Industry and Information Technology of Guangdong Province, China.
- A plant in Dongguan, China was presented “Dongguan Safe Enterprise Award” by Office of Dongguan Work Safety Commission.
- GP Batteries was awarded “100% HK Branding Award – Outstanding Corporate Social Responsibility (CSR) in Environmental Conservation 2022” organized by Greater China Association of Branding Industry to honor brands for their continuous contributions in promoting CSR.
- GP Batteries was presented the “Energywi$e Certificate – Good Level” and “Wastewi$e Certificate – Good Level” by Hong Kong Green Organisation.

Product Awards

- KEF LS60 Wireless Lotus Edition, the first KEF x Lotus co-branded all-in-one speaker system, was launched for the China market. Along with Muon, it was featured at the Lotus Day in Shanghai, China.
- KEF’s innovative, patent-pending Uni-Core® technology received “Innovation of the Year Award” while KEF LS50 Meta was presented “Product of the Year Award – Standmount Speakers”, both by What Hi-Fi? Sound & Vision, UK.
- KEF LS60 Wireless was named “Best Product 2022-2023: Wireless Floorstanding Loudspeakers” by EISA, UK and received “The Applause Award” from StereoNET, Australia.
- KEF Blade Two Meta was named “Product of the Year 2022 – Loudspeaker” by Stereophile, US.
- KEF LSX II was presented “Product of the Year Award 2022 – Standmount Speaker (Active)” by StereoNET, Australia.

Quality Award

- The professional audio manufacturing business received the "2022 Quality at the Source Award" from Fender Musical Instrument Corporation.

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 2023.

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 134 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 2023, 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
Christopher Lau Kwan

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 2023 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	238,441,685	242,941,685	-	-
Brian Li Yiu Cheung	350,000	350,000	-	-
Waltery Law Wang Chak	1,995,132	-	-	-
Grace Lo Kit Yee	25,048	25,048	-	-
Christopher Lau Kwan	2,304,416	3,394,652	-	-

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 2023 disclosed above remained unchanged as at 21 April 2023.

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 Director:

Lim Ah Doo - Chairman
Allan Choy Kam Wing
Lim Jiew Keng
Goh Boon Seong
Timothy Tong Wai Cheung
Christopher Lau Kwan

The Audit and Risk Committee met four 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	**Lam Hin Lap**
Chairman and Chief Executive Officer	Vice Chairman and Executive Vice President

20 June 2023

Independent Auditor’s Report

TO THE MEMBERS OF GP INDUSTRIES LIMITED
For the financial year ended 31 March 2023

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 2023, 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 a summary of significant accounting policies, as set out on pages 38 to 134.

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 2023, 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	**Our audit performed and responses thereon**
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 2023, 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$6.6 million (net of impairment loss of S$7.8 million) and S$6.6 million (net of loss allowance of S$0.8 million) respectively. The Associate is engaged in marketing and trading of battery related products in Russia. In the prior financial year ended 31 March 2022, the gross carrying amounts of the Group's interest in the Associate was S$10.4 million and a full impairment loss of S$10.4 million was recognised in 2022. The trade and other receivables due from the Associate amounted to S$10.8 million and a ECL provision of S$3.7 million was recognised in 2022. During the financial year ended 31 March 2023, taking into consideration various factors including the Associate's actual financial performance and the receipt of dividends and collection of receivables from the Associate during the year, 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$2.6 million and a reversal of ECL provision on the trade and other receivables from the Associate of S$2.9 million for the year ended 31 March 2023.	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 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 the higher of fair value less costs of disposal and 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 and others receivables from the Associate, including expected probability of default rate, forward-looking adjustments and the estimated loss given default rate, 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	Our audit performed and responses thereon
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, 37 and 38(d) to the consolidated financial statements.	
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, 37 and 38 to the consolidated financial statements)	We have discussed with 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 38.

Other Information

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. The Directors' Statement was obtained prior to the date of this auditor's report and the remaining other information included in the annual report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the other information included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and take appropriate actions in accordance with SSAs.

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

20 June 2023

Consolidated Income Statement

Financial year ended 31 March 2023

	Note	Group	
			Restated
		2023	2022
		S$'000	S$'000
Continuing operations			
Revenue	3	**1,150,046**	1,222,749
Cost of sales		**(844,054)**	(905,484)
Gross profit		**305,992**	317,265
Other operating income	4	**45,939**	48,678
Distribution costs		**(145,287)**	(154,692)
Administrative expenses		**(144,166)**	(148,699)
Allowance for expected credit losses, net		**(6,978)**	(4,519)
Other operating expenses	5	**(20,450)**	(37,086)
Profit before finance costs and share of results of associates	6	**35,050**	20,947
Finance costs	7	**(29,264)**	(19,332)
Share of results of associates	13	**24,128**	54,301
Profit before taxation		**29,914**	55,916
Income tax expense	8	**(2,477)**	(6,738)
Profit after taxation from continuing operations		**27,437**	49,178
Discontinued operations			
Loss after taxation from discontinued operations	42	**-**	(3,050)
Profit for the financial year		**27,437**	46,128
Attributable to:			
Equity holders of the Company			
Continuing operations		**22,044**	43,066
Discontinued operations		**-**	(3,050)
		22,044	40,016
Non-controlling interests			
Continuing operations		**5,393**	6,112
Discontinued operations		**-**	-
	12	**5,393**	6,112
		27,437	46,128
Basic and diluted earnings (loss) per share (Singapore cents) from:			
Continuing operations	9	**4.56**	8.90
Discontinued operations	9	**-**	(0.63)
		4.56	8.27

See accompanying notes to the financial statements.

Consolidated Statement of Comprehensive Income

Financial year ended 31 March 2023

	Group	
		Restated
	2023	2022
	S$'000	S$'000
Profit for the financial year	**27,437**	46,128
Other comprehensive income (loss):		
Items that will not be reclassified subsequently to profit or loss:		
Fair value (loss) gain on financial assets at fair value through other comprehensive income	**(2,487)**	4,787
Share of other comprehensive (loss) income of associates		
- Property revaluation deficit	**-**	(117)
- Defined benefit plan remeasurements	**40**	13
Items that are or may be reclassified subsequently to profit or loss:		
Foreign exchange translation		
- Exchange translation (deficit) surplus	**(41,644)**	15,010
- Exchange translation deficit, reclassified to profit or loss upon de-registration / disposal of subsidiaries	**3,838**	4,802
Share of other comprehensive income (loss) of associates		
- Exchange translation deficit, reclassified to profit or loss upon disposal and derecognition of interest in an associate	**3,875**	-
- Exchange translation deficit	**(13,861)**	(1,080)
Other comprehensive (loss) income for the financial year, net of tax	**(50,239)**	23,415
Total comprehensive (loss) income for the financial year	**(22,802)**	69,543
Attributable to:		
Equity holders of the Company	**(19,106)**	60,640
Non-controlling interests	**(3,696)**	8,903
	(22,802)	69,543
Total comprehensive (loss) income attributable to equity holders of the Company from:		
Continuing operations	**(19,106)**	61,661
Discontinued operations	**-**	(1,021)
	(19,106)	60,640

See accompanying notes to the financial statements.

Statements of Financial Position

As at 31 March 2023

	Note	Group			Company	
			Restated	*Restated*		
		31 March 2023 S$'000	31 March 2022 S$'000	1 April 2021 S$'000	**31 March 2023 S$'000**	31 March 2022 S$'000
Non-current Assets						
Property, plant and equipment	10	**392,085**	411,572	386,321	**611**	197
Right-of-use assets	11	**43,802**	47,749	44,206	**2,795**	416
Interest in subsidiaries	12	**-**	-	-	**422,708**	426,749
Interest in associates	13	**268,581**	355,145	354,653	**31,943**	29,031
Financial assets at fair value through other comprehensive income	14	**4,191**	6,739	1,968	**-**	-
Non-current receivables	15	**-**	3,226	14,924	**-**	20,480
Deferred tax assets	27	**5,829**	5,937	4,812	**-**	-
Deposits and prepayments		**3,333**	4,286	5,843	**-**	-
Intangible assets	16	**10,387**	10,696	12,551	**-**	-
		728,208	845,350	825,278	**458,057**	476,873
Current Assets						
Inventories	17	**208,484**	254,500	206,443	**-**	-
Receivables and prepayments	18	**215,450**	278,004	276,294	**29,439**	20,418
Dividend receivable	34	**4,382**	4,858	4,299	**6,554**	11,085
Taxation recoverable		**5,807**	3,837	4,729	**-**	-
Derivative financial instruments	24	**-**	165	-	**-**	-
Short-term investments	19	**162**	729	1,291	**-**	-
Bank balances, deposits and cash	20	**209,513**	188,263	226,067	**30,220**	29,251
		643,798	730,356	719,123	**66,213**	60,754
Assets classified as held for sale	41	**-**	7,413	7,311	**-**	-
		643,798	737,769	726,434	**66,213**	60,754
Current Liabilities						
Trade and other payables	21	**264,440**	302,851	336,422	**19,907**	24,995
Contract liabilities	22	**14,911**	18,883	8,910	**-**	-
Provision for restructuring	26	**-**	4,250	-	**-**	-
Lease liabilities	23	**9,767**	11,264	10,490	**527**	396
Income tax payable		**8,654**	8,070	10,664	**257**	246
Derivative financial instruments	24	**-**	19	1,233	**-**	-
Bank and other loans	25	**363,200**	461,611	411,191	**114,914**	96,580
		660,972	806,948	778,910	**135,605**	122,217
Net Current Liabilities		**(17,174)**	(69,179)	(52,476)	**(69,392)**	(61,463)

See accompanying notes to the financial statements.

	Note	Group			Company	
			Restated	*Restated*		
		31 March	31 March	1 April	**31 March**	31 March
		2023	2022	2021	**2023**	2022
		S$'000	S$'000	S$'000	**S$'000**	S$'000
Non-current Liabilities						
Bank and other loans	25	**138,659**	99,823	150,196	**57,137**	66,759
Lease liabilities	23	**38,379**	41,681	34,525	**1,978**	32
Provision for restructuring	26	**-**	-	17,318	**-**	-
Deferred tax liabilities	27	**6,190**	10,806	10,051	**-**	-
		183,228	152,310	212,090	**59,115**	66,791
Net Assets		**527,806**	623,861	560,712	**329,550**	348,619
Represented by:						
Issued capital	28	**286,307**	286,307	286,307	**286,307**	286,307
Treasury shares	28	**(20,978)**	(20,978)	(20,865)	**(20,978)**	(20,978)
Reserves		**150,807**	258,484	204,125	**64,221**	83,290
Equity attributable to equity holders of the Company		**416,136**	523,813	469,567	**329,550**	348,619
Simple agreements for future equity ("SAFE")	29	**18,793**	-	-	**-**	-
Share of net assets of subsidiaries	12	**92,877**	100,048	91,145	**-**	-
Non-controlling interests		**111,670**	100,048	91,145	**-**	-
Total Equity		**527,806**	623,861	560,712	**329,550**	348,619

See accompanying notes to the financial statements.

Statements of Changes in Equity

Financial year ended 31 March 2023

	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:						
As previously reported	286,307	(20,978)	12,092	16,761	29,602	(89,668)
Effects of equity accounting for interest in associate (Note 45)	-	-	6,079	-	-	336
As restated	286,307	(20,978)	18,171	16,761	29,602	(89,332)
Total comprehensive income (loss)						
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)	-	-	-
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners:						
Capital contribution by non-controlling interests	-	-	-	-	-	-
Issue of SAFE by a subsidiary	-	-	-	-	-	-
Dividends paid (Note 28)	-	-	-	-	-	-
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] S$'000	Share-based payment reserve[6] S$'000	Property revaluation reserve[7] S$'000	Retained profits S$'000	Total S$'000	SAFE[8] S$'000	Share of net assets of subsidiaries S$'000	Total S$'000	**Total equity S$'000**
3,289	1,467	955	227,733	467,560	-	100,048	100,048	**567,608**
-	-	-	49,838	56,253	-	-	-	**56,253**
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$'000	Legal reserve(2) S$'000	Capital reserve on consolidation(3) S$'000
Group					
Balance at 1 April 2021:					
As previously reported	286,307	(20,865)	11,856	21,050	30,465
Effects of equity accounting for interest in associate (Note 45)	-	-	6,079	-	-
As restated	286,307	(20,865)	17,935	21,050	30,465
Total comprehensive income (loss)					
Profit for the financial year	-	-	-	-	-
Other comprehensive income (loss) for the financial year	-	-	-	-	-
Total comprehensive income (loss) for the financial year	-	-	-	-	-
Share of change in net assets of associates other than other comprehensive income	-	-	365	-	-
Transactions with owners, recognised directly in equity					
Contributions by and distributions to owners:					
Purchase of treasury shares (Note 28)	-	(113)	-	-	-
Dividend paid (Note 28)	-	-	-	-	-
Changes in ownership interests in subsidiaries:					
Disposal of subsidiaries	-	-	(129)	(5,102)	(863)
Total transactions with owners	-	(113)	(129)	(5,102)	(863)
Transfer to reserve	-	-	-	813	-
Balance at 31 March 2022, as restated	286,307	(20,978)	18,171	16,761	29,602

See accompanying notes to the financial statements.

Attributable to equity holders of the Company							
Exchange translation reserve[4] S$'000	Fair value reserve[5] S$'000	Share-based payment reserve[6] S$'000	Property revaluation reserve[7] S$'000	Retained profits S$'000	Total S$'000	Non-controlling interests S$'000	Total equity S$'000
(104,448)	(1,498)	2,091	1,072	193,200	419,230	91,145	510,375
(825)	-	-	-	45,083	50,337	-	50,337
(105,273)	(1,498)	2,091	1,072	238,283	469,567	91,145	560,712
-	-	-	-	40,016	40,016	6,112	46,128
15,941	4,787	-	(117)	13	20,624	2,791	23,415
15,941	4,787	-	(117)	40,029	60,640	8,903	69,543
-	-	(624)	-	26	(233)	-	(233)
-	-	-	-	-	(113)	-	(113)
-	-	-	-	(6,048)	(6,048)	-	(6,048)
-	-	-	-	6,094	-	-	-
-	-	-	-	46	(6,161)	-	(6,161)
-	-	-	-	(813)	-	-	-
(89,332)	3,289	1,467	955	277,571	523,813	100,048	623,861

	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 2022	286,307	(20,978)	614	82,676	**348,619**
<u>Total comprehensive loss</u>					
Loss for the financial year	-	-	-	(4,554)	**(4,554)**
Total comprehensive loss for the financial year	-	-	-	(4,554)	**(4,554)**
<u>Transactions with owners, recognised directly in equity</u>					
Dividends paid (Note 28)	-	-	-	(14,515)	**(14,515)**
Balance at 31 March 2023	286,307	(20,978)	614	63,607	**329,550**
Balance at 1 April 2021	286,307	(20,865)	614	61,739	327,795
<u>Total comprehensive income</u>					
Profit for the financial year	-	-	-	26,985	26,985
Total comprehensive income for the financial year	-	-	-	26,985	26,985
<u>Transactions with owners, recognised directly in equity</u>					
Purchase of treasury shares (Note 28)	-	(113)	-	-	(113)
Dividend paid (Note 28)	-	-	-	(6,048)	(6,048)
Balance at 31 March 2022	286,307	(20,978)	614	82,676	348,619

See accompanying notes to the financial statements.

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

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

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

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

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

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

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

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

See accompanying notes to the financial statements.

Consolidated Statement of Cash Flows

Financial year ended 31 March 2023

	Group	
		Restated
	2023	2022
	S$'000	S$'000
Operating activities		
Profit before taxation from continuing operations	**29,914**	55,916
Loss before taxation from discontinued operations (Note 42)	**-**	(2,698)
Profit before taxation	**29,914**	53,218
Adjustments for:		
Share of results of associates	**(24,128)**	(54,301)
Depreciation of property, plant and equipment	**32,303**	30,625
Depreciation of right-of-use assets	**12,436**	15,164
Amortisation of intangible assets	**525**	329
Finance costs	**29,264**	19,392
Interest income	**(2,256)**	(2,301)
(Gain) Loss on disposal and write-off of property, plant and equipment, net	**(1,127)**	2,875
Loss on disposal of automotive wire harness business ("AWH Business") (Note 42)	**-**	2,891
Restructuring charges written back	**(1,174)**	(13,056)
Closure and relocation costs written back	**(753)**	(4,205)
Allowance for impairment loss on property, plant and equipment	**3,608**	-
Allowance for impairment loss on right-of-use assets	**512**	-
(Reversal of) Allowance for impairment loss on interest in an associate	**(2,568)**	10,380
Allowance for inventory obsolescence and write-off of inventory, net	**3,846**	448
Allowance for expected credit losses, net	**6,978**	4,519
Fair value (gain) loss on short-term investments, net	**(7,619)**	566
Gain from disposal and / deemed disposal of interest in associates	**(4,257)**	(53)
Gain on bargain purchase arising from purchase of additional interest in an associate	**(2,198)**	-
Gain from disposal of subsidiaries (Note 43)	**(10,637)**	(8,182)
Reduction in compensation receivable	**2,911**	-
Loss from de-registration of subsidiaries (Note 43)	**3,235**	170
Dividend income from financial assets at fair value through other comprehensive income	**(30)**	-
Write-off of trade payables	**(579)**	-
Unrealised fair value loss (gain) on derivative financial instruments	**109**	(1,233)
Rent concession related to COVID-19	**(316)**	(29)
Gain on lease modification	**-**	(153)
Gain on lease early termination	**(3)**	(8)
Bank loans waived (note a)	**-**	(1,315)
Unrealised exchange loss	**1,333**	1,717
Operating cash flows before movements in working capital	**69,329**	57,458
Inventories	**36,790**	(54,985)
Receivables and prepayments	**40,608**	(7,643)
Trade and other payables, and contract liabilities	**(32,338)**	12,762
Provision for restructuring	**(3,125)**	-
Cash generated from operations	**111,264**	7,592
Income tax paid	**(7,747)**	(10,035)
Finance costs paid	**(28,705)**	(18,004)
Interest received	**1,983**	1,033
Net cash generated from (used in) operating activities	**76,795**	(19,414)

See accompanying notes to the financial statements.

	Group	
		Restated
	2023	2022
	S$'000	S$'000
Investing activities		
Purchase of property, plant and equipment (note b)	**(50,865)**	(51,657)
Acquisition of intangible assets	**(437)**	-
Deposits paid for purchase of property, plant and equipment	**(647)**	(467)
Dividends received from associates	**13,257**	41,232
Proceeds from disposal of property, plant and equipment, net of transaction costs	**3,662**	1,510
Proceeds from disposal of AWH Business, net (Note 42)	**-**	9,645
Cash and cash equivalents of subsidiary disposed (Note 43)	**-**	(7,252)
Proceeds from disposal of a subsidiary, net of cash and cash equivalents disposed (Note 43)	**27,243**	-
Receipt of loan repayment by an associate	**1,231**	-
Proceeds from capital reduction of an associate	**3,696**	-
Additional investment in an associate	**(2,912)**	-
Proceeds from disposal of an associate	**10,102**	-
Proceeds from disposal of short-term investments	**19,385**	-
Dividend income from financial assets at fair value through other comprehensive income	**30**	-
Net cash generated from (used in) investing activities	**23,745**	(6,989)
Financing activities		
Drawdown of bank and other loans	**133,827**	78,585
Repayment of bank and other loans	**(179,232)**	(82,630)
Payment of lease liabilities	**(10,851)**	(11,770)
Dividends paid	**(14,515)**	(6,048)
Capital contribution by non-controlling interests	**70**	-
Dividends paid to non-controlling interests	**(3,545)**	-
Proceeds from issue of SAFE by a subsidiary	**16,832**	-
Purchase of treasury shares	**-**	(113)
Net cash used in financing activities	**(57,414)**	(21,976)
Net increase (decrease) in cash and cash equivalents	**43,126**	(48,379)
Cash and cash equivalents at beginning of the financial year	**188,263**	226,067
Effects of exchange rate changes on the balance of cash held in foreign currencies	**(21,876)**	10,575
Cash and cash equivalents at end of the financial year, representing bank balances, deposits and cash (Note 20)	**209,513**	188,263

Note:

a) During the financial year ended 31 March 2022, some bank loans obtained by certain subsidiaries incorporated in the United States of America pursuant to the Paycheck Protection Programme ("PPP") of the United States of America government as part of its COVID-19 relief measures were waived pursuant to the PPP (Note 25).

b) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of S$51,156,000 (2022: S$52,157,000) of which S$291,000 (2022: S$500,000) were transferred from deposits paid for property, plant and equipment.

See accompanying notes to the financial statements.

Notes to the Financial Statements

31 March 2023

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 ("HKEX").

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

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2023 were authorised for issue by the Board of Directors on 20 June 2023.

2. Summary of significant accounting policies

Basis of Accounting

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies 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(1) 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.

2. **Summary of significant accounting policies (cont'd)**

Basis of Consolidation

Subsidiaries

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.

