

GP INDUSTRIES LIMITED

(Company Registration No.: 199502128C)
(Incorporated in the Republic of Singapore)
(the “Company”)

MINUTES OF ANNUAL GENERAL MEETING

PLACE OF MEETING	: Clover 1, Level 1 PARKROYAL COLLECTION Marina Bay, Singapore 6 Raffles Boulevard Singapore 039594
DATE	: Friday, 26 July 2024
TIME	: 2:30 p.m.
PRESENT	: As per attendance record maintained by the Company.
IN ATTENDANCE	: As per attendance record maintained by the Company.
SHAREHOLDERS PARTICIPATION	: Due to the restriction on the use of personal data pursuant to the provisions of the Personal Data Protection Act 2012, the names of the shareholders present at the Annual General Meeting would not be published in these minutes.
CHAIRMAN	: Mr Michael Lam Hin Lap

QUORUM

As a quorum was present, Mr Victor Lo Chung Wing (“**Mr Victor Lo**”), Chairman and Chief Executive Officer of the Company, called the 29th Annual General Meeting (the “**AGM**” or the “**Meeting**”) to order. He welcomed all shareholders and guests for attending the Meeting. He then introduced the Directors present at the Meeting. Mr Victor Lo informed that Ms Grace Lo Kit Yee was not physically present in Singapore and she would be joining the Meeting virtually. Thereafter Mr Victor Lo proposed that Mr Michael Lam Hin Lap, Vice Chairman and Executive Vice President of the Company, to chair the Meeting.

NOTICE

The Notice convening the Meeting had been circulated to the shareholders within the statutory period. With the consents of the shareholders, the Notice convening the Meeting was taken as read.

Chairman informed the Meeting that:-

- a. All pertinent information relating to the proposed resolutions were set out in the Notice of AGM dated 11 July 2024.
- b. Proxy forms lodged at the Company’s registered office and via online had been checked and found to be in order.
- c. In his capacity as Chairman of the Meeting, he demanded all the resolutions set out in the Notice of AGM dated 11 July 2024 be voted by way of poll, which was in accordance with Article 68 of the Company’s Constitution and also complied with the requirement of the Listing Manual of The Singapore Exchange Security Trading Limited (“**SGX-ST**”) for all listed companies to conduct voting by poll for all general meetings.
- d. In his capacity as Chairman of the Meeting, he had been appointed as proxy by shareholders who had directed him to vote on their behalf. Therefore, he would vote in accordance with the wishes and instructions of shareholders who had appointed him as proxy.
- e. There was no requirement for the seconding of Resolutions and each resolution would only be proposed.

The Chairman, Mr Brian Li Yiu Cheung, the Executive Vice President, and Mr Waltery Law Wang Chak, the Chief Financial Officer and Chief Risk Officer of the Company, briefed the shareholders and shared a short presentation on the Company's financial information for the year ended 31 March 2024 and the business development plans.

POLLING PROCEDURES

The Chairman informed that Reliance 3P Advisory Pte Ltd had been appointed as Scrutineers for the conduct of the poll and Boardroom Corporate & Advisory Services Pte. Ltd. had been appointed as the polling agent.

At this juncture, the representative from Boardroom Corporate & Advisory Services Pte. Ltd. briefed the Meeting on the procedure for the electronic poll voting process.

ORDINARY BUSINESS:

1. DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS – ORDINARY RESOLUTION 1

The following Ordinary Resolution 1 was proposed by Chairman:-

"That the Directors' Statement and Audited Financial Statements for the financial year ended 31 March 2024 together with the Independent Auditor's Report be received and adopted."

Chairman then invited questions from shareholders on the Audited Financial Statements for the financial year ended 31 March 2024 and/or the Directors' Statement. He also requested the shareholders to limit themselves to a reasonable number and length of questions and to matters that were relevant to the agenda of the Meeting.

After dealing with questions from shareholders as set out in Appendix 1 of these minutes, the motion was put to vote.

The poll result for Ordinary Resolution 1 is as follows:

	Number of Shares	%
Votes "For"	420,691,062	99.99
Votes "Against"	27,328	0.01
Total number of valid votes cast	420,718,390	100.000

Accordingly, Chairman declared Ordinary Resolution 1 carried.

2. FINAL TAX-EXEMPT (1-TIER) DIVIDEND – ORDINARY RESOLUTION 2

The Directors had recommended the payment of a final tax-exempt (1-tier) dividend of 1.00 Singapore cents per ordinary share for the financial year ended 31 March 2024. The dividend, if approved, would be paid on 22 August 2024 to shareholders whose names appear on the Company's Register of Members as at 5:00 p.m. on 8 August 2024.

The following Ordinary Resolution 2 was proposed by Chairman:-

"That the payment of a final tax-exempt (1-tier) dividend of 1.00 Singapore cents per ordinary share for the financial year ended 31 March 2024 be approved."

Chairman then put Ordinary Resolution 2 to vote by way of poll.

The poll result for Ordinary Resolution 2 is as follows:-

	Number of Shares	%
Votes "For"	420,616,796	99.99
Votes "Against"	37,494	0.01
Total number of valid votes cast	420,654,290	100.00

Accordingly, Chairman declared Resolution 2 carried.

3. RE-ELECTION OF DIRECTORS – ORDINARY RESOLUTIONS 3 TO 6

The Meeting was informed that Mr Goh Boon Seong, Mr Eric Yim Chi Ming, Mr Hung Cheung Fuk and Mr Seah Han Leong, who were retiring pursuant to Article 82 or Article 101 of the Company's Constitution and/or Rule 720(5) of the Listing Manual of the SGX-ST, had signified their consents to continue in office.

The Meeting proceeded to vote on the re-election of Directors individually.

RE-ELECTION OF MR GOH BOON SEONG AS A DIRECTOR – ORDINARY RESOLUTION 3

Ordinary Resolution 3 dealt with the re-election of Mr Goh Boon Seong as a Director of the Company.

Mr Goh Boon Seong would, upon re-election as a Director of the Company, remain as a Non-Executive Independent Director, the Lead Independent Director, the Chairman of Audit and Risk Committee and a member of each of the Nominating and Remuneration Committees.

The following Ordinary Resolution 3 was proposed by Chairman:-

"That Mr Goh Boon Seong be re-elected as a Director of the Company."

Chairman then put Ordinary Resolution 3 to vote by way of poll and the poll result is as follows:-

	Number of Shares	%
Votes "For"	419,942,958	99.98
Votes "Against"	64,000	0.02
Total number of valid votes cast	420,006,958	100.00

Accordingly, Chairman declared Ordinary Resolution 3 carried.

RE-ELECTION OF MR ERIC YIM CHI MING AS A DIRECTOR – ORDINARY RESOLUTION 4

Ordinary Resolution 4 dealt with the re-election of Mr Eric Yim Chi Ming as a Director of the Company.

Mr Eric Yim Chi Ming would, upon re-election as a Director of the Company, remain as a Non-Executive Independent Director, the Chairman of Nominating Committee and a member of each of the Audit and Risk and Remuneration Committees.

The following Ordinary Resolution 4 was proposed by Chairman:-

"That Mr Eric Yim Chi Ming be re-elected as a Director of the Company."

Chairman then put Ordinary Resolution 4 to vote by way of poll and the poll result is as follows:-

	Number of Shares	%
Votes "For"	419,917,630	99.98
Votes "Against"	89,328	0.02
Total number of valid votes cast	420,006,958	100.00

Accordingly, Chairman declared Ordinary Resolution 4 carried.

RE-ELECTION OF MR HUNG CHEUNG FUK AS A DIRECTOR – ORDINARY RESOLUTION 5

Ordinary Resolution 5 dealt with the re-election of Mr Hung Cheung Fuk as a Director of the Company.