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.

2. Summary of significant accounting policies (cont'd)

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.

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.

2. Summary of significant accounting policies (cont'd)

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. Summary of significant accounting policies (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.

2. Summary of significant accounting policies (cont'd)

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.

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 electronics and acoustics 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.

2. Summary of significant accounting policies (cont'd)

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.

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.

2. Summary of significant accounting policies (cont'd)

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.

2. Summary of significant accounting policies (cont'd)

Financial Assets

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

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

Classification of financial assets

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

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

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

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

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

Amortised cost and effective interest method

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

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

Equity instruments designated as at FVTOCI

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

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

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

2. Summary of significant accounting policies (cont'd)

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.

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.

2. Summary of significant accounting policies (cont'd)

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. Summary of significant accounting policies (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.

<u>Derecognition of financial assets</u>

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

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

2. Summary of significant accounting policies (cont'd)

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.

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.

Derivative Financial Instruments

Derivative financial instruments are initially recognised at fair value on the contract date, and are remeasured to fair value at subsequent reporting dates. Changes in the fair value of derivative financial instruments that are not designated and not effective as hedges of future cash flows are recognised immediately 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.

2. Summary of significant accounting policies (cont'd)

Property, Plant and Equipment

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

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

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

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

Freehold land is not depreciated.

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

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

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

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

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

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

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

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.

2. Summary of significant accounting policies (cont'd)

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.

Trademarks and Patents

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

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

Inventories

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

Non-current Assets Held For Sale and Discontinued Operations

Non-current assets and disposal groups are classified as held for sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

A component of the Group is classified as discontinued operations when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations. In the profit or loss of the current reporting period, and of the comparative period, all income and expenses from discontinued operations are reported separately from income and expenses from continuing operations. The profit or loss after taxation from discontinued operations is reported separately in profit or loss.

2. **Summary of significant accounting policies (cont'd)**

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.

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.

2. Summary of significant accounting policies (cont'd)

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.

The Group as Lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Subsequent to initial recognition, the Group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of SFRS(I) 9, recognising an allowance for ECL on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

When a contract includes lease and non-lease components, the Group applies SFRS(I) 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.

2. Summary of significant accounting policies (cont'd)

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.

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.

2. **Summary of significant accounting policies (cont'd)**

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	
	2023	2022
	S$'000	S$'000
Batteries and battery-related products	**870,102**	940,909
Electronics and acoustics products	**279,944**	281,840
	1,150,046	1,222,749

4. Other operating income

	Group	
	2023	2022
	S$'000	S$'000
Product development and engineering fee income	**377**	216
Interest income:		
Associates	**-**	23
Banks	**1,323**	407
Third parties	**933**	635
Non-current receivables	**-**	1,232
Gain on disposal of property, plant and equipment (note a)	**1,709**	17
Management fee income from associates	**733**	727
Operating lease income	**894**	518
Government grant	**2,444**	5,647
Gain on sales of parts, samples, scrap and surplus materials	**1,291**	1,510
Unrealised fair value gain on derivative financial instruments	**-**	1,233
Realised gain on derivative financial instruments	**-**	3,648
Gain from disposal and / deemed disposal of interest in associates (note b)	**4,257**	53
Gain from disposal of subsidiaries (Note 43)	**10,637**	8,182
Fair value gain on short-term investments, net	**7,619**	-
Restructuring charges written back (note c)	**1,174**	13,056
Compensation income for relocation (note d)	**-**	6,739
Closure and relocation costs written back (note e)	**753**	4,205
Gain on bargain purchase arising from purchase of additional interest in an associate (note f)	**2,198**	-
Reversal of impairment loss on interest in an associate (Note 13)	**2,568**	-
Rent concession related to COVID-19	**316**	29
Gain on lease modification	**-**	153
Recovery of bad debts	**10**	3
Royalty income	**651**	204
Exchange gain	**4,211**	-
Others	**1,841**	241
	45,939	48,678

4. Other operating income (cont'd)

Note:

a) During the financial year, 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, the gain from disposal and / deemed disposal of interest in associates arises 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 fair value through profit and loss, which was subsequently disposed during the year; 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.

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. 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) During the financial year ended 31 March 2022, the Group entered into an agreement with a local government for relocation of a PRC factory and had received a compensation from the local government.

e) 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. During the financial year ended 31 March 2022, the Group completed the relocation of a PRC factory which was transferred to the government and accordingly, the relocation cost provision that was previously made, mainly representing the demolition and cleaning costs of factory, was written back.

f) The gain on bargain purchase arose from the purchase of additional interest in the Group's associate, XIC Innovation Limited ("XIC"), at cash consideration of S$2,912,000 and taking into account the effects of merger accounting and restatement as described in Note 45.

5. Other operating expenses

	Group	
	2023	2022
	S$'000	S$'000
Property, plant and equipment written-off	**582**	2,892
Bank charges	**1,849**	1,889
Fair value loss on short-term investments	**-**	566
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**	14,931
Allowance for impairment loss on interest in an associate (Note 13)	**-**	10,380
Realised loss on derivative financial instruments	**2,076**	-
Restructuring charges (note b)	**1,865**	1,030
Transaction costs incurred for disposal of short-term investments	**85**	-
Reduction in compensation receivable (note c)	**2,911**	-
Loss from de-registration of subsidiaries (Note 43)	**3,235**	170
Exchange loss	**-**	4,901
Others	**1,553**	327
	20,450	37,086

Note:

a) Costs for the financial year 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. Costs for the financial year ended 31 March 2022 were incurred for relocation of the rechargeable batteries manufacturing factories located in Huizhou and Dongguan, China.

b) Restructuring charges are costs for the proposed internal restructuring of the Group during the financial year, and costs for the proposed distribution *in-specie* of shares in GP Energy Tech Limited and the acquisition of Light Engine Technologies Limited ("Light Engine") by XIC during the financial year ended 31 March 2022.

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 year, 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 from continuing operations is arrived at after charging the following:

	Group	
	2023	2022
	S$'000	S$'000
Audit fees:		
Auditors of the Company	**274**	251
Other auditors	**1,771**	1,723
Non-audit fees:		
Auditors of the Company	**35**	31
Other auditors	**166**	224
Depreciation of property, plant and equipment	**32,303**	30,461
Depreciation of right-of-use assets	**12,436**	15,048
Amortisation of intangible assets	**525**	329
Expenses relating to short-term leases	**304**	366
Expenses relating to leases of low-value assets	**12**	29
Expenses relating to variable lease payments not included in the measurement of lease liability	**1,435**	1,368
Directors' remuneration:		
Fees	**422**	509
Other emoluments (note a)	**5,212**	5,084
Employee benefits expense (excluding directors' remuneration) (note a)	**189,803**	205,268
Cost of defined contribution plans included in employee benefits expense and directors' remuneration	**8,021**	8,910
Allowance for inventory obsolescence and write-off of inventory, net	**3,846**	439
Cost of inventories recognised as expense	**842,961**	883,563

Note:

a) Employee benefits expense and directors' remuneration are stated net of COVID-19 subsidies received from various governments including an amount of S$22,000 (2023: S$Nil) was received during the financial year ended 31 March 2022 under the Jobs Support Scheme of the Singapore Government as part of its measures to support businesses during the period of economic uncertainty impacted by COVID-19.

7. Finance costs

	Group	
	2023	2022
	S$'000	S$'000
Interest on bank loans, overdrafts, bills payable and amortised fees relating to term loans	**26,958**	16,790
Interest on lease liabilities	**2,306**	2,542
	29,264	19,332

8. Income tax expense

	Group	
	2023	2022
	S$'000	S$'000
Current taxation:		
Provision for taxation in respect of profit for the financial year	**5,614**	6,788
Over-provision in respect of prior years	**(3,061)**	(2,324)
Withholding tax on overseas income	**3,998**	2,671
Deferred taxation:		
Credit for the financial year	**(4,346)**	(414)
Under-provision in respect of prior years	**272**	17
	2,477	6,738

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2022: 17%) to profit before taxation as a result of the following differences:

	Group	
		Restated
	2023	2022
	S$'000	S$'000
Profit before taxation	**29,914**	55,916
Share of results of associates	**(24,128)**	(54,301)
Profit before taxation and share of results of associates	**5,786**	1,615
Income tax expense at statutory tax rate	**983**	275
Effect of different tax rates of overseas operations	**(668)**	223
Income not subject to tax	**(9,294)**	(2,343)
Expenses not deductible for tax purposes	**7,161**	7,582
Deferred tax assets not recognised	**7,254**	5,664
Recognition of previously unrecognised deferred tax assets	**(2,622)**	(3,879)
Over-provision in prior years	**(2,789)**	(2,307)
Withholding tax	**3,998**	2,671
Deferred tax on undistributed profits	**(1,042)**	(481)
Enhanced tax deductions	**(508)**	(633)
Others	**4**	(34)
Total income tax expense at effective rates	**2,477**	6,738

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	
		Restated
	2023	2022
	S$'000	S$'000
Profit (Loss) attributable to equity holders of the Company from:		
Continuing operations	**22,044**	43,066
Discontinued operations	**-**	(3,050)
	22,044	40,016

b) Number of shares

	Group	
	2023	2022
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	**483,843,482**	483,853,969

There were no dilutive potential ordinary shares for the financial years ended 31 March 2023 and 2022.

10. Property, plant and equipment

	Freehold land and buildings(1)	Leasehold land and buildings(2)	Leasehold improvements	Furniture, fixtures and equipment	Machinery and equipment	Motor vehicles	Moulds and tools	Construction 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**

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 2021	14,143	126,975	26,370	56,461	355,871	8,676	71,053	122,668	782,217
Additions	-	70	1,928	2,525	3,437	365	7,405	36,427	52,157
Disposal of subsidiaries	-	-	(2,000)	(723)	(4,081)	(211)	(833)	-	(7,848)
Disposals and write-offs	-	(6,586)	-	(3,528)	(14,553)	(964)	(1,831)	(5)	(27,467)
Reclassifications	-	96,076	1,869	635	9,378	-	2,941	(110,899)	-
Currency realignment	(197)	4,455	293	334	5,435	155	1,661	4,252	16,388
Balance at 31 March 2022	13,946	220,990	28,460	55,704	355,487	8,021	80,396	52,443	815,447
Accumulated depreciation:									
Balance at 1 April 2021	3,585	29,131	19,326	36,582	243,284	6,786	37,977	-	376,671
Charge for the financial year	180	4,243	2,511	4,181	13,683	657	5,170	-	30,625
Eliminated on disposal of subsidiaries	-	-	(2,000)	(522)	(2,388)	(191)	(720)	-	(5,821)
Eliminated on disposals and write-offs	-	(4,701)	-	(3,058)	(12,949)	(956)	(1,395)	-	(23,059)
Currency realignment	(60)	1,179	225	184	3,546	107	644	-	5,825
Balance at 31 March 2022	3,705	29,852	20,062	37,367	245,176	6,403	41,676	-	384,241
Accumulated impairment loss:									
Balance at 1 April 2021	-	-	-	2,245	16,953	7	20	-	19,225
Eliminated on disposals and write-offs	-	-	-	-	(6)	-	-	-	(6)
Currency realignment	-	-	-	9	401	-	5	-	415
Balance at 31 March 2022	-	-	-	2,254	17,348	7	25	-	19,634
Carrying amount:									
Balance at 31 March 2022	10,241	191,138	8,398	16,083	92,963	1,611	38,695	52,443	411,572

(1) As at 31 March 2023, the carrying amount of freehold land was S$6,315,000 (2022: S$6,756,000).

(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$175,010,000 as at 31 March 2023 (2022: S$191,138,000).

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

During the financial years ended 31 March 2023 and 2022, the Group carried out a review of the recoverable amount of property, plant and equipment. Arising from the review, an impairment loss of S$3,608,000 (2022: S$Nil) was recognised to reduce the carrying amount of the plant and equipment to their recoverable amount. The recoverable amount of the relevant assets has been determined on the basis of their value in use. The discount rate used in measuring value in use for the financial year ended 31 March 2023 was 13.2%. The impairment loss arose from a plant engaged in the manufacturing of a particular type of battery product which had incurred a loss during the year.

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

	Leasehold improvements S$'000	Furniture, fixtures and equipment S$'000	Motor vehicles S$'000	**Total S$'000**
Company				
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**
Cost:				
Balance at 1 April 2021	101	1,300	446	1,847
Additions	-	11	-	11
Balance at 31 March 2022	101	1,311	446	1,858
Accumulated depreciation:				
Balance at 1 April 2021	101	1,252	253	1,606
Charge for the financial year	-	12	43	55
Balance at 31 March 2022	101	1,264	296	1,661
Carrying amount:				
Balance at 31 March 2022	-	47	150	197

	Group and Company	
	2023 S$'000	2022 S$'000
Carrying amount of property, plant and equipment secured for the Company's borrowing:		
Motor vehicles	**-**	126

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 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**

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 2021	62,722	72	3,407	1,321	67,522
Additions	25,280	20	624	76	26,000
Disposal of subsidiaries	(2,619)	-	-	-	(2,619)
Modification to contracts	(5,088)	-	-	-	(5,088)
Lease expired	(8,106)	-	(80)	(92)	(8,278)
Termination of lease	-	(31)	(507)	-	(538)
Currency realignment	559	(2)	(25)	(50)	482
Balance at 31 March 2022	72,748	59	3,419	1,255	77,481
Accumulated depreciation:					
Balance at 1 April 2021	20,305	53	882	760	22,000
Charge for the financial year	14,289	13	513	349	15,164
Disposal of subsidiaries	(82)	-	-	-	(82)
Lease expired	(8,106)	-	(80)	(92)	(8,278)
Termination of lease	-	(26)	(193)	-	(219)
Currency realignment	(183)	(1)	(8)	(28)	(220)
Balance at 31 March 2022	26,223	39	1,114	989	28,365
Accumulated impairment loss:					
Balance at 1 April 2021	1,316	-	-	-	1,316
Currency realignment	51	-	-	-	51
Balance at 31 March 2022	1,367	-	-	-	1,367
Carrying amount:					
Balance at 31 March 2022	45,158	20	2,305	266	47,749

During the financial years ended 31 March 2023 and 2022, the Group carried out a review of the recoverable amount of right-of-use assets. Arising from the review, an impairment loss of S$512,000 (2022: S$Nil) 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 2023 was 13.2%. The impairment loss arose from a plant engaged in the manufacturing of a particular type of battery product which had incurred a loss during the year.

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 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**
Cost:	
Balance at 1 April 2021 and 31 March 2022	1,152
Accumulated depreciation:	
Balance at 1 April 2021	352
Charge for the financial year	384
Balance at 31 March 2022	736
Carrying amount:	
Balance at 31 March 2022	416

	Group	
	2023	2022
	S$'000	S$'000
Carrying amount of right-of-use assets secured over lease liabilities:		
Motor vehicles	**2**	88
Machinery and equipment	**1,294**	1,745

12. Interest in subsidiaries

	Company	
	2023	2022
	S$'000	S$'000
Unquoted equity shares, at cost	**570,430**	570,430
Allowance for impairment loss	**(147,722)**	(143,681)
	422,708	426,749

Details of the significant subsidiaries are set out in Note 39.

During the financial year, the Company carried out a review of the recoverable amount of its investment in subsidiaries to determine if the recoverable amount of certain subsidiaries were below its carrying amount and an allowance for impairment loss of S$4,041,000 (2022: S$Nil) was recognised. The impairment was based on the market conditions reflecting the recoverability of the net assets in subsidiaries.

Details of non-wholly owned subsidiary 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 (Loss) allocated to non-controlling interests		Accumulated non-controlling interests - Share of net assets of subsidiaries	
		2023	2022	**2023**	2022	**2023**	2022
		%	%	**S$'000**	S$'000	**S$'000**	S$'000
Zhongyin (Ningbo) Battery Co Ltd	The People's Republic of China	**30.00**	30.00	**3,980**	6,993	**74,180**	77,801
Ningbo Fubang Battery Co Ltd	The People's Republic of China	**28.00**	28.00	**349**	592	**11,643**	12,444
Subsidiaries with immaterial non-controlling interests				**1,064**	(1,473)	**7,054**	9,803
				5,393	6,112	**92,877**	100,048

12. Interest in subsidiaries (cont'd)

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

	2023		2022	
	Zhongyin (Ningbo) Battery Co Ltd S$'000	Ningbo Fubang Battery Co Ltd S$'000	Zhongyin (Ningbo) Battery Co Ltd S$'000	Ningbo Fubang Battery Co Ltd S$'000
Current assets	**227,614**	**39,853**	276,292	43,643
Non-current assets	**225,257**	**4,186**	253,754	4,893
Current liabilities	**(231,028)**	**(2,457)**	(294,308)	(4,092)
Non-current liabilities	**(153)**	**-**	(269)	-
Non-controlling interests	**(66,507)**	**(11,643)**	(70,641)	(12,444)
Equity attributable to equity holders of the Company	**155,183**	**29,939**	164,828	32,000
Dividend payable to non-controlling interests	**7,673**	**-**	7,160	-
Revenue	**415,857**	**15,817**	497,313	41,034
Expenses, other gains and losses	**402,587**	**14,568**	474,003	38,921
Profit attributable to:				
Equity holders of the Company	**9,290**	**900**	16,317	1,521
Non-controlling interests	**3,980**	**349**	6,993	592
Profit for the financial year	**13,270**	**1,249**	23,310	2,113
Other comprehensive (loss) income attributable to:				
Equity holders of the Company	**(9,465)**	**(2,954)**	2,446	1,180
Non-controlling interests	**(4,057)**	**(1,158)**	1,033	459
Other comprehensive (loss) income for the financial year	**(13,522)**	**(4,112)**	3,479	1,639
Total comprehensive (loss) income attributable to:				
Equity holders of the Company	**(175)**	**(2,054)**	18,763	2,701
Non-controlling interests	**(77)**	**(809)**	8,026	1,051
Total comprehensive (loss) income for the financial year	**(252)**	**(2,863)**	26,789	3,752
Dividends paid to non-controlling interests	**3,545**	**-**	-	-
Net cash generated from operating activities	**7,877**	**4,454**	39,923	1,150
Net cash generated from (used in) investing activities	**7,214**	**(142)**	(10,321)	2,728
Net cash used in financing activities	**(7,160)**	**-**	(18,546)	-
Net increase in cash and cash equivalents	**7,931**	**4,312**	11,056	3,878

13. Interest in associates

	Group		Company	
	2023	*Restated* 2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Quoted equity shares, at cost	**18,224**	46,265	**-**	-
Unquoted equity shares, at cost	**45,729**	40,618	**31,943**	29,031
	63,953	86,883	**31,943**	29,031
Loan to associates	**1,778**	2,996	**-**	-
Share of post-acquisition reserves, net of dividend declared	**214,054**	286,841	**-**	-
Allowance for impairment loss	**(11,204)**	(21,575)	**-**	-
	268,581	355,145	**31,943**	29,031
Market value of quoted equity shares	**37,566**	85,162	**-**	-

Details of the significant associates are set out in Note 40.

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

i) The shares of Meiloon Industrial Co., Ltd. ("Meiloon") are quoted on the Taiwan Stock Exchange Corporation.

ii) The shares of STL are quoted on the Taipei Exchange. During the financial year, the Group has disposed of all its shares in STL.

iii) The shares of Hanoi Battery Joint Stock Company ("Habaco") are quoted on the Hanoi Stock Exchange.

As at 31 March 2023, the market value of the Group's investment in Meiloon was lower (2022: higher) than the corresponding carrying amount in the Group's financial statements. However, there was no indication of objective evidence of impairment in the carrying value as at 31 March 2023 for the investment in Meiloon.

As at 31 March 2023 and 2022, the market value of the Group's investment in Habaco was higher than the corresponding carrying amount in the Group's financial statements.

As at 31 March 2022, the market value of the Group's investment in STL was higher than the corresponding carrying amount in the Group's financial statements.

<u>Loan to associates</u>

As at 31 March 2023 and 2022, 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.

13. Interest in associates (cont'd)

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.

During the financial year ended 31 March 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 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 the higher of fair value less costs of disposal and value in use. As a result, the management of the Group recognised a reversal of impairment loss of S$2,568,000 on the interest in Associate with reference to the value in use of the equity interest in the Associate of S$6,613,000 as at 31 March 2023.

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

The Group has received a dividend of S$2,017,000 (2022: S$Nil) from the Associate and recognised share of profit of Associate of S$7,079,000 (2022: S$1,207,000) during the financial year ended 31 March 2023. The carrying value of the Associate is determined after taking into consideration the impairment loss for the financial year.

13. Interest in associates (cont'd)

The Group's share of results of associates comprised:

	Group	
		Restated
	2023	2022
	S$'000	S$'000
Share of profit before taxation	**30,412**	62,912
Share of taxation	**(6,284)**	(8,611)
Share of results	**24,128**	54,301

The following are the Group's material associates:

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

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

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.

13. Interest in associates (cont'd)

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

	XIC Group 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

Summarised financial information in respect of each of the Group's material associates for the financial year ended and as at 31 March 2022 are as follows:

	Restated XIC Group S$'000	Meiloon Group S$'000
2022		
Current assets	421,761	307,703
Non-current assets	358,048	119,874
Current liabilities	(252,961)	(109,856)
Non-current liabilities	(14,967)	(99,004)
Non-controlling interests	(2,422)	(14,493)
Equity attributable to equity holders of the associate	509,459	204,224
Revenue	942,463	181,904
Profit attributable to equity holders of the associate	92,423	10,064
Other comprehensive loss	(4,618)	(3,223)
Total comprehensive income	87,805	6,841
Change in net assets other than other comprehensive income (note a)	(345)	(476)
Dividend received from the associate during the financial year	28,302	2,813

Note:

a) Comprise mainly deficit arising from the disposal of Time Interconnect Technology Limited ("Time Interconnect") by XIC and partial disposal of a subsidiary by Meiloon without loss of control during the financial year. Time Interconnect is listed on HKEX.

13. Interest in associates (cont'd)

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

	Restated XIC Group S$'000	Meiloon Group S$'000
2022		
Equity attributable to equity holders of the associate	509,459	204,224
Proportion of the Group's ownership	38.13%	20.27%
The Group's share of equity attributable to equity holders of the associate	194,257	41,389
Goodwill	-	7,127
Other adjustments	(414)	(40)
Carrying amount of the Group's interest in the associate	193,843	48,476

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

	2023 S$'000	2022 S$'000
The Group's share of:		
Results	**19,641**	17,020
Other comprehensive (loss) income	**(3,350)**	1,109
Total comprehensive income	**16,291**	18,129
Aggregate carrying amount of the Group's interest in these associates	**103,264**	112,826

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

	2023 S$'000	2022 S$'000
For the financial year	**136**	(59)
Cumulative share of loss	**(46)**	(182)

14. Financial assets at fair value through other comprehensive income

	Group	
	2023	2022
	S$'000	S$'000
Non-current assets		
Investment in unquoted equity shares	**4,191**	6,739

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.

15. Non-current receivables

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Loan to non-controlling interests (note a)	**-**	3,226	**-**	-
Loan to a subsidiary (note b)	**-**	-	**-**	20,480
	-	3,226	**-**	20,480

Note:

a) Being a loan to the non-controlling interests of the 51% owned subsidiary of the electronics and acoustics business incorporated in Thailand. The loan receivable carries interests at 5.5% per annum at 31 March 2022 and is repayable in June 2023. The loan receivable was pledged with the 49% shares of the non-controlling interests in that subsidiary. As at 31 March 2023, the loan receivable was presented as other receivables under current assets.

b) In March 2021, the Company granted a loan to a wholly-owned subsidiary. The loan receivable is interest bearing at variable interest rate and bears interest ranging from 3.6% to 6.9% (2022: 2.9% to 3.6%) per annum. As at 31 March 2023, the loan receivable was presented as other receivables under current assets and is collectable in instalments during the financial year ending 31 March 2024.

16. Intangible assets

	Group 2023 S$'000	Group 2022 S$'000
Goodwill	**6,195**	6,328
Trademarks	**3,956**	4,368
Patents	**236**	-
	10,387	10,696

Goodwill

	2023 S$'000	2022 S$'000
Cost:		
Balance at beginning of the financial year	**15,461**	17,193
Derecognised on de-registration of a subsidiary	**-**	(196)
Derecognised on disposal of subsidiaries (Notes 42 and 43)	**-**	(1,498)
Currency realignment	**(323)**	(38)
Balance at end of the financial year	**15,138**	15,461
Accumulated impairment loss:		
Balance at beginning of the financial year	**9,133**	9,349
Derecognised on de-registration of a subsidiary	**-**	(196)
Currency realignment	**(190)**	(20)
Balance at end of the financial year	**8,943**	9,133
Carrying amount:		
Balance at end of the financial year	**6,195**	6,328

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 (2022: one year) and extrapolates for the following four years (2022: four years) based on a growth rates of 4.0% to 8.0% (2022: -0.5% to 4.0%) and a terminal growth rate of 2.0% (2022: 1.5%). Discount rate of 13.2% (2022: 12.6%) was used to discount the cash flow forecast.

16. **Intangible assets (cont'd)**

If management's estimate of discount rate increases or decreases by 1%, the amount of value in use would decrease by S$2,909,000 (2022: S$17,170,000) or increase by S$3,425,000 (2022: S$14,329,000) respectively.

As at 31 March 2023, 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.

Trademarks

	Group	
	2023	2022
	S$'000	S$'000
Cost:		
Balance at beginning of the financial year	**6,557**	6,572
Currency realignment	**(137)**	(15)
Balance at end of the financial year	**6,420**	6,557
Accumulated amortisation:		
Balance at beginning of the financial year	**2,189**	1,865
Charge for the financial year	**332**	329
Currency realignment	**(57)**	(5)
Balance at end of the financial year	**2,464**	2,189
Carrying amount:		
Balance at end of the financial year	**3,956**	4,368

Patents

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

17. Inventories

	Group	
	2023	2022
	S$'000	S$'000
Raw materials	**67,280**	84,819
Work-in-progress	**54,570**	66,386
Finished goods	**86,634**	103,295
	208,484	254,500

The cost of inventories recognised as an expense for continuing operations includes S$4,392,000 (2022: S$1,297,000) in respect of write-downs of inventory to net realisable value and allowance for slow moving inventories, and has been reduced by S$546,000 (2022: S$858,000) 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	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Trade receivables:				
Third parties	**158,071**	186,288	**-**	-
Associates (note a)	**8,818**	11,691	**-**	-
Less: Allowance for ECL:				
Third parties	**(4,970)**	(4,147)	**-**	-
Associates	**(1,847)**	(4,486)	**-**	-
	160,072	189,346	**-**	-
Other receivables:				
Third parties	**44,504**	67,685	**-**	-
Associates (note a)	**1,374**	1,722	**-**	-
Subsidiaries (note b)	**-**	-	**28,880**	20,259
Less: Allowance for ECL:				
Third parties	**(8,913)**	(338)	**-**	-
Associates	**(313)**	(782)	**-**	-
	36,652	68,287	**28,880**	20,259
Deposits and prepayments	**18,726**	20,371	**559**	159
	215,450	278,004	**29,439**	20,418

Note:

a) The amounts due from associates are unsecured, non-interest bearing and repayable on demand.

b) The amounts due from subsidiaries included loans receivable from a subsidiary amounting to S$28,480,000 (2022: S$19,520,000), with interest rates ranging from 2.7% to 6.9% (2022: 2.4% to 3.6%) per annum.

As at 1 April 2021, trade receivables from contracts with customers amounted to S$209,435,000 (net of loss allowance of S$4,585,000).

18. Receivables and prepayments (cont'd)

Trade receivables are generally non-interest bearing with credit terms of up to 120 days (2022: 120 days). The Group closely monitors the credit quality of its trade receivables. For receivables that are not past due, they are considered collectible and accordingly not impaired. Interest may be charged on past due trade receivables.

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

	Group		
	Lifetime ECL (not credit-impaired) S$'000	Lifetime ECL (credit-impaired) S$'000	**Total S$'000**
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**
Balance at 1 April 2021	2,729	1,856	4,585
Allowance for ECL for the financial year, net	3,900	89	3,989
Amount utilised	(12)	-	(12)
Currency realignment	87	(16)	71
Balance at 31 March 2022	6,704	1,929	8,633

Other receivables

As at 31 March 2023, a loss allowance of S$9,226,000 (2022: S$1,120,000) 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 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 38(d)). For the purpose of impairment assessment for other receivables with low credit risk, the loss allowance is measured at an amount equal to 12-month ECL.

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

19. Short-term investments

	Group	
	2023	2022
	S$'000	S$'000
Investment in quoted equity shares	**162**	729

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	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Trade payables:				
Third parties	**169,061**	190,769	**-**	-
Associates	**14,104**	14,647	**-**	-
Other payables:				
Third parties	**31,722**	39,719	**185**	121
Ultimate holding company	**2,400**	833	**-**	-
Associates	**117**	172	**-**	-
Subsidiaries	**-**	-	**16,758**	21,894
Accrued charges	**47,036**	56,711	**2,964**	2,980
	264,440	302,851	**19,907**	24,995

Trade payables have credit terms of up to 120 days (2022: 120 days).

The amounts due to ultimate holding company and subsidiaries 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$18,883,000 (2022: S$8,910,000).

23. Lease liabilities

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

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Contractual undiscounted cash flows:				
Within one year	**11,896**	13,481	**627**	403
After one year but within two years	**9,293**	10,544	**723**	32
After two years but within five years	**15,107**	14,898	**1,395**	-
After five years	**22,215**	25,468	**-**	-
	58,511	64,391	**2,745**	435
Less: Future interest expense	**(10,365)**	(11,446)	**(240)**	(7)
Present value of lease liabilities	**48,146**	52,945	**2,505**	428
Analysed as:				
Current	**9,767**	11,264	**527**	396
Non-current	**38,379**	41,681	**1,978**	32
	48,146	52,945	**2,505**	428

The Group's lease liabilities of S$499,000 (2022: S$1,202,000) are secured over certain right-of-use assets (Note 11).

The initial lease terms ranged between one year four months and fifteen years (2022: one year ten months and fifteen years).

The total cash outflow for leases (including short-term leases and leases of low value asset) amounted to S$13,467,000 (2022: S$14,066,000).

24. Derivative financial instruments

	Group	
	2023	2022
	S$'000	S$'000
Current assets		
Forward foreign exchange contracts	**-**	165
Current liabilities		
Forward foreign exchange contracts	**-**	19

Forward foreign exchange contracts

The Group uses forward foreign exchange contracts to manage its exchange rate exposures.

As at 31 March 2022, major terms of the forward foreign exchange contracts were as follows:

Aggregate notional amount	Maturity	Exchange rate
Sell USD 17,500,000	27 April 2022 to 30 December 2022	USD/RMB 6.3660 to 6.5108

25. Bank and other loans

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Current liabilities				
Secured				
Current portion of motor vehicle loan	**-**	3	**-**	3
Unsecured				
Current portion of long-term bank loans (note a, c)	**97,023**	86,470	**79,869**	56,257
Short-term bank loans (note c)	**247,565**	343,896	**35,045**	40,320
Import and export loans	**18,612**	31,242	**-**	-
	363,200	461,611	**114,914**	96,580
Non-current liabilities				
Unsecured				
Long-term bank loans due after one year (note a, c)	**138,659**	99,823	**57,137**	66,759
	501,859	561,434	**172,051**	163,339

Note:

a) Long-term bank loans of the Group and the Company are stated net of unamortised transaction costs, which amounted to S$681,000 (2022: S$793,000) for the current portion and S$263,000 (2022: S$441,000) for the non-current portion. These loans are repayable within one to four years (2022: one to five years) and are based on variable interest rates.

b) As at 31 March 2023 and 2022, there were no incidence of non-compliance with the financial covenants committed under various loan facility agreements.

c) During the financial year ended 31 March 2022, the Group transitioned some of its United States Dollar London Inter-Bank Offer Rate ("USD LIBOR") bank borrowings to Secured Overnight Financing Rate ("SOFR"). As at 31 March 2023, the Group has repaid all of its USD LIBOR bank borrowings during the financial year. 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 38(e).

As at 31 March 2023, bank loans of the Company amounting to S$148,895,000 (2022: S$135,500,000) were guaranteed by certain subsidiaries of the Company.

25. Bank and other loans (cont'd)

Reconciliation of liabilities arising from financing activities

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

	Note	At 1 April 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	25	561,434	(45,405)[(2)]	(14,460)	-	290	**501,859**
		614,379	(56,256)	(18,753)	10,345	290	**550,005**

	Note	At 1 April 2021	Financing cash flows	Non-cash changes: Foreign exchange movement	Non-cash changes: Net lease liabilities additions	Non-cash changes: Others	Amortisation of transaction costs	At 31 March 2022
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Lease liabilities	23	45,015	(11,770)[(1)]	1,168	21,086	(2,554)[(3)]	-	52,945
Bank and other loans	25	561,387	(4,045)[(2)]	4,450	-	(1,315)[(4)]	957	561,434
		606,402	(15,815)	5,618	21,086	(3,869)	957	614,379

(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:

	2023	2022
	S$'000	S$'000
Drawdown of bank and other loans	**133,827**	78,585
Repayment of bank and other loans	**(179,232)**	(82,630)
	(45,405)	(4,045)

(3) Being lease liabilities derecognised upon disposal of subsidiaries.

(4) Being loans under PPP waived.

26. Provision for restructuring

	Group	
	2023	2022
	S$'000	S$'000
Balance at beginning of the financial year	**4,250**	17,318
Write-back for the financial year	**(1,174)**	(13,056)
Amount utilised	**(3,125)**	-
Currency realignment	**49**	(12)
Balance at end of the financial year	**-**	4,250
Current	**-**	4,250

The provision for restructuring are costs expected to be incurred in connection with the relocation of part of GPEHZ's operations to Thailand and part of the operation to a new location in PRC. As at 31 March 2022, the provision is presented as current liabilities as GPEHZ had relocated the remaining operations in PRC to a new location at Dongjiang, Huizhou, PRC in May 2022. In addition, excess restructuring provision of S$1,174,000 (2022: S$13,056,000) was written back during the financial year ended 31 March 2023. The relocation was completed during the financial year ended 31 March 2023.

27. Deferred tax assets and deferred tax liabilities

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

	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 2022	2,102	-	975	2,860	**5,937**
(Charge) Credit to profit or loss for the financial year	(148)	-	770	(454)	**168**
Currency realignment	(149)	-	(44)	(83)	**(276)**
Balance at 31 March 2023	1,805	-	1,701	2,323	**5,829**
Balance at 1 April 2021	2,013	-	361	2,438	4,812
Credit to profit or loss for the financial year	64	-	615	403	1,082
Currency realignment	25	-	(1)	19	43
Balance at 31 March 2022	2,102	-	975	2,860	5,937
Deferred tax liabilities					
Balance at 1 April 2022	835	371	-	9,600	**10,806**
Charge (Credit) to profit or loss for the financial year	234	-	-	(4,140)	**(3,906)**
Disposal of a subsidiary	-	(392)	-	-	**(392)**
Currency realignment	(49)	21	-	(290)	**(318)**
Balance at 31 March 2023	1,020	-	-	5,170	**6,190**
Balance at 1 April 2021	804	372	-	8,875	10,051
Charge to profit or loss for the financial year	68	-	-	617	685
Currency realignment	(37)	(1)	-	108	70
Balance at 31 March 2022	835	371	-	9,600	10,806

As at 31 March 2023, subsidiaries of the Group had potential tax benefits of approximately S$66,455,000 (2022: S$59,457,000) 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$30,535,000 (2022: S$29,687,000) for subsidiaries operating in certain foreign tax jurisdiction that will expire within five years.

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

At as 31 March 2023, 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$96,897,000 (2022: S$105,576,000). 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.

28. Issued capital, treasury shares and dividends

a) Issued capital

	Group and Company			
	2023	2022	**2023**	2022
	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			
	2023	2022	**2023**	2022
	Number of ordinary shares		**S$'000**	S$'000
At beginning of the financial year	**37,515,000**	37,311,800	**20,978**	20,865
On-market purchases	**-**	203,200	**-**	113
At 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.

During the financial year ended 31 March 2022, the Company purchased 203,200 of its Shares by way of on-market purchases at share prices ranging from S$0.550 to S$0.560.

28. Issued capital, treasury shares and dividends (cont'd)

c) Dividends

	Group and Company	
	2023	2022
	S$'000	S$'000
i) Dividends paid during the financial year are as follows:		
Final tax-exempt (1-tier) dividend of 2.00 Singapore cents ("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 2023	**4,838**	-
Interim tax-exempt (1-tier) dividend of 1.25 S cents per Share for the financial year ended 31 March 2022	**-**	6,048
	14,515	6,048
ii) Dividends proposed before these financial statements were authorised and not included as liabilities in these financial statements are as follows:		
Final tax-exempt (1-tier) dividend of 1.50 S cents per Share for the financial year ended 31 March 2023 (2022: 2.00 S cents)	**7,258**	9,677

29. Simple agreements for future equity

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

30. Lease commitments

The Group as lessee

As at 31 March 2023, the Group has approximately S$78,000 (2022: S$130,000) of aggregate undiscounted commitments for short-term leases.

The Group as lessor

The Group rents out certain of its properties under operating leases during the financial year ended 31 March 2022.

Maturity analysis of operating lease payments:

	Group	
	2023	2022
	S$'000	S$'000
Within one year	**-**	29

31. Capital commitments

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Capital expenditure:				
Commitments for the acquisition of property, plant and equipment	**518**	9,613	**-**	-

32. Contingent liabilities (unsecured)

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Guarantees given to certain banks in respect of banking facilities utilised by subsidiaries	**-**	-	**214,000**	268,000
Others	**2,150**	2,226	**-**	-

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

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

33. Segment information

The Group's businesses are organised into three segments, after the disposal of the Automotive Wire Harness segment with effect from 31 August 2021, based on the types of products that they provide, as follows:

Batteries

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

Electronics and acoustics

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

Other industrial investments

Comprises mainly the Group's associates, XIC and Meiloon.

The Group disposed of the automotive wire harness business with effect from 31 August 2021. Consequent to the disposal, the results of the automotive wire harness business was reported as a discontinued operation for the financial year ended 31 March 2022 (Note 42).

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

33. Segment information (cont'd)

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

a) Operating segments

	Batteries S$'000	Electronics and acoustics S$'000	Other industrial investments S$'000	Elimination S$'000	**Total S$'000**
2023					
Revenue					
Continuing operations					
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					
Continuing operations					
Contribution before taxation	27,692	5,188	6,932	-	**39,812**
Other information					
Continuing operations					
Interest income	888	926	-	-	**1,814**
Finance costs	15,762	4,307	-	-	**20,069**
Share of results of associates	11,371	8,271	4,486	-	**24,128**
Depreciation and amortisation	34,782	10,482	-	-	**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	1,522	187	-	-	**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 subsidiaries	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 subsidiaries	3,235	-	-	-	**3,235**

33. Segment information (cont'd)

	Batteries	Electronics and acoustics	Other industrial investments Restated	Elimination	Total Restated
	S$'000	S$'000	S$'000	S$'000	S$'000
2022					
Revenue					
Continuing operations					
External revenue	940,909	281,840	-	-	1,222,749
Inter-segment revenue	79	351	-	(430)	-
Total revenue	940,988	282,191	-	(430)	1,222,749
Results					
Continuing operations					
(Loss) Contribution before taxation	(8,483)	36,447	34,771	-	62,735
Other information					
Continuing operations					
Interest income	430	1,866	-	-	2,296
Finance costs	11,665	2,668	-	-	14,333
Share of results of associates	2,596	14,424	37,281	-	54,301
Depreciation and amortisation	34,535	11,303	-	-	45,838
Allowance for (write-back of) inventory obsolescence and write-off of inventory, net	567	(128)	-	-	439
(Loss) Gain on disposal of property, plant and equipment, net	(20)	37	-	-	17
Allowance for expected credit losses, net	4,468	51	-	-	4,519
Closure and relocation costs	13,271	1,660	-	-	14,931
Allowance for impairment loss on interest in an associate	10,380	-	-	-	10,380
Gain from disposal of subsidiaries	8,182	-	-	-	8,182
Gain from disposal and / deemed disposal of interest in associates	53	-	-	-	53
Loss from de-registration of subsidiaries	170	-	-	-	170

33. Segment information (cont'd)

	Batteries	Electronics and acoustics	Other industrial investments	Elimination	**Total**
	S$'000	S$'000	S$'000	S$'000	**S$'000**
2023					
Assets and liabilities					
Assets	898,802	303,265	165,361	(7,058)	**1,360,370**
Liabilities	533,486	156,621	12	(7,058)	**683,061**
Other information					
Interest in associates	43,163	60,101	165,317	-	**268,581**
Additions to property, plant and equipment	37,424	13,732	-	-	**51,156**
Additions to right-of-use assets	4,024	8,453	-	-	**12,477**
Additions to intangible assets	-	437	-	-	**437**

	Batteries	Electronics and acoustics	Automotive wire harness	Other industrial investments *Restated*	Elimination	Total *Restated*
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
2022						
Assets and liabilities						
Assets	1,013,335	322,142	-	242,349	(4,481)	1,573,345
Liabilities	634,989	185,658	-	12	(4,481)	816,178
Other information						
Interest in associates	48,296	64,530	-	242,319	-	355,145
Additions to property, plant and equipment	42,951	9,131	75	-	-	52,157
Additions to right-of-use assets	22,130	18,703	2,625	-	(17,458)	26,000

33. Segment information (cont'd)

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

	Group	
		Restated
	2023	2022
	S$'000	S$'000
Results		
Continuing operations		
Contribution before taxation per reportable segments	**39,812**	62,735
Unallocated finance costs, net	**(8,753)**	(4,998)
Taxation	**(2,477)**	(6,738)
Share of taxation of associates	**(6,284)**	(8,611)
Taxation attributable to non-controlling interests' share of results	**(254)**	678
Profit attributable to equity holders of the Company	**22,044**	43,066
Interest income		
Continuing operations		
Per reportable segments	**1,814**	2,296
Unallocated interest income	**442**	1
Per consolidated financial statements	**2,256**	2,297
Finance costs		
Continuing operations		
Per reportable segments	**20,069**	14,333
Unallocated finance costs	**9,195**	4,999
Per consolidated financial statements	**29,264**	19,332
Assets		
Per reportable segments	**1,360,370**	1,573,345
Other unallocated assets	**11,636**	9,774
Per consolidated financial statements	**1,372,006**	1,583,119
Liabilities		
Per reportable segments	**683,061**	816,178
Unallocated bank loans and lease liabilities	**146,295**	124,204
Other unallocated liabilities	**14,844**	18,876
Per consolidated financial statements	**844,200**	959,258

33. Segment information (cont'd)

b) Geographical information

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

	2023 **S$'000**	2022 S$'000
Singapore	**9,927**	13,640
PRC	**491,114**	485,496
Other Asian countries	**70,373**	74,465
Asia	**571,414**	573,601
Germany, Netherlands, Russia and United Kingdom	**163,892**	154,730
Other European countries	**159,521**	205,671
Europe	**323,413**	360,401
United States of America	**232,332**	271,763
Other American countries	**13,677**	22,372
Americas	**246,009**	294,135
Others	**9,210**	9,146
Less: discontinued operations	**-**	(14,534)
Revenue from continuing operations	**1,150,046**	1,222,749

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

	2023 **S$'000**	*Restated* 2022 S$'000
Singapore	**1,800**	817
PRC	**608,784**	722,581
Other Asian countries	**81,474**	89,720
Europe	**18,737**	6,741
Americas and others	**7,393**	9,589
	718,188	829,448

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 2023 and 2022.