Mr Hung Cheung Fuk would, upon re-election as a Director of the Company, remain as a Non-Executive Independent Director and a member of each of the Audit and Risk, Nominating and Remuneration Committees.

The following Ordinary Resolution 5 was proposed by Chairman:-

"That Mr Hung Cheung Fuk be re-elected as a Director of the Company."

Chairman then put Ordinary Resolution 5 to vote by way of poll and the poll result is as follows:-

	Number of Shares	%
Votes "For"	419,942,958	99.98
Votes "Against"	64,000	0.02
Total number of valid votes cast	420,006,958	100.00

Accordingly, Chairman declared Ordinary Resolution 5 carried.

RE-ELECTION OF MR SEAH HAN LEONG – ORDINARY RESOLUTION 6

Ordinary Resolution 6 dealt with the re-election of Mr Seah Han Leong as a Director of the Company.

Mr Seah Han Leong would, upon re-election as a Director of the Company, remain as a Non-Executive Independent Director and a member of each of the Audit and Risk, Nominating and Remuneration Committees.

The following Ordinary Resolution 6 was proposed by Chairman:-

"That Mr Seah Han Leong be re-elected as a Director of the Company."

Chairman then put Ordinary Resolution 6 to vote by way of poll and the poll result is as follows:-

	Number of Shares	%
Votes "For"	419,792,958	99.96
Votes "Against"	171,154	0.04
Total number of valid votes cast	419,964,112	100.00

Accordingly, Chairman declared Ordinary Resolution 6 carried.

RETIREMENTS OF MR LIM AH DOO AND MR ALLAN CHOY KAM WING

The Meeting noted the retirements of Mr Lim Ah Doo and Mr Allan Choy Kam Wing as Non-Executive Independent Directors of the Company. Mr Lim Ah Doo and Mr Allan Choy Kam Wing who had served on the Board of Directors (the “**Board**”) with more than 9 years tenure were due for retirements pursuant to Article 101 of the Company’s Constitution. Mr Lim Ah Doo and Mr Allan Choy Kam Wing did not seek for re-elections at the Meeting.

4. DIRECTORS’ FEES – ORDINARY RESOLUTION 7

Ordinary Resolution 7 was to approve the payment of Directors’ fees of S\$506,000 for the financial year ended 31 March 2024.

The following Ordinary Resolution 7 was proposed by Chairman:-

“That the Directors’ fees of S\$506,000 for the financial year ended 31 March 2024 be approved for payment.”

Chairman then put Ordinary Resolution 7 to vote by way of poll and the poll result is as follows:-

	Number of Shares	%
Votes “For”	420,507,630	99.95
Votes “Against”	211,154	0.05
Total number of valid votes cast	420,718,784	100.00

Accordingly, Chairman declared Ordinary Resolution 7 carried.

5. RE-APPOINTMENT OF AUDITORS – ORDINARY RESOLUTION 8

Ordinary Resolution 8 was to approve the re-appointment of Auditors of the Company and to authorise the Directors to fix their remuneration and the retiring Auditors. Messrs Deloitte & Touche LLP, who are the Auditors of the Company, had expressed their willingness to continue in office.

The following Ordinary Resolution 8 was proposed by Chairman:-

“That Messrs Deloitte & Touche LLP be re-appointed as Auditors of the Company until the conclusion of the next Annual General Meeting and that the Directors of the Company be authorised to fix their remunerations.”

Chairman then put Ordinary Resolution 8 to vote by way of poll and the poll result is as follows:-

	Number of Shares	%
Votes “For”	419,952,958	99.97
Votes “Against”	107,154	0.03
Total number of valid votes cast	420,060,112	100.00

Accordingly, Chairman declared Ordinary Resolution 8 carried.