34. Related party transactions, commitments and balances

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

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

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

	Group			
	Associates		Related companies	
		Restated		
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Sales	**39,630**	25,872	**-**	-
Purchases	**(56,047)**	(71,333)	**-**	-
Rental income	**54**	267	**304**	133
Royalty income	**123**	204	**-**	-
Outsourcing fee	**-**	(211)	**-**	-
Consultancy fee	**-**	(171)	**-**	-
Marketing fee	**(125)**	-	**-**	-
Rental commitments as lessor under non-cancellable operating leases	**-**	29	**-**	-

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	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Associates	**4,382**	4,858	**1,195**	1,826
Subsidiaries	**-**	-	**5,359**	9,259
	4,382	4,858	**6,554**	11,085

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

	Group	
	2023	2022
	S$'000	S$'000
Short-term benefits (including directors' fees)	**9,152**	9,219
Post-employment benefits	**384**	349
	9,536	9,568

35. Adoption of new and revised standards

During the financial year, the Group has adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations and effective for the Company's annual period beginning on or after 1 April 2022. The adoption of these new / revised SFRS(I) pronouncements does not result in any substantial change to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current and prior financial years.

36. New and revised financial reporting standards

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

- Amendments to SFRS(I) 1-1 *Presentation of Financial Statements* and SFRS(I) Practice Statement 2 *Making Materiality Judgements*: *Disclosure of Accounting Policies* (1)
- Amendments to SFRS(I) 1-8 *Accounting Policies, Changes in Accounting Estimates and Errors*: *Definition of Accounting Estimates* (1)
- Amendments to SFRS(I) 1-12 *Income Taxes*: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (1)
- Amendments to SFRS(I) 1-1 *Presentation of Financial Statements*: *Classification of Liabilities as Current or Non-current* (2)
- Amendments to SFRS(I) 16 *Lease Liability in a Sale and Leaseback* (2)
- Amendments to SFRS(I) 1-1 *Non-current Liabilities with Covenants* (2)
- Amendments to SFRS(I) 1-7 and SFRS(I) 7 *Supplier Finance Arrangements* (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)
- Amendments to SFRS(I) 1-12 *International Tax Reform – Pillar Two Model Rules* (4)

(1) Applies to annual periods beginning on or after 1 January 2023.
(2) Applies to annual periods beginning on or after 1 January 2024.
(3) Effective date not yet announced.
(4) The requirement that an entity applies the exception and the requirement to disclose that it has applied the exception are effective immediately upon issuance of the amendments with retrospective application. The remaining disclosure requirements are required for annual periods beginning on or after 1 January 2023.

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

37. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's 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 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.

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

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 year ended 31 March 2023, taking into consideration the Associate's actual financial performance and the receipt of dividends and collection of receivables from the Associate during the year, 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.

Based on management's assessment, the Group recognised a reversal of impairment loss of S$2,568,000 (2022: full impairment loss of S$10,380,000) on the interest in the Associate and a reversal of ECL provision of S$2,862,000 (2022: ECL provision of S$3,738,000) was made on the trade and other receivables due from the Associate. Details of the above assessments are disclosed in Notes 13 and 38(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.

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 38(d).

37. Critical accounting judgements and key sources of estimation uncertainty (cont'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 2023, the carrying amounts of taxation recoverable of the Group is S$5,807,000 (2022: S$3,837,000). The carrying amounts of income tax payable of the Group and the Company are S$8,654,000 (2022: S$8,070,000) and S$257,000 (2022: S$246,000) respectively. The carrying amounts of deferred tax assets and deferred tax liabilities are stated in Note 27.

38. Financial instruments, financial risk and capital risk management

a) Categories of financial instruments

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

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Financial assets				
Financial assets at FVTOCI	**4,191**	6,739	**-**	-
Financial assets at FVTPL	**162**	729	**-**	-
Derivative financial instruments	**-**	165	**-**	-
Financial assets at amortised cost	**410,619**	453,980	**65,654**	81,075
Financial liabilities				
Derivative financial instruments	**-**	19	**-**	-
Financial liabilities at amortised cost	**767,243**	865,519	**192,902**	189,568

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

b) Financial risk management policies and objectives

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

The risks associated with the Group's major financial instruments include equity price risk, credit risk, interest rate risk, foreign currency risk and liquidity risk. The policies on how to manage these risks are set out in this Note 38.

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

c) Equity price risk management

As at 31 March 2023 and 2022, the Group is exposed to equity price risk arising from investment in equity shares classified as financial assets at FVTOCI and short-term investments. Further details of these investments can be found in Notes 14 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 2023 would increase or decrease by S$192,000 (2022: S$346,000).

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$8,000 (2022: S$36,000).

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 except for the loan receivable from the non-controlling interests of a subsidiary which is secured (see Note 15).

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

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

Trade receivables

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

The Group does not have any significant 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 2023, credit-impaired trade receivables (excluding trade receivables from the Associate) with gross carrying amount of S$3,871,000 (2022: S$2,280,000) were assessed individually and a loss allowance of S$3,525,000 (2022: S$1,929,000) 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 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**
31 March 2022				
Very low risk *	100,498	0.01 to 0.29	151	100,347
Low risk	22,248	0.30 to 1.00	185	22,063
Average risk	52,729	1.01 to 3.50	1,091	51,638
Moderate risk	10,173	3.51 to 50.00	1,801	8,372
	185,648		3,228	182,420

* Included bills receivables amounting to S$4,546,000 (2022: S$4,675,000).

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

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.

Trade and other receivables due from the Associate

As at 31 March 2023 and 2022, the management has individually assessed the ECL of the trade and other receivables due from the Associate amounting to S$7,439,000 (2022: S$10,810,000), which comprise trade receivables of S$7,276,000 (2022: S$10,051,000) and non-trade receivables of S$163,000 (2022: S$759,000). 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 an appropriate probability of default rate, forward-looking adjustments and the estimated loss given default rate, based on market available information. Based on the results of the assessment, a reversal of ECL provision of S$2,619,000 and S$243,000 was made on the trade and non-trade receivables due from the Associate respectively during the financial year ended 31 March 2023. As at 31 March 2023, the ECL provision on the trade and non-trade receivables due from the Associate amounted to S$857,000 and S$19,000 (31 March 2022: ECL provision of S$3,476,000 and S$262,000) respectively. As at 31 March 2023, the carrying value of the trade and non-trade receivables was S$6,563,000 (2022: S$7,072,000).

Loan to non-controlling interests

As at 31 March 2023, the management has individually assessed the ECL of the loan to non-controlling interests of 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$7,729,000 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.

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

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 is closely monitoring the market and managing the transition to new benchmark interest rates, including announcements made by the relevant IBOR regulators.

The Group has certain variable interest bearing terms 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 rising 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 2024 will not result in any non-compliance of covenant. The Group may also look into funding some of its future expansions by equity financing, where appropriate, to reduce the Group's borrowing level.

Interest rate benchmark transition for non-derivative financial instruments

The following table summarises the major non-derivative financial instruments held by the Group and the Company which have not yet transitioned to new benchmark rates.

	Group		
	SOR(1)	SIBOR(2)	USD LIBOR
	Carrying amount	Carrying amount	Carrying amount
	S$'000	S$'000	S$'000
31 March 2023			
Bank loans	**67,950**	**-**	**-**
31 March 2022			
Bank loans	106,750	24,400	5,638

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

	Company	
	SOR[1]	SIBOR[2]
	Carrying amount	Carrying amount
	S$'000	S$'000
31 March 2023		
Bank loans	**67,950**	**-**
Amount receivable from a subsidiary linked to SOR	**20,480**	**-**
31 March 2022		
Bank loans	106,750	21,100
Amount receivable from a subsidiary linked to SOR	32,000	-

(1) SOR stands for Swap Offer Rate.

(2) SIBOR stands for Singapore Interbank Offered Rate.

As at 31 March 2023, bank loans of the Group amounted to S$3,500,000 (2022: S$8,117,000) has completed the transition to the new benchmark rates.

Interest rate benchmark transition for derivative financial instruments

As at 31 March 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$122,000 (2022: S$28,000).

ii) consolidated finance costs for the financial year would increase or decrease by S$2,769,000 (2022: S$3,011,000).

f) Foreign currency risk management

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

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

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

	Group	
	2023	2022
	S$'000	S$'000
Euro	**1,232**	1,647
Hong Kong dollar	**51,506**	57,789
Japanese Yen	**5,986**	7,101
Malaysian Ringgit	**(8,173)**	(7,312)
Renminbi	**(7,813)**	(3,876)
Singapore dollar	**(944)**	(223)
United States dollar	**10,122**	(2,953)

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	
	2023	2022
	S$'000	S$'000
Hong Kong dollar	**17,096**	18,899
Japanese Yen	**(1,864)**	-
United States dollar	**7,819**	2,046

If the respective functional currency of the Company and its subsidiaries strengthens or weakens by 5% (2022: 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			
	2023		2022	
	Strengthen	**Weaken**	Strengthen	Weaken
	S$'000	**S$'000**	S$'000	S$'000
Euro	**(64)**	**64**	(86)	86
Hong Kong dollar	**(3,130)**	**3,211**	(3,216)	3,305
Japanese Yen	**(312)**	**312**	(356)	356
Malaysian Ringgit	**409**	**(409)**	366	(366)
Renminbi	**381**	**(381)**	194	(194)
Singapore dollar	**47**	**(47)**	11	(11)
United States dollar	**(451)**	**451**	108	(108)

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

If the functional currency of the Company strengthens or weakens by 5% (2022: 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			
	2023		2022	
	Strengthen	**Weaken**	Strengthen	Weaken
	S$'000	**S$'000**	S$'000	S$'000
Hong Kong dollar	**(814)**	**900**	(900)	995
Japanese Yen	**93**	**(93)**	-	-
United States dollar	**(391)**	**391**	(102)	102

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

As at 31 March 2023, the Group's and the Company's current liabilities exceeded its current assets by S$17,174,000 and S$69,392,000 respectively (2022: S$69,179,000 and S$61,463,000 respectively). The net current liabilities position of the Group and the Company arose mainly due to the current portion of the long-term bank loans and the lease liabilities which are due to mature in the next 12 months. The Group's net current liabilities position was also due to short-term borrowing and cash used to fund capital expenditure by subsidiaries when raising long-term borrowing is costly or not preferred.

The Group and the Company finance its operations by a combination of borrowings and equity. Adequate lines of credit are maintained to ensure the necessary liquidity is available when required. There are measures to monitor compliance with existing loan covenants imposed by the banks. The Group and the Company closely monitors their compliance with financial covenants and undertakings to identify any potential covenant issues and obtain waivers from the banks where necessary. As at the date of authorisation of these financial statements, the Group had sufficient headroom on its loan covenants (Note 25). Also, to respond to a severe downside scenario, management has the ability to reduce non-essential capital expenditure and deferring or cancelling discretionary spending to reduce costs, optimise the Group's cash flow and preserve liquidity.

In preparing the consolidated financial statements, the management and Board of Directors have given careful consideration to the future liquidity of the Group in light of these circumstances. After considering the cash flow projection up to June 2024 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 will 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 2024. As at the date of authorisation of these financial statements, the Group has available uncommitted credit facilities of approximately S$344,659,000.

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

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 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**
31 March 2022						
Non-interest bearing		302,851	-	-	-	302,851
Lease liabilities	4.7	13,481	25,442	25,468	(11,446)	52,945
Variable interest rate instruments	3.1	472,462	105,151	-	(14,945)	562,668
		788,794	130,593	25,468	(26,391)	918,464

	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 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**
31 March 2022					
Non-interest bearing		24,995	-	-	24,995
Lease liabilities	3.3	403	32	(7)	428
Variable interest rate instruments	3.3	100,295	68,694	(4,416)	164,573
Financial guarantee contracts		268,000	-	(268,000)	-
		393,693	68,726	(272,423)	189,996

Liabilities pertaining to financial guarantee contracts are the Company's contingent liabilities arising from guarantees given to banks (Note 32).

38. 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 25, and equity attributable to the equity holders of the Company.

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

The Group's overall strategy remains unchanged from the financial year ended 31 March 2022. 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 2023 and 2022.

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 2023 and 2022, 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 2023				
Financial assets				
Financial assets at FVTOCI	-	-	4,191	**4,191**
Financial assets at FVTPL	162	-	-	**162**
	162	-	4,191	**4,353**
31 March 2022				
Financial assets				
Financial assets at FVTOCI	-	-	6,739	6,739
Financial assets at FVTPL	729	-	-	729
Derivative financial instruments	-	165	-	165
	729	165	6,739	7,633
Financial liabilities				
Derivative financial instruments	-	19	-	19

There were no transfers between the different level of fair value hierarchy during the financial years ended 31 March 2023 and 2022.

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

As at 31 March 2023, a financial asset at FVTOCI with fair value of S$1,227,000 (2022: S$1,320,000) was arrived by using adjusted net assets approach. The adjusted net assets approach involved assessing separately the fair value of the underlying assets and liabilities of the concerned investment, using appropriate approaches including market approach and cost approach. The fair value of the concerned investment was then derived after adjusting for a marketability discount of 40% (2022: 40%).

The fair value of another financial asset at FVTOCI of S$2,964,000 (2022: S$5,419,000) was arrived by using market approach as at 31 March 2023, using a price-to-earnings multiple of 15.0x and a marketability discount of 35%. The market approach derived the fair value of the concerned investment as at 31 March 2022, using an enterprise value-to-earnings before interest, tax, depreciation and amortisation multiple of 9.5x, an enterprise value-to-earnings before interest and tax multiple of 11.1x, a price-to-earnings multiple of 11.2x and a marketability discount of 35%. The marketability discounts adopted have a negative relationship with the fair value, while the adopted market multiples have a positive relationship with the fair value. When the marketability discounts increase by 1%, the fair value decrease by approximately 1.54% (2022: 1.54%). If the market multiples increase by 1%, the fair value increases by around 0.99% (2022: 1.19%).

39. Subsidiaries

Significant subsidiaries of the Group are as follows:

Name of company	Place of incorporation and business	Principal activities	Effective percentage of equity and voting power held 2023 %	2022 %
Batteries 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]	The People's Republic of China	Manufacturing of batteries	**100**	100
Dongguan GP Batteries Ltd. [2] [b]	The People's Republic of China	Manufacturing of batteries	**100**	100
GP Batteries (Americas) Inc [b]	United States of America	Marketing and trading in batteries	**100**	100
GP Batteries (Malaysia) Sdn Bhd [b]	Malaysia	Manufacturing of batteries	**100**	100
GP Batteries (Shenzhen) Co., Ltd [2]	The People's Republic of China	Manufacturing of batteries	**100**	100
GP Batteries (U.K.) Limited [g]	England and Wales	Marketing and trading in batteries	**100**	100
GP Batteries (Vietnam) Limited Liability Company [b]	Vietnam	Manufacturing of batteries	**95.00**	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

39. Subsidiaries (cont'd)

Name of company	Place of incorporation and business	Principal activities	Effective percentage of equity and voting power held 2023 %	2022 %
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)	Cayman Islands	Investment holding	**100**	100
GP Energy Tech International Pte. Limited (9) (a)	Singapore	Investment holding and trading	**100**	100
GP Energy Tech (Malaysia) Sdn. Bhd. (b)	Malaysia	Manufacturing of batteries	**100**	100
GPI International Limited (b)	Hong Kong	Marketing and trading in batteries	**100**	100
GPPD Pte. Ltd. (a)	Singapore	Investment holding	**70.00**	70.00
GPPD Energy Company Limited (2)	Vietnam	Manufacturing and trading of batteries	**70.00**	70.00
Huizhou Chao Ba Batteries Co Ltd (2)	The People's Republic of China	Marketing and trading in batteries	**90.00**	90.00
Huizhou Modern Battery Limited (7)	The People's Republic of China	Manufacturing of batteries	**-**	100
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)	The People's Republic of China	Manufacturing of batteries	**70.00**	70.00

39. Subsidiaries (cont'd)

Name of company	Place of incorporation and business	Principal activities	Effective percentage of equity and voting power held 2023 %	2022 %
Electronics and acoustics segment				
Celestion Music Asia Limited [b]	Hong Kong	Marketing and distribution of acoustic products	**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 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]	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 (China) Limited [b]	Hong Kong	Investment holding	**100**	100

39. Subsidiaries (cont'd)

Name of company	Place of incorporation and business	Principal activities	Effective percentage of equity and voting power held 2023 %	2022 %
GP Electronics (HK) Limited [b]	Hong Kong	Marketing and trading of audio products	**100**	100
GP Electronics (Huizhou) Co., Ltd. [(2) (d)]	The People's Republic of China	Manufacturing of acoustic and electronic products	**100**	100
金柏電子有限公司 [(1) (2) (4) (e)]	The People's Republic of China	Marketing and distribution of acoustic and electronic products	**100**	100
GP Electronics (SZ) Limited [(2) (e)]	The People's Republic of China	Development of electronic products	**100**	100
GP Electronics & Acoustics Co., Ltd. [(8) (f)]	Thailand	Manufacturing and trading of acoustic and electronic products	**51.00**	51.00
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
KEF Celestion Corporation [(3)]	Cayman Islands	Holding of trademarks	**100**	100
KEF GP Group Limited [(3) (6)]	Cayman Islands	Investment holding	**100**	-
KEF Japan, Inc. [(1) (3)]	Japan	Trading of acoustics products	**100**	100
Key Win Industrial Limited [(b)]	Hong Kong	Investment holding	**100**	100
Nike Enterprises Limited [(b)]	Hong Kong	Investment holding	**100**	100

39. Subsidiaries (cont'd)

Name of company	Place of incorporation and business	Principal activities	Effective percentage of equity and voting power held	
			2023	2022
			%	%
<u>Other industrial investments segment</u>				
Bowden Industries Limited [1] [b]	Hong Kong	Investment holding	**100**	100
CIH Limited [a]	Singapore	Investment holding	**100**	100

Note:

(1) Equity interest is held by subsidiaries of the Company.

(2) These subsidiaries, in compliance with their local statutory requirement, adopt 31 December as their financial year end. Such financial year end is not co-terminous with that of the Company. Adjustments are made for the effect of any significant transactions that occur between 1 January and 31 March. A member firm of Deloitte Touche Tohmatsu Limited has audited the financial statements of these subsidiaries for the purposes of the Group's consolidated financial statements for the financial year ended and as at 31 March 2023 ("2023 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 2023 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") and GP Energy Tech Limited which are directly held subsidiaries of the Company, equity interest in other subsidiaries of the batteries segment is held by GP Batteries, GP Energy Tech Limited or their subsidiaries. For the preparation of the 2023 Consolidated Financial Statements purposes, the consolidation of GP Batteries have been audited by a member firm of Deloitte Touche Tohmatsu Limited.

(6) Incorporated during the financial year.

(7) Disposed during the financial year.

(8) The financial statements of this subsidiary have been audited by a member firm of Deloitte Touche Tohmatsu Limited for the purposes of the 2023 Consolidated Financial Statements.

(9) This subsidiary has not commenced trading as at 31 March 2023.

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

(b) Audited by member firms of Deloitte Touche Tohmatsu Limited.

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

(d) Local statutory audit performed by HuizhouShuLunPan Yangcheng C.P.A. Partnership.

(e) Local statutory audit performed by Shenzhen ZhiGong Certified Public Accountants.

(f) Local statutory audit performed by Bangkok Audit & Tax Consultants Company Limited.

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

(h) Audited by Grant Thornton China, Zhejiang Office for consolidation purposes.

40. Associates

Significant associates of the Group are as follows:

Name of company	Place of incorporation and business	Principal activities	Effective percentage of equity and voting power held 2023 %	2022 %
Batteries segment [7]				
AZ Limited [e]	Russia	Marketing and trading in batteries	**40.00**	40.00
Changzhou Lithium Batteries Ltd [d]	The People's Republic of China	Manufacturing of batteries	**40.00**	40.00
Gold Yi Industries Company Limited [d]	Hong Kong	Investment holding and trading of batteries	**39.35**	41.50
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 [1] [d]	Taiwan	Development, marketing and trading in batteries	**41.00**	41.00
Hanoi Battery Joint Stock Company [10] [c]	Vietnam	Manufacturing of batteries	**49.00**	49.00
Huizhou Gold Yi Industries Co., Ltd. [13] [d]	The People's Republic of China	Manufacturing of batteries	**39.35**	41.50
Lichton International Limited [d]	Hong Kong	Marketing and trading in lighting products	**49.00**	49.00
Ningbo Fengyin Battery Co., Ltd [d]	The People's Republic of China	Marketing and trading in battery materials	**32.00**	32.00
STL Technology Co., Ltd [9] [11] [a]	Taiwan	Manufacturing of battery packs and products	**-**	29.28
T.G. Battery Co. (China) Ltd [12]	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

40. Associates (cont'd)

Name of company	Place of incorporation and business	Principal activities	Effective percentage of equity and voting power held 2023 %	2022 %
Electronics and acoustics 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
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
Other industrial investments segment				
Light Engine Technologies Limited (1) (3)	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)	British Virgin Islands	Investment holding	**39.13**	38.13
XIC Innovation Limited (a)	Hong Kong	Investment holding	**39.13**	38.13

40. Associates (cont'd)

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 which equity interest is held by subsidiary of the Company. For the preparation of the 2023 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) Listed on the Taipei Exchange.

(12) Subsidiary of T.G. Battery Co. (Hong Kong) Limited.

(13) Subsidiary of Gold Yi Industries Company Limited.

(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.

41. Assets classified as held for sale

	Group	
	2023	2022
	S$'000	S$'000
Balance at beginning of the financial year	**7,413**	7,311
Disposals (Note 43)	**(7,294)**	(75)
Currency realignment	**(119)**	177
Balance at end of the financial year	**-**	7,413

As at 31 March 2022, assets classified as held for sale ("AHFS") comprised investment property of Huizhou Modern Battery Limited ("Modern Battery"), and the investment property included therein was carried at its fair value, which was determined based on the consideration for the relevant disposal and with reference to the properties in close proximity to the disposed property. During the financial year, the disposal of Modern Battery was completed (Note 43).

The AHFS as at 31 March 2022 were included in the assets of the batteries operating segment.

42. Discontinued operations

On 31 May 2021, the Company, as seller, entered into a sale and purchase agreement with Time Interconnect to sell the entire issued share capital of GP Industries Marketing Limited ("GPIM"), a wholly-owned subsidiary of the Company, *inter alia*, conditional upon the satisfaction of various conditions precedent on or before 30 September 2021 (the "AWH Business Disposal"). As a condition of the AWH Business Disposal, GPIM and Huizhou GP Wiring Technology Ltd. ("GPWT"), another wholly-owned subsidiary of the Company, shall undergo a reorganisation such that GPWT shall become a wholly-owned subsidiary of GPIM at completion. GPIM and GPWT comprised the Group's AWH Business. The AWH Business Disposal was completed on 31 August 2021. Consequent to the disposal, the results of the automotive wire harness business was reported as a discontinued operation for the financial year ended 31 March 2022.

According to SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* ("SFRS(I) 5"), profit after taxation attributable to the AWH Business for the financial year ended 31 March 2022 and loss from disposal of AWH Business, net of taxation, were presented under loss after taxation from discontinued operations in the profit or loss for the financial year ended 31 March 2022.

The results of discontinued operations were as follows:

	Group
	2022
	S$'000
Revenue	14,534
Net expenses	(14,341)
Profit before taxation	193
Income tax expense	(32)
Profit after taxation attributable to discontinued operations	161
Loss before taxation on AWH Business Disposal	(2,891)
Income tax expense on AWH Business Disposal	(320)
Loss on AWH Business Disposal, net of taxation	(3,211)
Loss after taxation from discontinued operations	(3,050)

42. Discontinued operations (cont'd)

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

	Group
	2022
	S$'000
Assets (Liabilities)	
Property, plant and equipment	2,027
Right-of-use assets	2,537
Inventories	5,532
Receivables and prepayments	14,865
Cash and cash equivalents	2,276
Trade and other payables	(12,154)
Lease liabilities	(2,554)
Income tax payable	(61)
Net assets of the AWH Business derecognised	12,468
Attributable goodwill	273
Total net assets derecognised	12,741

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

	Group
	2022
	S$'000
Loss before taxation from discontinued operations	
Consideration received	12,006
Total net assets derecognised	(12,741)
Adjustment to exchange translation reserve	(2,071)
Disposal costs paid	(85)
Loss before taxation on AWH Business Disposal	(2,891)
Profit before taxation from discontinued operations	193
Loss before taxation from discontinued operations	(2,698)
Net cash inflow from disposal	
Consideration received	12,006
Less: Disposal costs paid	(85)
Less: Cash and cash equivalents disposed of	(2,276)
Net cash inflow from disposal	9,645

42. Discontinued operations (cont'd)

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

	Group 2022 S$'000
Operating activities	(1,312)
Investing activities	(75)
Financing activities	(62)

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

43. Changes in ownership interest in subsidiaries

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

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 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)	
AHFS	**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**

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

During the financial year ended 31 March 2022:

i) the Group disposed of its AWH Business, which comprised two subsidiaries (Note 42).

ii) the Group de-registered an inactive subsidiary and struck off another inactive subsidiary. The Group recognised a loss from de-registration of a subsidiary of S$170,000 in other operating expenses (Note 5), comprising cumulative exchange translation deficit.

iii) the Group completed the disposal of GPB (China), following the announcement issued on 31 January 2021 in relation to its proposed disposal.

The net assets of GPB (China) disposed and the effect thereof as at date of disposal were as follows:

	Group
	2022
	S$'000
Assets	
AHFS	75
Cash and cash equivalents	7,252
Net assets disposed	7,327
Attributable goodwill	1,225
Total net assets derecognised	8,552
Total net assets derecognised	8,552
Adjustment to exchange translation reserve	2,561
Gain on disposal (Note 4)	8,182
Disposal proceeds	19,295
Less: Cash and cash equivalents derecognised	(7,252)
Less: Deposits received in financial year ended 31 March 2021	(19,295)
Net cash outflow from disposal	(7,252)

44. Subsequent events

Subsequent to 31 March 2023, the Group acquired of 15% equity interest in Changzhou Lithium Batteries Limited ("CZLB"), an associate of the Group as at 31 March 2023 and CZLB becomes a subsidiary of the Group for an aggregate consideration of approximately HK$10,698,000 (approximately S$1,810,000). The transaction was completed on 18 April 2023.

45. Merger Accounting and Restatements

The Group accounts for all its business combinations involving entities under common control under the principles of merger accounting.

On 30 December 2022, XIC, an associate of the Company, completed the acquisition of the entire equity interests in Light Engine at a consideration of HK$1,100 million (equivalent to S$191.26 million). Before the acquisition, Mr Paul Lo Chung Wai ("Mr Paul Lo") is the ultimate legal and beneficial owner of the entire issued capital of Light Engine and also the ultimate legal and beneficial owner of 60.87% of the issued share capital of XIC. Upon completion of the acquisition, Light Engine became a wholly-owned subsidiary of XIC. Since XIC and Light Engine are under common control of Mr Paul Lo, the acquisition has been accounted for as business combination under common control by the associate using merger accounting.

45. Merger Accounting and Restatements (cont'd)

The consolidated financial statements of XIC as at 1 April 2021 and 31 March 2022 have been restated to include the assets and liabilities and the results of the Light Engine and its subsidiaries, as if those entities or businesses under Light Engine were combined from the date when they first came under the control of Mr Paul Lo. The consolidated financial statements of the Group as at 1 April 2021 and 31 March 2022 have been restated to adjust the interest in associates, share of results of associates and other comprehensive income on the basis of merger accounting applied by XIC.

The effects of the application of merger accounting are as follows:

	Group		
	Previously reported S$'000	Adjustments on merger accounting S$'000	Restated S$'000
Statements of financial position			
31 March 2022			
Assets			
Interest in associates	298,892	56,253	355,145
Net Assets	567,608	56,253	623,861
Equity			
Reserves	202,231	56,253	258,484
Equity attributable to equity holders of the Company	467,560	56,253	523,813
Total Equity	567,608	56,253	623,861
Statements of financial position			
1 April 2021			
Assets			
Interest in associates	304,316	50,337	354,653
Net Assets	510,375	50,337	560,712
Equity			
Reserves	153,788	50,337	204,125
Equity attributable to equity holders of the Company	419,230	50,337	469,567
Total Equity	510,375	50,337	560,712

45. Merger Accounting and Restatements (cont'd)

	Group		
	Previously reported S$'000	Adjustments on merger accounting S$'000	Restated S$'000
Consolidated income statement			
31 March 2022			
Share of results of associates	49,546	4,755	54,301
Continuing operations			
Profit before taxation	51,161	4,755	55,916
Income tax expense	(6,738)	-	(6,738)
Profit after taxation from continuing operations	44,423	4,755	49,178
Profit for the financial year	41,373	4,755	46,128
Attributable to:			
Equity holders of the Company			
Continuing operations	38,311	4,755	43,066
Basic and diluted earnings per share (Singapore cents) from:			
Continuing operations	7.92	0.98	8.90
Consolidated statement of comprehensive income			
31 March 2022			
Other comprehensive income (loss):			
Items that are or may be reclassified subsequently to profit or loss:			
Share of other comprehensive (loss) income of associates			
- Exchange translation (deficit) surplus	(2,241)	1,161	(1,080)
Other comprehensive income for the financial year, net of tax	22,254	1,161	23,415
Total comprehensive income for the financial year	63,627	5,916	69,543
Attributable to:			
Equity holders of the Company	54,724	5,916	60,640
Total comprehensive income attributable to equity holders of the Company from:			
Continuing operations	55,745	5,916	61,661

Corporate Governance Report

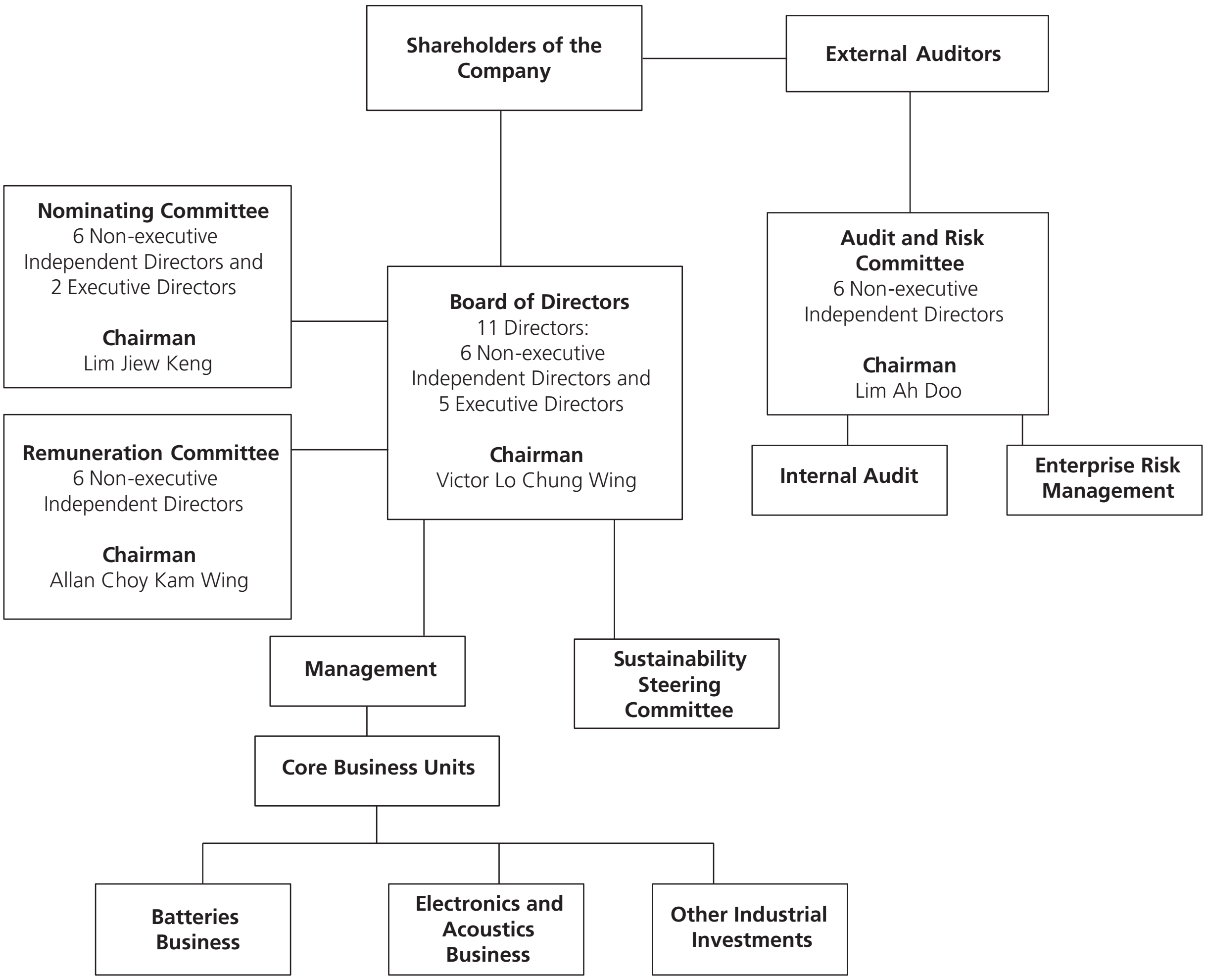
The board of directors (the "Board" or the "Directors") of GP Industries Limited (the "Company" and together with its subsidiaries, the "Group") believe that good corporate governance is key to the integrity of the Group and essential to the long-term sustainability of the Group's businesses and performance. The Board is committed to setting and maintaining high standard of corporate governance and business integrity in all its business activities to ensure greater corporate transparency, accountability, performance and integrity and to protect and enhance the shareholders' value.

This report sets out the key aspects of the Company's corporate governance framework and practices that were in place throughout the financial year ended 31 March 2023 ("FY2023"), with specific reference made to the principles and provisions of the revised Code of Corporate Governance 2018 (the "Code") and accompanying Practice Guidance ("Practice Guidance"), which form part of the continuing obligations of the rules of the listing manual ("Listing Manual") of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), through effective self-regulatory corporate practices. Where there were variations in the Company's corporate governance practices from the provisions, appropriate disclosure and explanations as to how the Company's practices were consistent with the intent of the principles in question are provided in the relevant sections of this report. The Company will continue to assess its needs and implement appropriate practices accordingly.

Unless otherwise explained and elaborated, the Board is pleased to report that for FY2023, the Company has complied, in all material aspects, with the principles and provisions set out in the Code.

Corporate Governance Framework

As at the date of the Company's annual report for FY2023 ("Annual Report"), the Company's Corporate Governance Framework is as follows:



This Corporate Governance Report ("CG Report") is divided into five main sections, namely: (A) Board Matters (B) Remuneration Matters (C) Accountability and Audit (D) Shareholder Rights and Engagement (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 FY2023, the Board comprises five (5) Executive Directors ("EDs") and six (6) Non-Executive Independent Directors ("NEIDs"). The six (6) NEIDs collectively comprises more than fifty per cent. (50%) of the Board.

The Board as at the date of this Annual Report comprises:

Victor Lo Chung Wing ("Mr Lo") (Chairman and ED)
Lam Hin Lap (Vice Chairman and ED)
Brian Li Yiu Cheung (ED)
Waltery Law Wang Chak (ED)
Grace Lo Kit Yee (ED)
Lim Ah Doo (Lead NEID)
Allan Choy Kam Wing (NEID)
Lim Jiew Keng (NEID)
Goh Boon Seong (NEID)
Timothy Tong Wai Cheung (NEID)
Christopher Lau Kwan (NEID)

Profiles and qualifications of the Directors and the listed company directorships and principal commitments held by them as at the date of this Annual Report in the last three (3) years are set out in the section headed "Board of Directors and Senior Management" of this Annual Report.

To ensure smooth operations, facilitate decision making and ensure proper controls, the Board is support by three committees (the "Board Committees"), namely the Audit and Risk Committee ("ARC"), Nominating Committee ("NC") and Remuneration Committee ("RC").

The composition of the Board Committees is set out below:

Board Committee	**Member**
ARC	Lim Ah Doo, Chairman (Lead NEID) Allan Choy Kam Wing (NEID) Lim Jiew Keng (NEID) Goh Boon Seong (NEID) Timothy Tong Wai Cheung (NEID) Christopher Lau Kwan (NEID)
NC	Lim Jiew Keng, Chairman (NEID) Lim Ah Doo (Lead NEID) Allan Choy Kam Wing (NEID) Goh Boon Seong (NEID) Timothy Tong Wai Cheung (NEID) Christopher Lau Kwan (NEID) Mr Lo (ED) Lam Hin Lap (ED)
RC	Allan Choy Kam Wing, Chairman (NEID) Lim Ah Doo (Lead NEID) Lim Jiew Keng (NEID) Goh Boon Seong (NEID) Timothy Tong Wai Cheung (NEID) Christopher Lau Kwan (NEID)

Role of the Board
(Provision 1.1)

The Board oversees the business affairs of the Company and the Group, and is responsible for setting the strategic direction and establishing goals for Management and works with Management to achieve these goals.

While all directors having the same fiduciary duties, the board of directors of a listed company will generally have 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 Key Management Personnel ("KMP"); and
(iii) Independent Directors ("IDs") are NEDs (also referred as NEIDs who are unrelated to any of the EDs and fulfill the conditions to be considered "independent" as set out in the rules of the Listing Manual and the Code and deemed to be impartial by the board. IDs 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.

Apart from the statutory responsibilities, the principal functions of the Board are:

- supervising the overall management of the business and affairs of the Group;
- approving the Group's strategic plans, significant investment and divestment proposals and funding decisions;
- reviewing the Group's financial performance and key operational initiatives;
- implementing risk management policies and practices;
- review and decide nominations recommended by the NC;
- reviewing and endorsing the recommended framework of remuneration for the Board and KMP by the RC;
- assuming responsibility for corporate governance; and
- assuming responsibility for sustainability governance.

All Directors exercise reasonable diligence and independent judgement when making decisions and are obliged to act honestly and consider at all times, the best interest of the Company and the Group.

Code of Business Conducts and Ethics (Provision 1.1)

The Company is committed to ensuring that its affairs are conducted with the highest standard of probity and in compliance with relevant laws and strives to uphold the highest levels of business conduct and integrity in all transactions and interactions. 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"). 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) avoid conflict of interest in (a) corporate opportunities; and (b) other board appointments;
(ii) maintain confidentiality of confidential or proprietary information that a Director may learn of when discharging his duties as a Director;
(iii) compliance with laws, rules and regulations, including those relating to the dealing in the Company's securities; and
(iv) fair dealing with customers, suppliers, competitors and employees.

The Ethics Code requires Directors to practice 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. The Directors are cognisant of their fiduciary duties at law. When a potential conflict of interest situation arises, the affected Director will recuse himself from the discussion and decisions involving the areas of potential conflict, unless the Board is of the opinion that his participation is necessary. Where such participation is permitted, the conflicted Director excuses himself for an appropriate period during the discussions to facilitate full and frank exchange by the other Directors, and shall in any event recuse himself from the decision making.

Pursuant to Section 156 of the Companies Act 1967 (the "Companies Act"), each Director is required to declare if he/she has conflict of interest in any of the corporate transactions. Each Director is also required to submit details of his associates for the purpose of monitoring interested persons transactions ("IPTs") annually. Where a Director has a conflict or potentially conflict of interest in relation to any matter, he/she should immediately declare his/her interest when the conflict-related matter is discussed, unless the Board is of the opinion that his/her presence and participation is necessary to enhance the efficacy of such discussion. Nonetheless, he/she is required to abstain from voting in relation to the conflict-related matters.