ANY OTHER BUSINESS

6. No notice of any other ordinary business to be transacted at the Meeting had been received by the Company Secretary and the Meeting proceeded to deal with the special business of the Meeting.

SPECIAL BUSINESS:**7. AUTHORITY TO ISSUE SHARES – ORDINARY RESOLUTION 9**

Ordinary Resolution 9 was to consider and approve the general mandate to authorise the Directors to issue shares pursuant to Section 161 of the Companies Act 1967 of Singapore and Rule 806 of the Listing Manual of the SGX-ST.

The following Ordinary Resolution 9 was proposed by Chairman:

“That pursuant to Section 161 of the Companies Act 1967 of Singapore (the “**Companies Act**”) and Rule 806 of the Listing Manual of the SGX-ST, the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may, in their absolute discretion, deem fit; and

- (b) (notwithstanding the authority conferred by this Ordinary Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of Shares to be issued under this Ordinary Resolution (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Ordinary Resolution but excluding Shares which may be issued pursuant to any adjustments effected under any relevant Instrument) shall not exceed fifty per centum (50%) of the total number of issued Shares, excluding treasury shares and subsidiary holdings, (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued, other than on a pro-rata basis to existing shareholders of the Company (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Ordinary Resolution), shall not exceed twenty per centum (20%) of the total number of issued Shares, excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares, excluding treasury shares and subsidiary holdings, at the time of the passing of this Ordinary Resolution, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time of this Ordinary Resolution is passed; and
 - (b) any subsequent bonus issue, consolidation or subdivision of Shares,

and, in sub-paragraph (1) above and this sub-paragraph (2), “subsidiary holdings” has the meaning given to it in the Listing Manual of the SGX-ST;

- (3) in exercising the authority conferred by this Ordinary Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act, and otherwise the Constitution for the time being of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.”

The Meeting was also informed that the proposed resolution, if passed, would empower the Directors from the date of this meeting until the date of the next annual general meeting to issue shares and convertible securities in the Company. The maximum number of shares which the Company might issue under this resolution shall not exceed the quantum set out in the resolution.

Chairman then put Ordinary Resolution 9 to vote by way of poll and the poll result is as follows:-

	Number of Shares	%
Votes “For”	419,140,641	99.66
Votes “Against”	1,427,317	0.34
Total number of valid votes cast	420,567,958	100.00

Accordingly, Chairman declared Ordinary Resolution 9 carried.

8. **RENEWAL OF THE SHARE PURCHASE MANDATE – ORDINARY RESOLUTION 10**

Ordinary Resolution 10 was to seek shareholders’ approval for the renewal of the Share Purchase Mandate, which allow the Directors to make purchase of shares of up to ten per centum of the total number of issued shares, excluding treasury shares and subsidiary holdings, in the capital of the Company in accordance with the terms of the Share Purchase Mandate.

The following Ordinary Resolution 10 was proposed by Chairman:-

“That for the purposes of Sections 76C and 76E of the Companies Act, the Directors of the Company be and are hereby authorised to make purchases or otherwise acquire issued Shares from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to ten per centum (10%) of the total number of issued Shares, excluding treasury shares and subsidiary holdings,(as ascertained as at the date of AGM of the Company) at the price of up to but not exceeding the Maximum Price as defined in the Letter to Shareholders dated 11 July 2024 (the “**Letter to Shareholders**”), in accordance with the “Terms of the Share Purchase Mandate” set out in the Letter to Shareholders, and this mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.”

Chairman then put Ordinary Resolution 10 to vote by way of poll and the poll result is as follows:-

	Number of Shares	%
Votes “For”	420,522,958	99.99
Votes “Against”	50,000	0.01
Total number of valid votes cast	420,572,958	100.00

Accordingly, Chairman declared Ordinary Resolution 10 carried.

9. RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS – ORDINARY RESOLUTION 11

Ordinary Resolution 11 was to renew the General Mandate for Interested Person Transactions (“IPT Mandate”) to allow the Company, its subsidiaries and associated companies or any of them to enter into any of the transactions with persons who are considered “interested persons” for the purposes of Chapter 9 of the Listing Manual of the SGX-ST and to authorise the Directors to do all acts necessary to give effect to the IPT Mandate as they may think fit.

Chairman informed the Meeting that Gold Peak Technology Group Limited and Mr Victor Lo were regarded as interested persons in relation to the IPT Mandate. Therefore, Gold Peak Technology Group Limited, Mr Victor Lo and their associates would abstain from voting on this resolution as shareholders. In addition, Mr Brian Li Yiu Cheung and Mr Waltery Law Wang Chak would also abstain from voting by reason of their directorships in the Gold Peak Group.

However, Chairman would vote according to the instructions of the shareholders who had appointed him as their proxy.

The following Ordinary Resolution 11 was proposed by a Shareholder:-

“That for the purposes of Chapter 9 of the Listing Manual of the SGX-ST:

- (a) approval be given for the renewal of the mandate for the Company, its subsidiaries and associated companies or any of them to enter into any of the transactions falling within the categories of Interested Person Transactions as set out in the Letter to Shareholders with any party who is of the class of Interested Persons described in the Letter to Shareholders, provided that such transactions are carried out on normal commercial terms and in accordance with the review procedures of the Company for such Interested Person Transactions as set out in the Letter to Shareholders (the “**Shareholders’ Mandate**”);
- (b) the Shareholders’ Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier; and
- (c) authority be given to the Directors of the Company to complete and do all such acts and things (including executing all such documents as may be required) as they may consider necessary, desirable or expedient to give effect to the Shareholders’ Mandate as they may think fit.”

Chairman then put Ordinary Resolution 11 to vote by way of poll and the poll result is as follows:-

	Number of Shares	%
Votes “For”	4,212,815	84.43
Votes “Against”	776,700	15.57
Total number of valid votes cast	4,989,515	100.00

Accordingly, Chairman declared Ordinary Resolution 11 carried.

CONCLUSION

There being no other business to transact. Mr Victor Lo thanked Mr Lim Ah Doo who served on the Board for 27 years since May 1997 and Mr Allan Choy who served on the Board for almost 12 years since October 2012. Their contributions and supports to the Board during their years of directorships were much appreciated by the Board and Management.

Mr Lim Ah Doo expressed appreciation to Mr Victor Lo, the Management, the Board and the professionals for their supports. Mr Lim highlighted that the Management has been continuing trying hard to improve the businesses and performance of the Group including continuing improving the products, products' research and development and the liquidity of the Company with controls on the operating costs. Mr Lim expressed confidently that the Management can manage through the current world crisis leading the Company to better results.

Chairman declared the AGM of the Company closed at 4:10 p.m. and thanked everyone for their attendance.

CONFIRMED AS TRUE RECORD OF PROCEEDINGS HELD

**MICHAEL LAM HIN LAP
CHAIRMAN**

APPENDIX 1

GP INDUSTRIES LIMITED (the “COMPANY”)

Minutes of Annual General Meeting (“AGM”) – 26 July 2024

Summary of Questions & Answers

Directors’ Statement and Audited Financial Statements – Ordinary Resolution 1

Question 1 : **The Shareholder thanked the Management for the detailed presentation. The Shareholder recommended the Company to hold the AGM two weeks ahead (in mid-July) instead near to the end of July. He commented that the other shareholders were not aware of such big commitment from the Company on XIC Innovation and its subsidiaries (the “XIC Group”) from previous annual reports. Referring to page 6 and page 7 of the Annual Report 2024, the Shareholder does not agree for the attributable loss to be considered as non-cash and extraordinary in nature, and also not agreed that there was no direct substantial impact on the Group’s cash flow and operations as this still considered as a loss in asset and earnings in the Group. The Shareholder further commented that there is always skeleton from the Company such as extraordinary loss due to various events of the Company based on previous annual reports. He mentioned that as GP Industries is a company with a large corporate structure, the shareholders are unaware that the XIC Group could make such an impact to the Group.**