Directors' Competencies
(Provision 1.2)

All Directors have a good understanding of the Company'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 familiarise 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's various business units. Newly appointed Directors are informed, among other things, the roles, obligations, duties and responsibilities as a member of the Board. New Directors are also expected to be familiar with the Companies Act, the rules of the Listing Manual 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, the expense of which will be borne by the Company. In addition, the Company has also set aside budgets for Directors to meet their continuous training and development requirements.

All Directors are routinely updated on developments in the Group's operating environment, particularly on relevant new laws and regulations and changing business risks. The Company Secretary and Management circulates to the Board important information on new or changes in laws, rules and regulations on matters which are relevant to the Company and/or the Directors.

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.

Matters Requiring Board's Approval
(Provision 1.3)

The Company has adopted internal guidelines setting forth matters that require the Board's approval. In addition, the following matters are specifically reserved for the Board's decision and approval:

(i) financial results announcements;
(ii) annual reports and financial statements;
(iii) nomination/appointment of Directors;
(iv) share issuance;
(v) corporate and financial restructuring;
(vi) payment of dividend; and
(vii) major investment or acquisition/disposal proposals, including any other transactions of a material nature requiring announcements under the rules of the Listing Manual.

Delegation to Board Committees
(Provision 1.4)

To assist the Board in discharging its functions and to optimise operational efficiency, the Board has delegated certain of its functions to the Board Committees, namely the ARC, NC and RC. These Board Committees have been constituted with clearly defined written terms of reference, setting out the compositions, authorities and duties, including reporting back to the Board and are empowered by the Board to deal with matters within the limits of authority. These terms of reference are reviewed on a regular basis, along with the committee structures and membership, to ensure their continued relevance, taking into consideration the changes in the governance and regulatory environment. Any change to the terms of reference for any Board Committee requires the specific written approval of the Board. They assist the Board operationally without the Board losing authority over major issues.

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

The Board accepts that the ultimate responsibility on the matters delegated to the Board Committees and the Executive Committee lies with the Board.

There was no change to the composition of the Board Committees during FY2023.

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 conducts regular meetings on a quarterly basis and *ad hoc* meetings as and when required. The Board Committees conduct regular meetings and *ad hoc* meetings according to its terms of reference. Article 100(2) of the Company's Constitution and the terms of reference of the Board Committees allows Board and Board Committee meetings, as the case may be, to be conducted by way of telephone or video conferencing or by other audio or audio-visual communications equipment.

The Company believes that the contributions of the Directors can be reflected in means other than by the attendance at such meetings. A Director is appointed on the strength of his/her calibre, experience and his/her potential to contribute to the proper guidance of the Company and its businesses in forms such as Management's access to him/her for guidance or exchange of views outside the formal environment of Board meetings and also his/her ability to bring relations which are strategic to the interests of the Group.

The number of general meetings of the Company, Board meetings and Board Committees' meeting held in FY2023 and the attendance of Directors[1] at these meetings are as follows:

	Board	Audit and Risk Committee	Nominating Committee	Remuneration Committee	General meeting of the Company[2]
Number of Meetings held in FY2023	**8**	**4**	**1**	**1**	**2**
		Number of meetings attended in FY2023[1]			
Executive Director					
Mr Lo	8	N.A.	1	N.A.	2
Lam Hin Lap	8	N.A.	1	N.A.	2
Brian Li Yiu Cheung	8	N.A.	N.A.	N.A.	2
Waltery Law Wang Chak	8	N.A.	N.A.	N.A.	2
Grace Lo Kit Yee	6	N.A.	N.A.	N.A.	1
Non-executive Independent Director					
Lim Ah Doo	7	3	1	1	2
Allan Choy Kam Wing	8	4	1	1	2
Lim Jiew Keng	8	4	1	1	2
Goh Boon Seong	8	4	1	1	2
Timothy Tong Wai Cheung	6	4	1	1	2
Christopher Lau Kwan	8	4	1	1	2

N.A. – Not applicable

(1) The 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) General Meetings include Annual General Meeting ("AGM") and extraordinary general meeting ("EGM").

Multiple Board Representations (Provision 1.5)

All Directors are required to declare their board representations on an annual basis and as soon as is practicable after the relevant facts have come to his knowledge. When a Director has multiple board representations, the NC considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments.

Based on the individual Director's confirmation provided to the NC in FY2023 on his/her ability to carry out his 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.

The NC has evaluated the competing time commitments faced by Directors serving on multiple boards during FY2023 and is satisfied that the Directors are able to and have adequately carried out their duties as Directors of the Company, as well as sufficient time and attention are given to the affairs of the Company, after taking into consideration each of the Directors' number of listed company board representations and other principal commitments in FY2023.

Access to Information (Provision 1.6)

Management prepares monthly management accounts, which is reviewed by the Executive Committee. Management provides the Board with the quarterly, half-yearly and full year results together with other relevant information, including comparison of actual results against budget with explanations on the variances provided by Management, to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospect.

Management provides the Board and Board Committees with relevant information and reports prior to their respective meetings. 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)

Directors have separate and independent access to the Management and the Company Secretary for additional information. In addition, should Directors, whether as a group or individually, need independent professional advice, Management will, upon direction by the Board, appoint a professional advisor selected by the group or the individual, to render the advice. The cost of such professional advice will be borne by the Company.

The Company Secretary and his representative attend Board meetings, particularly the meetings for reviewing the draft announcements of the Group's half-yearly or full year results. The Company Secretary also attends the meetings of the NC and the RC as the secretary of the respective committee. The Company Secretary is responsible for ensuring that Board procedures are followed and that the Company complies with the requirements of the Companies Act. Together with the Management, the Company Secretary is also responsible for the Company's compliance with all applicable rules and regulations of the Listing Manual.

The appointment and the removal of the Company Secretary requires the Board's approval.

In furtherance of their duties, the Directors, individually or as a group, may seek independent professional advice on matters relating to the businesses of the Group, at the Company's expense, subject to approval by the Board.

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
(Provision 2.1)

The criterion for independence is based on the definition set out in the Code, Practice Guidance and Listing Manual. The Board considers an "independent" Director as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interests of the Company.

Pursuant to Provision 4.4 of the Code, the NC and the Board take into account the existence of relationships or circumstances, including those identified by the Code, Practice Guidance and Listing Manual that are relevant in determining whether a Director is independent.

All Directors are required to disclose any 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.

For FY2023, the NC has conducted its annual review of the Directors' independence and concluded that the Company had complied with Provision 2.1 of the Code, the Practice Guidance and Rule 210(5)(d)(i) and (ii) of the Listing Manual. 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.

Mr Lim Ah Doo and Mr Allan Choy Kam Wing having been Independent Directors for an aggregate period of more than 9 years. Pursuant to Rule 210(5)(d)(iv), they may continue to be Independent Directors until the conclusion of the next Annual General Meeting for the financial year ending 31 March 2024. In view of the Rule 210(5)(d)(iv) which came into effect on 11 January 2023, the NC has taken the steps to renew its Board composition and will engage the assistance of Council for Board Diversity, the SID, the relevant professional associations and external recruiting firm, where appropriate, in search for candidates to be appointed as new independent directors in their place.

Level of Independence of the Board
(Provisions 2.2 and 2.3)

During FY2023, the Board composition, which comprised six (6) NEIDs out of a total of eleven (11) Directors, complied with Provision 2.3 of the Code which requires NEIDs to make up a majority of the board as well as Rule 210(5)(c) of the Listing Manual which requires NEIDs to make up at least one-third of the board and Provision 2.2 of the Code which requires NEIDs to make up a majority of the board where the Board Chairman is not independent.

Board Composition and Size
(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 groupthink and foster constructive debate. 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, believes that its current board size and the existing composition of the Board Committees effectively serve the Group. It provides sufficient diversity of skills, experience and knowledge of the Group without interfering with efficient decision making.

Independence

Designation	ED	NEID	Total
No. of Directors	5	6	11
% of Total No. of Directors	46%	54%	100%

Gender Diversity

Gender	Male	Female	Total
No. of Directors	10	1	11
% of Total No. of Directors	91%	9%	100%

Age Group

Age	40-49	50-59	60-69	>70	Total
No. of Directors	1	1	3	6	11
% of Total No. of Directors	9%	9%	27%	55%	100%

NEIDs' Directorship with the Company

Year	0-5	>5-9	>9	Total
No. of Directors	4	0	2	6
% of Total No. of Directors	67%	0%	33%	100%

Board Diversity
(Provision 2.4)

With a view to achieving a sustainable and balanced development, the Company sees diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The Company is accordingly committed to promoting diversity of the Board. The Board has adopted its diversity policy (the "Diversity Policy"). 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.

The NC will monitor the implementation of its Diversity Policy and review the Diversity Policy from time to time as appropriate, to ensure its effectiveness.

The NC will continue its identification and evaluation of suitable candidates to ensure there is diversity (including gender diversity) on the Board.

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

The Board and NC had reviewed its composition of Directors and were satisfied that the current composition provides the appropriate balance and mix of age, educational background, experience, skill, knowledge and length of service for the nature and scope of the Group's operations, 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 20 to 25 of this Annual Report. 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' report.

Diversity Targets and Progress

Diversity Targets	Diversity Progress
Increase age diversity of the Directors with age ranging from below 55 and with majority of the Directors in the 55 to 65 range	There is no change in the composition of member of the Board and Board Committees in FY2023. The Board will continue to maintain this target for the next three to five years and prioritize the appointment of younger candidate(s). The Board has continued to maintain this target.
Ensure gender diversity with not less than 20% female Directors	After the appointment of Ms Grace Lo Kit Yee as an ED with effect from 1 July 2021, the proportion of female Directors is approximately 9% of the total number of Directors. With reference to the recommendation by the Council of Board Diversity for listed company, the Board has actively strived to have a 20% to 25% representation of female directors on the Board over the next 3 to 5 years. As gender is an important aspect of diversity, the Board 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, the NC will request for female candidates to be included for consideration; and (c) female representation on the Board be continually monitored over the time based on the targets set by the Board.
Broaden the skill diversity to achieve the Company's strategic objectives	There is no change in the composition of member of the Board and Board Committees in FY2023. The Board will continue to maintain this target and no later than financial year ending 31 March 2030.
Refresh the tenure of appointment of NEIDs	Currently, four (4) out of six (6) of the NEIDs have served on the Board for less than five (5) years and two (2) for over nine (9) years. To avoid an abrupt loss of members with extensive experience and core competencies crucial to the Group, the Board will pace the retirement of its directors as needed.

Board Guidance

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.

The Directors, in particular the NEIDs, are kept informed of the Company's business and affairs as well as about the industry in which the Company operates in. This knowledge is essential for the NEIDs to engage in informed and constructive discussions. To ensure that NEIDs are well supported by accurate, complete and timely information, NEIDs have unrestricted access to Management. Besides receiving regular Board briefings on latest market developments and trends, and key business initiatives, periodic information papers, industry and market reports, the NEIDs are regularly briefed by Management on major decisions and prospective business deals.

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 Management) in order to proactively provide independent advice.

Meeting of NEIDs without Management (Provision 2.5)

The NEIDs are encouraged to meet regularly without the presence of Management, so as to facilitate a more effective check on Management. During FY2023, the NEIDs have met informally at least once without the presence of Management and the chairman of such meeting will provide feedback to the Board and/or Chairman of the Company as appropriate.

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 Lo is the Chairman and CEO of the Company. The 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 Chairman, Mr Lo is 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 Code.

As the CEO, Mr Lo 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 played an instrumental role in developing the business of the Group and has provided the Group with strong leadership and vision.

Deviation from Provisions 3.1 and 3.2

As required under Provision 3.1 of the Code, the Chairman and CEO should be separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making. As such, the current single leadership structure of the Company does not comply with Provision 3.1 of the Code as the Company's Chairman and CEO position is filled by the same person. 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, which enables the Board to make decisions in the best interest of the Company. The independent representation on the Board and Board Committees include:

(i) the NEIDs, which comprise a majority of the Board, provide an independent and objective element to the Board; and
(ii) each of the Board Committees comprises primarily NEIDs.

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, including any other transactions of a material nature requiring announcements under the Listing Manual.

In addition, as discussed under the section headed "Lead Independent Director (Provision 3.3)" below, Mr Lim Ah Doo has been appointed as the Lead ID since 14 August 2013.

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 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)

Mr Lim Ah Doo has been appointed as the Lead ID since 14 August 2013. As Lead ID, Mr Lim Ah Doo is the contact person for shareholders when the shareholders have concerns and for which contact through the normal channels of communication with the 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 Chairman and CEO after such meetings.

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.

NC Composition and Terms of Reference (Provisions 4.1 and 4.2)

Four (4) out of the six (6) members of the NC, including the NC Chairman, are NEIDs. The Lead ID is one of the members of NC.

The key duties and responsibilities of the NC are to:

- regularly and strategically review the structure, size and composition (including the skills, gender, age, qualification, experience and diversity) of the Board and Board Committees (taking into account Rule 210(5)(c) of the Listing Manual and Provisions 2.1 to 2.4 of the Code) and recommend changes, if any, to the Board;

- identify and nominate candidates to fill Board vacancies as they occur. Specifically, the NC shall:
  - (a) consider candidates from a wide range of backgrounds;
  - (b) consider candidates on their own merits and evaluate against objective criteria such as their experience, knowledge, gender, age and skills in relation to the needs of the Board; and whether the candidates will add diversity to the Board and whether they are likely to have adequate time to discharge their duties;
  - (c) consider the composition and progressive renewal of the Board or Board Committees; and
  - (d) appoint an independent third party to source and screen candidates, if necessary;

- send a copy of Director's Code of Professional Conduct published by the Singapore Institute of Directors to all the newly-appointed Director to facilitate the understanding of his/her roles and responsibilities, authority, and the Board's expectations in respect of his/her time commitment as a Director of the Company;

- recommend the membership of the Board Committees to the Board;

- review annually the independent status of NEIDs (in accordance with Rule 210(5)(d) of the Listing Manual and Provision 2.1 of the Code) and that of the alternate Director, if applicable, or when necessary, along with issues of conflict of interest. If the NC considers that a Director who has one or more of the relationships mentioned under Rule 210(5)(d) of the Listing Manual and Provision 2.1 of the Code, is nevertheless independent, the NC should provide its views for the Board's consideration. If the NC considers that a Director is not independent even if he does not fall within the circumstances mentioned under Rule 210(5)(d) of the Listing Manual and Provision 2.1 of the Code, it shall also similarly provide its views for the Board's consideration;

- 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;

- where the appointment of a Director is for a fixed term, to recommend that the Board removes or re-appoints such Director at the end of his/her term. It may also recommend that shareholders re-elect Directors under the provisions of the Company's Constitution and the Listing Manual on the policy of retirement by rotation. In making these recommendations, the NC should consider the Director's performance, commitment and his/her ability to continue contributing to the Board;

- 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;

- identify and develop training programmes/ schedules for the Board and assist with similar programmes for the Board Committees and ensure that all Board appointees undergo appropriate induction programme;

- where the Chairman and CEO of the Company are separate persons, review and ensure that there is a clear division of responsibilities between the Chairman and CEO of the Company such that there is appropriate balance of power, increased accountability and greater capacity for the Board for independent decision making; and

- review the succession plans prepared by Management for the Board Chairman, Directors, CEO and KMP of the Company to ensure continuity of leadership.

Selection, Appointment and Re-appointment of Directors (Provision 4.3)

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. In the event that the appointment of a new Board member is required, the criteria for the appointment will be driven by the need to position and shape the Board in line with the medium-term needs of the Group and its business.

Through its regular review of the Board structure, size and compositions, and in consultation with Management, the NC assesses whether new Director(s) with certain desired experience and knowledge is/are required to further enhance the effectiveness of the Board. If there is such a need, a search will be conducted to identify suitable candidates for the NC's consideration. Upon identification of a candidate with the desired attributes, the NC will then make recommendation to the Board for the proposed appointment of Director.

In proposing the re-appointment or re-election of Directors, the NC takes into consideration, *inter alia*, contributions made by the Directors to the effectiveness of the Board and their commitment to their role.

The Constitution of the Company requires one-third of the Directors to retire from office at the Company's AGM and a Director appointed by the Board during a financial year to submit himself/herself for re-election at the AGM immediately following his/her appointment.

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 Code and Rule 210(5)(d) of the Listing Manual. Please refer to the discussions under section headed "Directors' Independence (Provision 2.1)" 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 this Annual Report for key information on the Directors, including the dates of their first appointment and last election/re-election to the Board (if applicable), their qualifications, directorships and other principal commitments.

The details of the shareholdings of the Directors who were Directors of the Company as at 31 March 2023 are disclosed on page 30 of this Annual Report under section headed "Directors' interest in shares and debentures" of the Directors' Statement.

Detailed information relating to Directors who are proposed to be appointed for the first time or re-elected at a general meeting as set out in Appendix 7.4.1, required pursuant to Rule 720(6) of the Listing Manual, are disclosed in the notice of AGM.

Onboarding Process for New Director (Provision 4.5)

The NC ensures that new Directors are aware of their duties and obligations. The NC also decides if a Director is able to and has been adequately carrying out his/her duties as a Director. 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 in the roles and responsibilities of a director of a SGX-ST listed company. The Company funds and facilitates new Directors to attend relevant training courses, *inter alia*, offered by the Singapore Institute of Directors.

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. The Company does not have a formal guideline on the maximum number of listed company board representations which any Director may hold, as the NC and the Board consider such a number may not fairly reflect whether a Director can timely and diligently attend to the Company's matters and discharge his/her duties as a Director.

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 Committee, and the contribution from each individual Director and will conduct the assessment of the performance of the Board, each Board Committee and the contribution from each individual Director, on an annual basis.

As further elaborated below, the assessments for FY2023 included the use of questionnaires. The responses to the questionnaires were compiled by the Company Secretary and thereafter presented to the NC Chairman or the Board Chairman, as the case may be.

Effectiveness of the Board (Provision 5.2)

The evaluation of the effectiveness of the Board as a whole had been conducted by means of questionnaire to be completed by all Directors. The evaluation criteria 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.

Based on the summary of findings of the evaluation for FY2023 together with the feedback and recommendations from each Director, the NC and the Board concluded that the overall Board performance were consistently well in all aspect and met its performance objective for FY2023.

Effectiveness of the Board Committees (Provision 5.2)

The evaluation of the effectiveness of the respective Board Committees had been conducted by means of questionnaire to be completed by members of each of the Board Committee. The evaluation criteria 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.

Based on the results of the evaluations for FY2023, the Board concurred with the NC and concluded that the overall performance of each of the Board Committee was consistently well in all aspect and met their respective performance objective for FY2023, and no major issues or findings in relation to the ARC, NC and RC that required the attention of the Board have been identified.

Effectiveness of Individual Director (Provision 5.2)

The evaluation of individual director was performed by means of a self-assessment questionnaire to be completed by each Director. The questionnaire focuses 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;
(iii) knowledge including business, financial, industry as well as about the Group's business; and

(iv) inter-active skills in working with fellow Directors, Management and external professional service providers.

The results of self-assessments were reviewed by the Board Chairman in consultation with other members of the Board and NC Chairman, and take necessary action to ensure each of the Directors can maximise their contribution to the Board and thus optimising the effectiveness of the Board.

After considering the results of the self-assessment and the contribution 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 experience and opining 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 FY2023.

The Board has not engaged any external facilitator to conduct the performance evaluation of the Board, the Board Committees and the Directors. Where relevant and when the need arises, the NC will consider such an engagement.

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 KMP. 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 six (6) NEIDs. All members of RC are knowledgeable with executive compensation.

The RC's terms of reference are primarily to:

(i) review and make recommendation to the Board on a framework of remuneration for the Board and KMP (as defined in the Code);

(ii) review and make specific recommendation to the Board on the specific remuneration packages for each ED and KMP;

(iii) review and recommendation to the Board on the specific remuneration of the NEDs which should be appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities;

(iv) 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) review the Company's obligations arising in the event of termination of the EDs' and KMP's contract of service, to ensure that such contracts of service contain fair and reasonable termination clause which are not overly onerous; and

(vi) review performance measures and targets for any performance-related pay schemes operated by the Company.

In carrying out the above-mentioned duties, the RC shall, *inter alia*:

(i) 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) determine if the level and structure of remuneration of the Board and KMP are appropriate to the specific role and circumstances of each Director and KMP, and recognises their performance, potential and responsibilities, and are proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company;

(iii) measure performance of Directors and KMP who are in control function principally based on the achievement of the objectives of their functions;

(iv) 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) ensure that a significant and appropriate proportion of EDs' and KMP's 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) ensure remuneration of the NEDs is appropriate to the level of contribution, taking into consideration factors such as efforts, time spent and responsibilities, and that NEDs are not over-compensated to the extent that the independence of the NEIDs may be comprised; and

(vii) evaluate if remuneration is appropriate to attract, retain and motive Directors to provide good stewardship of the Company and KMP 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 KMP after considering, among other things, the performance of the Group, the individual Director/KMP. 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 KMP 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 FY2023. If external consultants are appointed, the RC will ensure that existing relationships, if any, between the Company and its appointed consultants will not affect the independence and objectivity of the consultants.