(Shareholder #1)

Answer
(Victor Lo)

Mr Victor Lo commented that as the Group Chairman and CEO, he has no excuse for such disappointing turnout that weaken the Group’s balance sheet position of the Group. Mr Victor Lo informed that the Group rarely practices such passive investment and has been mainly investing in industry that has synergy to the core business of the Group. XIC Group started from a small cable company and grew into one of the largest cable manufacturers in China. The Group had a lot of synergy with XIC Group before selling off the Group’s Automobile Wire Harness Business to XIC Group in May 2021. XIC Group also extended its light emitting diode (“LED”) business in December 2022 after the disposal of its cable business in March 2022 and became one of the largest Group with businesses in LED lighting. In March 2023, the Management of XIC Group forecasted that they would make profit of approximately HKD80 million to HKD90 million in the 12 months to follow and expected the smart agriculture LED lighting will grow very fast. However, the XIC Group over-invested into smart agriculture LED lighting and opted out some of the lower margin business and sought Nasdaq listing by spending around HKD16 million. The major shareholder, Mr Paul Lo, the brother of Mr Victor Lo, who sold the cable business for USD200 million in March 2022, has paid the Company HKD150 million of cash dividends after such disposal. Furthermore, many of the large green house projects in Europe were heavily dependent on government fundings and subsidies which had been reduced due to the Ukraine war. In June 2023, Mr Victor Lo was informed that the business of XIC Group was drastically below forecast in calendar year 2023 although the LED big screen business was reasonably stable.

Question 2
(Shareholder #1)

The Shareholder noted that there would be further impairment loss in the Company. How much further loss will there be in the Company? Is there a write back of the impairment?

Answer
(Waltery Law)

Firstly, the Management would like to clarify that impairment loss of XIC Group is a non-cash item as it is a provision. The bankers are worried about any cash losses and the liquidity of the Company. Secondly, the XIC Group’s court proceeding is still going on and XIC Group is still maintaining its operations and approaching some potential white knights to facilitate the restructuring. The Management believes that there is still uncertainty on whether there will be any further impairment loss and would provide further updates to the shareholders at the appropriate time.

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GP INDUSTRIES LIMITED (the “COMPANY”)

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Summary of Questions & Answers

Question 3
(Shareholder #1)

There would be issues if an associate is an equity investment and Management would not have a board seat to influence the associate. Does the Company have associates that are large and not have a board seat to influence the associate?

Answer
(Victor Lo)

The Company does not have any such associate that is material and not having board seats to influence the associate.

Question 4
(Shareholder #1)

The audio business has improved as compared to last year which was a loss at the operating level. The audio business has a smaller share comparing with battery business. Will the audio business grow as the revenue was S\$271 million and the profit was S\$1 million? Will the margin of the business improve? The Shareholder also requested for more details on the audio business segment in the future.

Answer
(Victor Lo)

The audio business currently grouped under KGG Group which consists of three businesses. GP Electronics is the ODM and OEM manufacturing with half of the business applied to pro audio brands and half of the business applied to KEF. Celestion is small but always being profitable. KEF business was fluctuating for the last few years with business growth of 30% during the second year of Covid-19. The high-end audio industry's global sales were surprising low after Covid-19 as consumers have purchased enough products during Covid-19 and people are travelling overseas. The Company's revenue drop in audio business was the least as compared to the top 10 companies in the high-end audio industry.

Question 5
(Shareholder #1)

Based on page 124, there were renewal in the Board, but the Board only consists of one female director. The Board should not only achieve gender diversity but also skills and culture diversity.

Answer
(Victor Lo)

Mr Victor Lo reassured shareholders that the Company has made effort and will continue searching for suitable female directors to achieve board diversity.