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

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

Remuneration of EDs and KMP (Provisions 7.1 and 7.3)

The remuneration policy for the EDs and other executives 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 executive. 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 KMP 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 KMP 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 KMP are carried out by the RC to ensure that the remuneration of the EDs, CEO, and KMP after taking into consideration, among other things, their performance and that of the Company, and the market averages.

The EDs do not receive any Directors' fee for their directorship in the Company. The Company advocates a performance-based remuneration system for EDs and KMP 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.

Remuneration of NEIDs
(Provision 7.2)

The fee structure for the NEIDs is determined after taking into account factors such as increased focus on risk and governance issues, responsibilities and level of contributions including attendance and time spent at and outside the formal environment of the Board and Board Committees meetings. Each of the NEIDs receives a base fee. The Lead ID also receives additional fee to reflect his expanded responsibility. Directors who serve on the various Board Committees also receive additional fees in respect of each Board Committee that they serve on, with the chairmen of the Board Committees receiving a higher fee in respect of their service as chairman of the respective committees. Directors attending additional Board, ARC, NC or RC meetings when the number of such meetings attended exceeded the respective pre-determined number receive additional fees to reflect the additional time and efforts for such additional meetings.

The structure of fees payable to NEIDs for FY2023 is set out below:

Appointment as/attending:	Fees per annum (S$)
Board of Directors	60,000 (Base fee)
Lead Independent Director	5,000
Additional Board meeting	2,000

Additional fee for appointment to:	Chairman Fees per annum (S$)	Member Fees per annum (S$)
Audit and Risk Committee	20,000	2,000
Nominating Committee	5,000	2,000
Renumeration Committee	5,000	2,000

Note: a 10% voluntary director fee reduction is proposed by NEIDs for FY2023.

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 KMP (Provision 8.1)

Details on the remuneration to Directors and the KMP for FY2023 are reported below. During FY2023, there were no termination, retirement or post-employment benefits granted to any of them.

The remuneration of the Directors including a breakdown (in percentage terms) of basic salary, variable bonuses/allowances, fees and other benefits for FY2023 is disclosed as follows:

Names of Directors[1]	Fees	Salary	Variable bonus	Other benefits	Total
	%	%	%	%	%
Executive Director					
S$1,250,001 to S$1,500,000[2]					
Brian Li Yiu Cheung	-	65	35	-	100
Mr Lo	-	90	10	-	100
S$750,001 to S$1,000,000[2]					
Lam Hin Lap	-	93	7	-	100
Waltery Law Wang Chak	-	98	2	-	100
Grace Lo Kit Yee	-	83	17	-	100
Non-executive Independent Director					
Below S$250,000[2]					
Allan Choy Kam Wing	100	-	-	-	100
Goh Boon Seong	100	-	-	-	100
Christopher Lau Kwan	100	-	-	-	100
Lim Ah Doo	100	-	-	-	100
Lim Jiew Keng	100	-	-	-	100
Timothy Tong Wai Cheung	100	-	-	-	100

Note:
(1) In alphabetical order of the Directors' last names.
(2) Includes contributions to post-retirement benefits.

For FY2023, there was no change in the fee structure for Directors.

The total proposed Directors' remuneration for FY2023 is S$5,634,000.

The range of gross remuneration of the top five management personnel including the KMP, excluding the Executive Director of the Group is set out as follows:

Names of Key Management Personnel[1]	Fees	Salary	Variable bonus	Other benefits	Total
	%	%	%	%	%
S$750,001 to S$1,000,000[2]					
Victor Chong Toong Ying	-	75	6	19	100
Charlton Kwong Yiu Cheung	-	87	11	2	100
Richard Yew Cheng Teik	-	77	16	7	100
S$500,001 to S$750,000[2]					
Alec Malcolm Chanin	-	74	21	5	100
Ng Pui Jeng	-	70	17	13	100

The aggregate remuneration paid to the above top five (5) KMP (excluding the Executive Directors of the Group) for FY2023 was S$3,902,000.

Note:
(1) In alphabetical order of KMP's last names.
(2) Includes contributions to post-retirement benefits

Deviation from the Disclosure required under Provision 8.1

In considering the disclosures of remuneration required under Provision 8.1 of the Code, the RC and Board have considered, *inter alia*, the confidentiality and commercial sensitivity of remunerations matters and a competitive market for talents. The RC and Board recognise that the Group requires a coherent and unified management team, which comprises the Directors and KMP, including the five (5) KMP whose remuneration is subject to disclosure, to achieve its strategic and operating objectives. In addition, the remuneration information disclosed by the Group may be used by its competitors as well as the talents who may join the Group, thus creating upward pressure on remuneration.

After carefully considering all the relevant considerations, the Board has decided to disclose the remuneration of each of the Directors and CEO in bands of S$250,000 which is a deviation from Provision 8.1(a) of the Code. The Company is of the view that the disclosure of the Directors' remuneration in bands of S$250,000 with a breakdown into salary, bonus, fees and other benefits in percentage terms, provides a reasonable amount of information on the Company's remuneration framework to enable the shareholders to understand the link between the Company's performance and the remuneration of the Directors and the CEO. The fees payable to the NEIDs are put forward to shareholders for approval on an annual basis at the Company's AGM. In addition, the fee structure for the NEIDs was disclosed under section headed "Provision 7.2 Remuneration of NEIDs" of this CG Report.

The Board has determined that there is sufficient transparency on the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation and accordingly, the Board believes that the disclosure in bands of S$250,000 and in percentage terms is in the best interest of the Group while providing an overview of the remuneration of the Directors and the top five (5) KMP, and is consistent with the intent of Principle 8 of the Code.

Disclosure on Remuneration of Immediate Family Member of a Director, the CEO or a Substantial Shareholder (Provision 8.2)

During FY2023, Mr Alan Lo Yeung Kit, son of Mr Lo, the Board Chairman and brother of Ms Grace Lo Kit Yee, an Executive Director, is an employee of the Company whose remuneration was more than S$400,000 but less than S$500,000. There are no other employee of the Group was an immediate family member of a Director, the CEO or a substantial shareholder of the Company and whose remuneration exceeded S$100,000 during FY2023.

"Immediate family" means, in relation to a person, the person's spouse, child, adopted child, stepchild, brother, sister and parent.

Details of Employee Share Scheme (Provision 8.3)

During FY2023, no remuneration or compensation was paid or is to be paid in the form of share options because 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 executive of its risk management framework, policies and processes.

The Board is responsible for risk governance. 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 of ARC (Provisions 10.2 and 10.3)" and "Terms of Reference of ARC (Provision 10.1)" below of 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 Board has already defined a proper framework of assurance for risk management and internal control. This has been in place since December 2014. This contains a Risk Governance and Internal Control 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 ("Internal Audit") 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 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;
(ii) Management demonstrates the necessary aspect of the internal control structure among all parties; and
(iii) there is a sound internal control system and risk management practices in the Company.

The ARC is governed by its terms of reference and its responsibilities relating to risk management and internal controls largely cover:

(i) review with the External Auditors, *inter alia*, their evaluation of the system of internal accounting controls;
(ii) 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) review the assurance provided by the Chairman and CEO and Chief Financial Officer ("CFO"), as well as the assurance provided by the head of Internal Audit ("IA Director") regarding, *inter alia*, the effectiveness of the Company's risk management and internal control systems ("RMICS");
(iv) review reports submitted by the CRO and prepare ARC report regarding the adequacy and effectiveness of RMICS to the Board;
(v) ensure the IA Director and CRO has direct and unrestricted access to the Board Chairman and ARC; and
(vi) 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;
- create a culture of risk awareness and Management's risk responsibilities;
- bring formal consideration of risk into strategic decision making and set financial targets;
- develop a centre of excellence for managing risk; and
- assist the Board and ARC to communicate to all stakeholders, internal and external, about risk.

The responsibilities of the CRO include:

- advising and reporting to the ARC and Board on major risk areas on half-yearly and full year results for public announcements;
- reviewing and advising the ARC in formulating its risk policies, including the parameters for risk assessments and methodology to be adopted;
- overseeing Management in the design, development, implementation and monitoring of the RMICS;
- advising the ARC on the Company's level of risk tolerance;
- developing and guiding 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;
- overseeing and advising the Board on the current risk exposures, overall risk tolerance, and overall risk strategy of the Company;
- reviewing 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;
- reviewing, and reporting 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;
- reviewing 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;
- submitting 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 Manual and Principle 9 of the Code); and
- ensuring 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.

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. The principal function of the third line is to provide risk assurance. Internal audit provides assurance on the effectiveness of governance, risk management and internal controls, including first and second line controls. Internal audit is independent of Management with a direct reporting line to the governing body/ARC.

Although they sit outside the organisation, External Auditors can play an important role through their considerations of the governance and control structure where this is relevant to financial reporting. For regulated entities, specific governance and risk management requirements are often set by the regulators who may also undertake their own independent controls assessment, which can be a useful source of assurance.

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 other Responsible KMP (Provision 9.2)

The Board has received written assurance from the CEO and CFO that as at 31 March 2023, 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.

The Board has also received written assurance from the CEO, CFO and other KMP that the system of internal controls (including financial, operational, compliance and information technology controls) and risk management systems in place were adequate and effective as at 31 March 2023 to address the risks that the Group considers relevant and material to its business operations.

The KMP are involved in the assurance activities described above. Specifically, they are engaged in the development of the Group's Risk Governance and Internal Control 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 Risk Governance and Internal Control 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 Internal Audit on the effectiveness of the risk management programme and the state of internal control for the areas covered under their internal audit plan for the financial period.

Board's and ARC's Opinion on Internal Controls and Risk Management Systems
(Provision 9.2)
Based on the internal controls and risk governance practices established and maintained by the Group, work performed by the Internal Audit and External Auditors, assurance from KMP and reviews performed by the ARC and Management, the Board with the concurrence of the ARC is of the opinion that as at 31 March 2023, the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management system, were adequate and effective.

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 of ARC
(Provisions 10.2 and 10.3)
The ARC comprises six (6) NEIDs and is chaired by the Lead ID.

The members of the ARC are experienced professionals and/or businessmen. They have relevant experience and are knowledgeable in accounting, banking and financial management. The members have been elected 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 (a) within a period of two (2) years commencing on the date of his 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 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.

Terms of Reference of ARC
(Provision 10.1)

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. In addition to the responsibilities relating to risk management and internal controls discussed under section headed "Risk Management and Internal Control Systems (Provision 9.1)", the responsibilities of the ARC also include:

- reviewing with External Auditors, *inter alia*, their audit plan, nature and scope of the audit, evaluation of internal controls and audit report;
- reviewing 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;
- discussing problems and concerns, if any, arising from the audit;
- reviewing the scope and results of the audit and its cost effectiveness and the independence and objectivity of the External Auditors annually;
- reviewing reports submitted by the CRO and preparing ARC report regarding the adequacy and effectiveness of RMICS to the Board;
- reviewing 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;
- reviewing the internal audit programme and the adequacy and effectiveness of Internal Audit, and ensuring co-ordination between the Internal and External Auditors and Management;
- ensuring the Internal Audit 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;
- approving the hiring, removal, evaluation and compensation of the head of the Internal Audit, or the accounting firm/auditing firm or corporation to which the internal audit function is outsourced;
- recommending 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;
- reviewing 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;
- ensuring External Auditors have direct and unrestricted access to the ARC Chairman and the Board Chairman;

- reviewing 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;
- reviewing 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
- undertaking 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 Manual or the Code.

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 (4) meetings during FY2023. 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 Internal Audit and was briefed by the External Auditors, Deloitte, on their Professional Services Planning Memorandum ("PSPM") 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 PSPM 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 PSPM for FY2023 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 the key audit matters ("KAMs"), impairment assessmment on interest in associate and expected credit loss on trade and other receivables due from associate and recoverability of trade receivable, as reported by the External Auditors in the PSPM for FY2023.

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

The ARC has considered the report 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 FY2023 with Management and Deloitte, and is in agreement with the KAMs highlighted. The independent auditor's report for FY2023 is set out on pages 33 to 37 of the Annual Report.

Following the review, the ARC is satisfied that the aforesaid KAMs has been properly dealt with and recommended the Board to approve the financial statements. The Board has approved the Audit Financial Statement on 20 June 2023.

Evaluation of External Auditors
(Provision 10.1)

During FY2023 and as in past years, the ARC reviewed the PSPM prepared by Deloitte, the independent Auditors, discussed about 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, before the commencement of their audit work.

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 FY2023, 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):

	FY2023		FY2022	
Types of service	**S$'000**	**% of Total Fees**	**S$'000**	**% of Total Fees**
Audit fees to Deloitte Singapore	274	16.3%	251	15.3%
Audit fees to Deloitte member firms outside Singapore	1,368	81.2%	1,330	81.2%
Total Audit Fees	1,642	97.5%	1,581	96.5%
Total Non-audit Fees (both Singapore and its member firms)	42	2.5%	57	3.5%
Total Fees	1,684		1,638	

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 Manual 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 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 Manual in respect of IPTs for FY2023 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 Manual)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual during the financial year under review (excluding transactions less than S$100,000)	
		2023	2022	2023	2022
		S$'000	S$'000	S$'000	S$'000
Sales:					
Huizhou Light Engine Limited	(Note a)	67	202	85	-
Purchases:					
Light Engine Limited	(Note a)	137	137	402	-
Consideration received for disposal of a subsidiary:					
Time Interconnect Investment Limited	(Note a)	-	12,468	-	-
Consideration payable by an associate for proposed acquisition:					
United Luminous International (Holdings) Limited	(Note a, b)	75,916	-	-	-

(Note a) An associate of a director/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.

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

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, whereby staff and outsiders may raise concerns about possible improprieties such as irregularities in financial reporting, fraudulent acts, bribery and corruption and other matters allegedly committed by Management and staff of the Company or its subsidiaries. The ARC is responsible for oversight and monitoring of the said policy which is administrated by the Head of the Group's Internal Audit. 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
(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 IA Director 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 IA Directors and ensures appropriate follow-up actions are taken.

Internal Audit
(Provision 10.4)

The Group's internal audit function is performed by the in-house Internal Audit which presently has a staff strength of six (6). The Internal Audit is headed by a IA Director. The internal audit function is independent of Management and has unfettered access to all the Company's documents, records, properties and personnel, including the ARC and has appropriate standing within the Company.

The IA Director has a direct and primary reporting line to the ARC Chairman.

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

All members of Internal Audit including the IA Director are suitably qualified and the IA Director holds professional certifications in internal auditing issued by the Institute of Internal Auditors (the "IIA"). The Internal Audit 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 Internal Audit adopts the internal control framework established by COSO when performing its work and the internal audit plan is developed through a risk centric approach. The Internal Audit has adopted and conducts its internal audit 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 Internal Audit maintains the appropriate level of conformance to the attribute and performance standards of an internal audit function. Members of the Internal Audit also undergo continuous professional training through attendance at professional technical training sessions organised by qualified external institutions and bodies.

The Internal Audit formally reports the findings from the internal audit reviews conducted at the quarterly ARC meetings. On an annual basis, the ARC reviews and approves annual internal audit plan as well as any further requirements in professional resources to conduct the required internal audit reviews. The key findings from the internal audit 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 internal audit visits performed on the activities or entities within 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 Internal Audit is regularly assessed to ensure compliance with the IIA Standards. During the financial year ended 31 March 2023, the Company engaged one of the big four accounting firms, other than DT, to perform a Quality Assurance Review ("QAR") on the internal audit function, 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 internal audit) and the performance standards (which defines the nature of internal audit and provides quality criteria to measure the performance of these services). The QAR confirmed that the IAD generally conforms with the requirements of the IIA Standards in all material respects.

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

Independent Meeting with External Auditors without the Management
(Provision 10.5)

The ARC also meets annually with the External and Internal Auditors, without the presence of the Management.

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)

Shareholders are informed of the AGM and/or EGM (a "General Meeting" and collectively, "General Meetings") through notices sent to them. All shareholders are entitled to attend and vote at General Meetings in person or by proxy or in the case of a corporate shareholder, through its appointed representative. They are given the opportunity to communicate their views and to put forth any questions they may have on the motions to be debated and decided upon.

Notices of General Meetings together with related documents such as annual report or circular to shareholders, are sent to every shareholder of the Company. The notices of General Meeting include information on, *inter alia*, the effect of the proposed resolutions in respect of the non-routine businesses.

The notices of General Meetings are also published in a major local newspaper and announced via SGXNet and made available on the Company's website at http://www.gp.industries.

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 (14) 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 sustainability efforts, starting from the AGM held on 29 July 2022 (the "2022 AGM"), the Company will only distribute printed copies of the notice of AGM and proxy form to its shareholders. Printed copies of the annual report relating to the meeting, which will be available online as above-mentioned, will only be distributed upon request.

The Company allows any shareholder (who is not a relevant intermediary), who is unable to attend a General Meeting in person, to appoint not more than two (2) proxies to attend and vote in his or her place at the General Meetings via proxy forms submitted in advance (i.e. not less than forty-eight (48) hours before the time appointed for holding the General Meeting). The proxy form is sent with the notices of General Meetings to all shareholders.

Since 2016, members who are "relevant intermediary" have been allowed to attend and participate in General Meetings without being constrained by the two-proxy requirements. Relevant intermediary includes corporations holding licenses in providing nominee and custodial services and Central Provident Fund Board which purchases shares on behalf of the Central Provident Fund investors. A proxy need not be a member of the Company.

Therefore, indirect investors can be appointed as proxies to participate in General Meetings and are given the same right as direct investors in General Meetings.

Conduct of Resolutions and Voting (Provision 11.2)

The Company puts substantially separate issues to vote at a General Meeting as separate resolutions, unless the resolutions are interdependent and linked to form one significant proposal. Where the resolutions are "bundled", detailed explanatory notes including the reasons and material implications on each item of the agenda will be provided in the notice of General Meeting.

All shareholders, other than those who are considered the "Interested Persons" in an IPT (as defined in the Listing Manual) subject to the approval by the shareholders, are entitled to vote at General Meetings.

In addition, at a General Meeting, the Company Secretary and representatives from the share registrar's office are also available to provide shareholders with information on the rules that govern the meeting, including voting procedures.

Absentia Voting at General Meetings (Provision 11.4)

Shareholders are encouraged to attend the Company's General Meetings. As discussed above, subject to the provisions of the Company's Constitution and the Companies Act, shareholders who are unable to attend and vote in person or indirect shareholders can appoint proxy or proxies to attend and vote at all General Meetings on his/her behalf. However, voting in absentia is currently not implemented but the Company will consider voting in absentia when issues relating to security and authenticity of shareholders' identity, and other pertinent issues are resolved.

Since the Company's AGM held on 29 July 2016, resolutions are voted by poll at General Meetings. As such, shareholders who are present in person or represented by proxies will be entitled to one (1) vote for each share held. The shareholders are informed of the voting procedures at the commencement of the General Meetings. Independent scrutineers are appointed to ensure the poll is properly conducted and the results are properly compiled. At a General Meeting, results of electronics poll are immediately displayed after a resolution is put to vote. Outcome of a General Meeting, the name of the independent scrutineer and other relevant information is announced to SGXNet after each General Meeting pursuant to the rules of the Listing Manual.

Interaction with Shareholders
(Provision 11.3)
At General Meetings, shareholders are given the opportunity to communicate their views and ask questions regarding the Group and matters tabled at the meeting. All Directors, including the Lead ID, the chairman of the respective Board Committees, certain members of the Management are available to address questions raised at General Meetings. In addition, the External Auditors, Deloitte, are also invited to attend AGMs to address questions which are related to the conduct of the audit. 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 FY2023 are disclosed under the section headed "Board and Board Committee Meetings (Provision 1.5)" of this Report.

Arrangements for 2022 AGM
The 2022 AGM was held by way of physical meeting and the Company did not distribute physical copies of the annual report and Letter to Shareholders, only the notice of the AGM, proxy form and request form were sent to shareholders. The annual report and Letter to Shareholders were available for download from the Company's website and the website of SGX-ST. Alternatively, shareholders can submit their request via the request form if they wish to receive printed copies of the annual report and Letter to Shareholders.

Arrangements for AGM to be held on 25 July 2023 (the "2023 AGM")
With the easing of COVID-19 safe management measures, the Company will hold a physical meeting for its 2023 AGM, which enables the Company to resume its past practices on shareholders rights and conduct of general meetings as discussed below.

Minutes of General Meetings
(Provision 11.5)
The proceeding of each of the General Meetings will be properly recorded, including substantial or relevant comments or queries from shareholders relating to the agenda of the General Meetings and responses from the Board and Management. Minutes of the General Meetings are available on the Company's corporate website.

Dividend Policy
(Provision 11.6)
The Company does not have a formal dividend policy. The Directors may recommend or declare in respect of any particular financial year or period after considering, among other things, the Group's earnings, financial position, results or operations, capital needs, plans for expansion, and other factors as the Board may deem appropriate.

Final dividend proposed by the Board is subject to approval by the shareholders at an AGM.

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.

Investor Relations Practices
(Provisions 12.1, 12.2 and 12.3)
The Company 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. 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.

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.

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. For example, unaudited half-yearly and full year financial results and daily share buy back activities are announced within the period stipulated by the relevant rules of the Listing Manual. 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's announcements are also available on the Company's website. Should an inadvertent disclosure be made to a selected group, the Company will make the same disclosure publicly as soon as is practicable via SGXNet. The Company's website also allows the public to have access to its past year's announcement.

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 Board of Directors 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 2023 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.

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 Company's sustainability report for FY2023 (the "FY2023 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 FY2023, which will be issued latest by July 2023.

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.

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.

Directors and officers of the Group are prohibited from dealing in the Company's securities during the period commencing one (1) month before the announcement of its half-yearly results and full year results, ending on the date of the relevant announcement of the results.

Directors and officers are also prohibited from dealing in the Company's securities when they are in possession of potentially price sensitive information.

Directors and officers of the Group are also not expected to deal in the Company's securities on considerations of a short-term nature.

The Company has complied with its Code of Best Practices on Securities Transactions.

Sustainability

The Board recognises that sustainability is a key factor to the long-term success of the Group, which enhance the stakeholder value. In formulating its business strategies, due consideration are given by the Board to risks and opportunities arising from the sustainability issues.

The Board has delegated the responsibility for monitoring and overseeing the Group's sustainability efforts to management, comprising the EDs and the heads of functional departments, such as finance and human resources, and 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.

The Board incorporates sustainability issues into the strategic formulation of the Group. The Board approves the material environmental, social and economic factors identified by the EHS Committee, and ensures that the factors identified are well-managed and monitored by the EHS Committee.

The Group's sustainability efforts and performance for FY2023 will be discussed in more details in the separate Substainability Report for FY2023 ("FY2023 SR"). The FY2023 SR, which meets the requirement of the Listing Manual, is expected to be available by July 2023.

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 ("**2023 AGM**") of the Company to be convened on 25 July 2023 is set out below:

Name of Director and appointment	**Mr Victor Lo Chung Wing**
Date of first appointment	18 October 1995
Date of last re-appointment (if applicable)	11 September 2020
Age	73
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 Lo's qualifications and experience as well as taking into consideration the size, composition and diversity of skillsets of the Board, and approved that Mr Lo stands for re-election as an Executive Director.
Whether appointment is executive, and if so, the area of responsibility	Executive and Mr Lo is mainly responsible for the Group's overall management.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Chairman of the Board and Chief Executive Officer • Executive Director • Nominating Committee - Member
Professional qualifications	Refer to section on "Board of Directors and Senior Management" on page 20 of this Annual Report.
Working experience and occupation(s) during the past 10 years	• The Company (*Chairman, Chief Executive Officer and Executive Director*) • Gold Peak Technology Group Limited ("Gold Peak") (*Chairman, Chief Executive and Executive Director*)
Shareholding interest in the listed issuer and its subsidiaries	The Company: Direct interest in 300,000 ordinary shares and deemed interest in 414,098,443* ordinary shares. *Mr Lo's deemed interest in the Company's issued shares arises pursuant to Mr Lo's aggregate direct and deemed interests of approximately 26.54% in the issued shares of Gold Peak, which has a direct interest in 414,098,443 issued shares of the Company.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr Lo is an Executive Director, the Chairman and Chief Executive of Gold Peak and is deemed to be a substantial shareholder of the Company.
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments including Directorships - Past (for the last 5 years)	None
Other Principal Commitments including Directorships - Present	Refer to sections on "Board of Directors and Senior Management" and "Other Principal Commitments including Directorships – Present" on pages 20 and 173 respectively, of this Annual Report.
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 Waltery Law Wang Chak
Date of first appointment	1 April 2019
Date of last re-appointment (if applicable)	27 July 2021
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 Law's qualifications and experience as well as taking into consideration the size, composition and diversity of skillsets of the Board, and approved that Mr Law stands for re-election as an Executive Director.
Whether appointment is executive, and if so, the area of responsibility	Executive and Mr Law is mainly responsible for the Group's overall finance matters.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Executive Vice President • Executive Director
Professional qualifications	Refer to section on "Board of Directors and Senior Management" on page 21 of this Annual Report.
Working experience and occupation(s) during the past 10 years	• The Company (*Executive Director, Chief Financial Officer, Chief Risk Officer, Senior Vice President-Finance and Corporate Development*) • Gold Peak (*Executive Director and Senior Vice President, Group Finance Management*) • Profundas Capital Limited (*Executive Partner*)
Shareholding interest in the listed issuer and its subsidiaries	The Company: 116,400 ordinary shares
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr Law is an Executive Director and Senior Vice President, Group Finance Management of Gold Peak, a substantial shareholder of the Company.
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments including Directorships - Past (for the last 5 years)	• AB Builders Group Limited • Best Drop Wine Limited • D&G Technology Holding Company Limited • GP Industries Marketing Limited • Himart Limited • In Technical Productions Holdings Limited • Maxson Industries Limited • Orient Victory Travel Group Company Limited • Solis Holdings Limited • Suzhou Yue Tai Trading Co Ltd • Vicon Holdings Limited • Whitehill Industries Limited • Woylw Property Investments Limited
Other Principal Commitments including Directorships - Present	Refer to sections on "Board of Directors and Senior Management" and "Other Principal Commitments including Directorships – Present" on pages 21 and 173 respectively, of this Annual Report.
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	Ms Grace Lo Kit Yee
Date of first appointment	1 July 2021
Date of last re-appointment (if applicable)	27 July 2021
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 Ms Lo's qualifications and experience as well as taking into consideration the size, composition and diversity of skillsets of the Board, and approved that Ms Lo stands for re-election as an Executive Director.
Whether appointment is executive, and if so, the area of responsibility	Executive and Ms Lo is mainly responsible for the Group's acoustics business overall management.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director
Professional qualifications	Refer to section on "Board of Directors and Senior Management" on page 22 of this Annual Report.
Working experience and occupation(s) during the past 10 years	• The Company (*Executive Director*) • KEF Audio Group (*President and Managing Director*) • GP Acoustics International Limited (*Marketing Director*) • GP Acoustics (HK) Limited (*General Manager*) • Gold Peak (*Deputy Managing Director, Deputy Group General Manager, Deputy General Manager*)
Shareholding interest in the listed issuer and its subsidiaries	None
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	• Ms Lo is the daughter of Mr Victor Lo Chung Wing, an Executive Director, Chairman and Chief Executive Officer, and a deemed substantial shareholder of the Company. • Ms Lo is the Deputy Managing Director of Gold Peak, a substantial shareholder of the Company.
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments including Directorships - Past (for the last 5 years)	GP Acoustics (Middle East) DWC – LLC GP Acoustics (Singapore) Pte Limited
Other Principal Commitments including Directorships - Present	Refer to sections on "Board of Directors and Senior Management" and "Other Principal Commitments including Directorships – Present" on pages 22 and 173 respectively, of this Annual Report.
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 Lim Jiew Keng
Date of first appointment	1 January 2018
Date of last re-appointment (if applicable)	11 September 2020
Age	83
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 Lim's qualifications and experience as well as taking into consideration the size, composition and diversity of skillsets of the Board, and approved that Mr Lim stands for re-election as a Non-Executive Independent Director. The Board considers Mr Lim 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 - Chairman • Remuneration Committee - Member
Professional qualifications	Refer to section on "Board of Directors and Senior Management" on page 23 of this Annual Report.
Working experience and occupation(s) during the past 10 years	BSL Consultants Pte Ltd (Director and Senior Consultant)
Shareholding interest in the listed issuer and its subsidiaries	None
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments including Directorships - Past (for the last 5 years)	BSL Consultants Pte Ltd (Director and Senior Consultant)
Other Principal Commitments including Directorships - Present	Refer to section on "Board of Directors and Senior Management" on page 23 of this Annual Report.
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".

Other Principal Commitments including Directorships – Present

Mr Victor Lo Chung Wing

GP Industries Limited Group Companies

- GP Batteries International Limited
- GP Electronics (HK) Limited
- GP Global Marketing Corporation
- GP Global Marketing Limited
- KEF Celestion Corporation
- KEF GP Group Limited
- Shinwa Industries (HK) Limited

Non-GP Industries Limited Group Companies

- Amazing Wesley Limited
- Debbie Lo Creativity Foundation Limited
- Euro Asian Investments Limited
- Expert Harvest Limited
- Hong Kong Design Centre Limited
- Hotel ICON Limited
- M K Lau Collection Limited
- MK Lau Foundation Limited
- M Plus Museum Limited
- PMQ Management Company Limited
- The Ink Society Limited
- West Kowloon Cultural District Foundation Limited

Mr Waltery Law Wang Chak

GP Industries Limited Group Companies

- Dongguan Jifu Metallic Products Co., Ltd.
- Dongguan Meiloon Acoustic Eq. Co Ltd
- Dongguan Zhixin Metallic Prod. Co. Ltd
- Faith Capital Investment Limited
- Famingo Pte Ltd
- Fine Station Ltd
- GP Auto Parts Limited
- GP Electronics & Acoustics Co., Ltd.
- GP Electronics (China) Limited
- GP Global Marketing Corporation
- GP Global Marketing Limited
- Huizhou Shinwa Optical Tech Co., Ltd
- Julong Technology Limited
- KEF Celestion Corporation
- KEF GP Group Limited
- Key Win Industrial Limited
- Loonchenfa Investment Co Ltd
- Makingo Development Corporation
- Mei Xin Audio Equip (Dongguan) Co Ltd
- Meida Technology (Suzhou) Co Ltd
- Meifong (Suzhou) Co Ltd
- Meiloon Industrial Co Ltd
- Meiloon International Ltd
- Nike Enterprises Limited
- PT Meiloon Technology Indonesia
- PT. Taifa Jaya Development
- Shinwa Electronics (Haining) Limited
- Shinwa Industries (China) Ltd.
- Shinwa Industries (H.K.) Limited
- Shinwa Industries (Hangzhou) Limited
- Wisefull Technology Limited
- Youjia Technology Limited

Non-GP Industries Limited Group Companies

- Celestion (China) Limited
- Joint Leader Enterprises Limited
- Nam Kwok Football Club Limited
- Profundas Capital Limited
- Waltery & Partners Limited
- Woylw Holdings Limited

Ms Grace Lo Kit Yee

GP Industries Limited Group Companies

- GP Acoustics (China) Limited
- GP Acoustics (HK) Limited
- GP Acoustics (Taiwan) Limited
- GP Acoustics (UK) Limited
- GP Acoustics (US), Inc.
- GP Acoustics GmbH
- GP Acoustics International Limited
- GP Acoustics Limited
- KEF Audio (UK) Ltd
- KEF Celestion Corporation
- KEF GP Group Limited
- KEF Japan, Inc.
- GP Global Marketing Corporation
- GP Global Marketing Limited

Non-GP Industries Limited Group Companies

- The KEF Foundation (UK) Limited
- The KEF Foundation (Asia) Limited

Shareholdings Statistics

As at 15 June 2023

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	:	-
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	42	3.03	1,682	0.00
100 - 1,000	231	16.67	193,048	0.04
1,001 - 10,000	649	46.82	3,063,588	0.63
10,001 - 1,000,000	455	32.83	32,741,281	6.77
1,000,001 and above	9	0.65	447,843,883	92.56
	1,386	100.00	483,843,482	100.00

Public float

As at 15 June 2023, approximately 13.87% 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

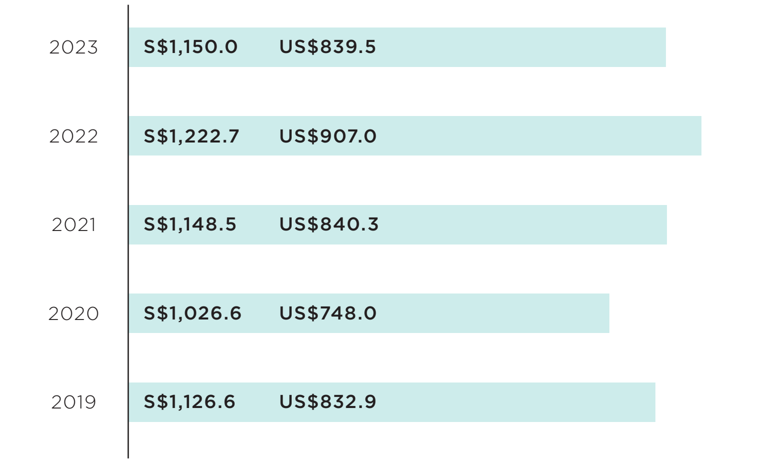
No.	Name of shareholders	Number of shares	%
1.	Gold Peak Technology Group Limited	414,098,443	85.59
2.	UOB Kay Hian Private Limited	14,811,327	3.06
3.	Ablewood International Limited	5,830,000	1.21
4.	DBS Nominees (Private) Limited	3,947,959	0.82
5.	Citibank Nominees Singapore Pte Ltd	2,239,126	0.46
6.	DBS Vickers Securities (Singapore) Pte Ltd	2,193,554	0.45
7.	Koh Beng Ling	1,940,150	0.40
8.	Brian Li Yiu Cheung	1,465,000	0.30
9.	Phillip Securities Pte Ltd	1,318,324	0.27
10.	Heng Siew Eng	854,600	0.18
11.	Ng Poh Mui	850,100	0.18
12.	Woo Koon Chee	776,500	0.16
13.	Tan Seok Ling	673,409	0.14
14.	Raffles Nominees (Pte.) Limited	630,207	0.13
15.	iFAST Financial Pte. Ltd.	612,600	0.12
16.	Eng Koon Hock	608,000	0.12
17.	Quah Biow Chye	593,140	0.12
18.	Jack Investment Pte Ltd	578,500	0.12
19.	ABN Amro Clearing Bank N.V.	575,951	0.12
20.	Hobee Print Pte Ltd	570,000	0.12
		455,166,890	94.07

Five-year Financial Summary

Consolidated Income Statement Year ended 31 March	**2023** S$'000	**2022** S$'000 (Restated)	**2021** S$'000	**2020** S$'000	**2019** S$'000
Revenue - Continuing operations	**1,150,046**	1,222,749	1,148,508	1,026,581	1,126,588
Profit (Loss) after taxation					
- Continuing operations	**27,437**	49,178	41,035	27,085	43,029
- Discontinued operations	**-**	(3,050)	1,248	1,880	2,999
	27,437	46,128	42,283	28,965	46,028
Non-controlling interests	**(5,393)**	(6,112)	(10,563)	(9,499)	(16,871)
Profit attributable to equity holders	**22,044**	40,016	31,720	19,466	29,157
Consolidated Statement of Financial Position As at 31 March					
Property, plant and equipment	**392,085**	411,572	386,321	336,061	273,864
Right-of-use assets	**43,802**	47,749	44,206	25,696	-
Interest in associates	**268,581**	355,145	304,316	270,887	251,568
Financial assets at fair value through other comprehensive income / Available-for-sale financial assets	**4,191**	6,739	1,968	2,496	3,665
Deposits and prepayments	**3,333**	4,286	5,843	3,879	1,451
Non-current receivables	**-**	3,226	14,924	15,318	-
Deferred tax assets	**5,829**	5,937	4,812	3,833	3,882
Intangible assets	**10,387**	10,696	12,551	13,660	13,165
Current assets	**643,798**	737,769	726,434	625,980	691,910
Total assets	**1,372,006**	1,583,119	1,501,375	1,297,810	1,239,505
Non-current liabilities	**183,228**	152,310	212,090	51,925	181,498
Current liabilities	**660,972**	806,948	778,910	777,350	602,709
Total liabilities	**844,200**	959,258	991,000	829,275	784,207
Net assets	**527,806**	623,861	510,375	468,535	455,298
Shareholders' funds	**416,136**	523,813	419,230	374,448	368,512
Non-controlling interests	**111,670**	100,048	91,145	94,087	86,786
Total equity	**527,806**	623,861	510,375	468,535	455,298

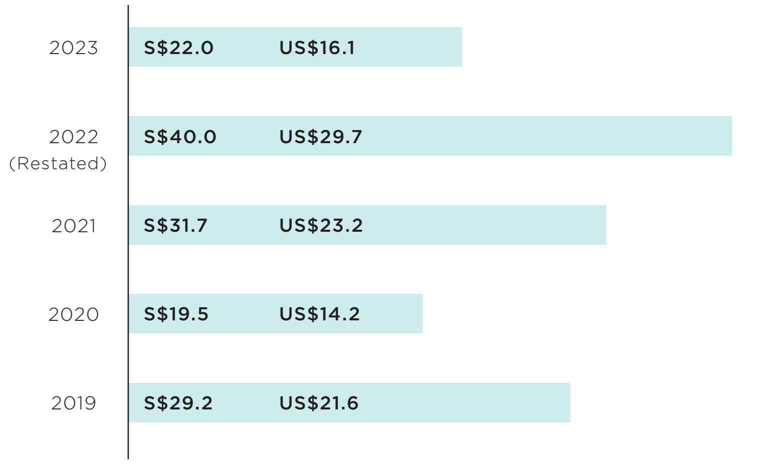
REVENUE - CONTINUING OPERATIONS

Year ended 31 March (million)



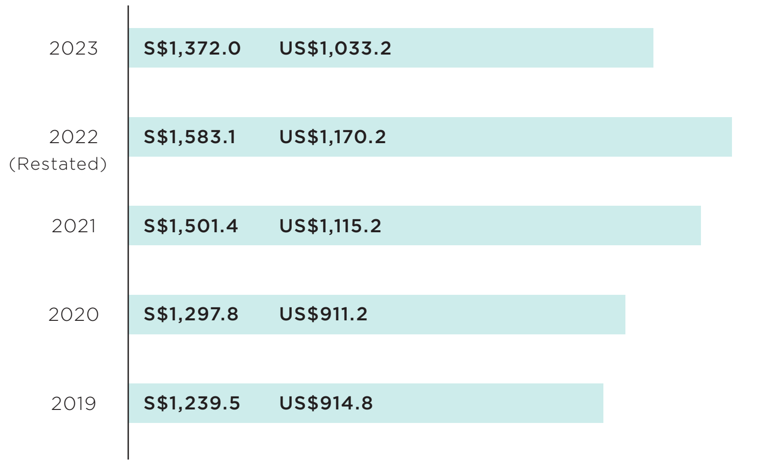
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

Year ended 31 March (million)



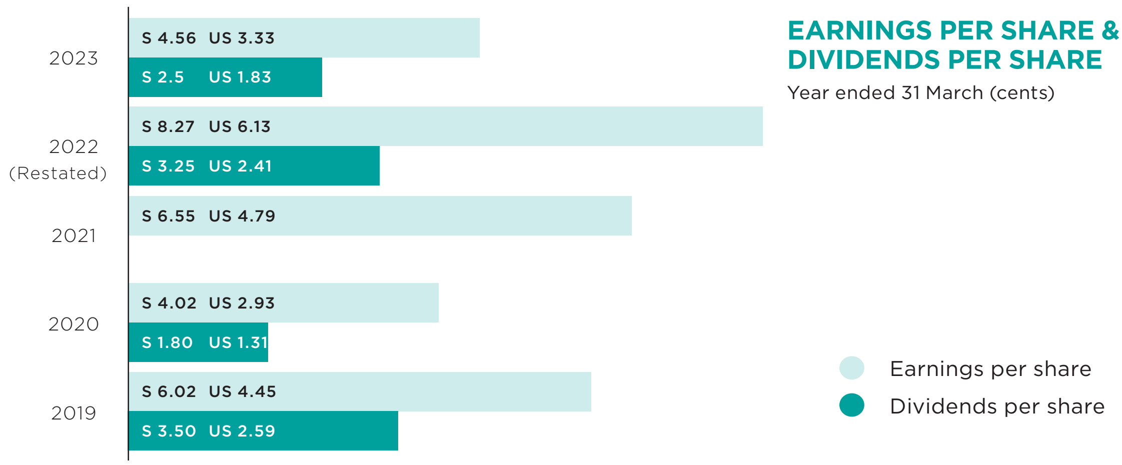
TOTAL ASSETS

As at 31 March (million)



EARNINGS PER SHARE & DIVIDENDS PER SHARE

Year ended 31 March (cents)



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

FY2022 I the financial year ended 31 March 2022

FY2023 I the financial year ended 31 March 2023

FY2024 I the financial year ending 31 March 2024

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, a wholly-owned subsidiary of the Company

GP Industries or the Company I GP Industries Limited

GPEHZ I GP Electronics (Huizhou) Co., Ltd, a wholly-owned subsidiary of the Company

Group I the Company, its subsidiaries and associated companies

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, an associate of the Company

ZYNB I Zhongyin (Ningbo) Battery Co Ltd, a 70%-owned subsidiary of the Company

% I Per centum or percentage

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GP Industries Limited

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