Mr Waltery Law informed in the Meeting that the Board had received a question via email.

Question 6
(Shareholder #2)

The Shareholder wrote to express some concerns regarding the current market dynamics affecting the Company, specifically relating to the valuation, liquidity, and the proportions of shares freely available on the market. It has been observed that the Company's shares are trading at a notable discount to their intrinsic value. The situation seems to be exacerbated by a low liquidity level and a constrained free float, potentially deterring broader investor interest and affecting the overall market perception of the Company. In this context, and considering the significant influence of the controlling shareholder, it would be helpful for the shareholders to understand the Board's strategic outlook on enhancing shareholder value under these market conditions. Are there any planned measures or ongoing strategies that the Board is considering addressing these challenges and improve the trading characteristics of shares? Has the Board engaged the controlling shareholder to make a fair and reasonable offer to delist the Company from SGX?

The Board's insight into these matters will be invaluable for shareholders to better understand the Board's initiatives in navigating these complex issues.

Answer
(Victor Lo)

The lower liquidity is always a concern to the Company. I, as a Chairman, CEO and largest shareholder of the Company, has more concern than other

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Summary of Questions & Answers

shareholders on such low share’s liquidity in the Singapore Stock Exchange with turnover of just below USD1 billion. The Group used to have three listed vehicles at one stage in Singapore, but Management felt that it was not effective to operate three listed companies and started to consolidate them into one.

Answer
(Victor Lo)

Five to six years ago, the Company felt that it was not effective to run several small capitalization companies with duplicate business activities and Management also considered the possibility to merger the two listed companies in Hong Kong and Singapore. As a result, Gold Peak Technology Group Limited increased its shareholding percentage in the Company up to 85% and affected the liquidity of the Company’s share.

Five years ago, the Management felt that it would be good to remain one Singapore listed company when Donald Trump announced a 25% additional tariff imposed on Chinese goods.

The Management acknowledged that the Group would be better off by investing more in Southeast Asia and would also look for more ways to enhance the Company’s liquidity. One of the ways is by placing shares out to more institutional investors. However, Mr Victor Lo opined that there is no clear direction for the Company at this moment.

Question 7
(Shareholder #3)

The Company’s battery segment is continuing to be at a downward trend. Why is there a downward trend when everyone is holding a portable device and when internet of things (“IoT”) is coming out? Is the management concerning the downward trend of the battery segment? Will the Management come out with a solution of portable charging for consumers?

Answer
(Victor Lo)

Mr Victor reiterated that the Company is in the consumer battery business selling batteries that are small size and for single use. The global market of this industry is not growing very fast with only 1.5% to 2.0% of growth annually as the world economy has not been strong. Sales growth of market leaders in the industry such as Duracell and Energizer was either flat or just having a mere increase of 1% to 2%.

Currently, China produces 80% of consumer batteries which caused oversupply. The oversupply situation worsens due to the US China trade war which led Chinese manufactures setting up production factories in Southeast Asia even though the overall global market is not growing. Mr Victor Lo emphasized that some companies are producing the same volume of orders or even lesser volume in both China and Southeast Asia factories. Many big factories were underutilized in China which has caused severe price competition. Hence, the Company has been paying more attention or focusing on the business quality instead of quantity or volume in the past few years.

On the other hand, the good news is that some segments are performing well such as lithium coin cell batteries that are used in small devices like remote controls. All electronic price tags and labels in supermarkets are using coin cell batteries. The market has been growing significantly annually from 6% to 8%. The Company had made significant investment in this sector for the past three years. The Group sets up a factory in Changzhou for producing lithium coin cell batteries six months ago. Management hope to be one of the largest China producers of Lithium coin cell batteries in the industry.

Mr Victor Lo opined that the Group is optimistic and is maintaining a volume of share in the market as the third largest producer in the industry.