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GP INDUSTRIES LIMITED

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::HALF YEARLY RESULTS

GP INDUSTRIES LIMITED - SG1C12012995 - G20

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Announcement Details

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Unaudited Condensed Interim Consolidated Financial Statements for the First Half Year ended 30 September 2023 and Dividend Announcement.

Additional Details

For Financial Period Ended

30/09/2023

Attachments

[GP Industries 1HFY2024 Results.pdf](#)



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

Unaudited Condensed Interim Consolidated Financial Statements for the First Half Year ended 30 September 2023 and Dividend Announcement

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A. Business Review and Outlook

Review of Results

For the first half year (“1H”) ended 30 September 2023 (“1HFY2024”), the Group’s revenue decreased by S\$31.3 million or 5.3% to S\$564.2 million, compared to the revenue reported for the first half last year (“1HFY2023”). The decline was mainly due to a 5.5% and 4.3% decrease in revenue of the Batteries Business and the Electronics and Acoustics Business, respectively. In terms of geographical markets, sales to Europe and Asia decreased while sales to the Americas increased.

During 1HFY2024, the Group has enhanced its product mix, implemented stricter cost control measures and monitored the optimal level and timing of commodities purchases. As a result, the Group’s gross profit margin increased from 25.5% in 1HFY2023 to 27.4% in 1HFY2024.

The improved profit margin outweighed the decrease in revenue and achieved an increase in gross profit for 1HFY2024 by 1.8% to S\$154.3 million.

Other operating income for 1HFY2024 decreased by 68.7% from S\$40.9 million to S\$12.8 million, compared to 1HFY2023. During 1HFY2023, the Group reported a gain on disposal of S\$12.4 million for its entire 29.28% equity interests in STL Technology Co., Ltd, an indirectly held associate of the Company, and a gain on disposal of S\$10.6 million for its entire 100% equity interests in Huizhou Modern Battery Limited, an indirectly wholly owned subsidiary of the Company, after relocating its rechargeable battery manufacturing facilities. The Group did not have such one-off disposal gains in 1HFY2024.

Distribution costs decreased by S\$3.2 million or 4.4% to S\$69.8 million, when compared to 1HFY2023 due mainly to reduced global shipping cost in 1HFY2024 and was in line with the drop in sales volume for 1HFY2024.

During 1HFY2024, the Group has also actively implemented operational efficiency enhancement and expense control measures. The Group’s administrative expenses decreased by 11.8% to S\$70.9 million, compared to S\$80.4 million in 1HFY2023. The decline in 1HFY2024 was due mainly to a drop in staff cost after the Group’s headcount reduction, salary reduction for senior management and a reduction in rental expense and back-office expense after the completion of efficiency enhancement procedures.

Other operating expenses for 1HFY2024 decreased to S\$1.6 million, compared to S\$10.0 million for 1HFY2023. The decrease in 1HFY2024 was due mainly to non-recurring charges recorded in 1HFY2023, which included a S\$3.3 million cumulative translation deficit charged to profit or loss upon de-registration of a subsidiary of the Batteries Business and a S\$3.0 million adjustment to the estimated compensation receivable in relation to the disposal of the old GP Electronics (Huizhou) Co., Ltd.’s factory of the Electronics and Acoustics Business.

The Group’s profit before finance costs and share of results of associate (“**PBFCRA**”) for 1HFY2024 decreased to S\$24.6 million, compared to S\$29.2 million for 1HFY2023. The adjusted PBFCRA, calculated by adding back the “Other Operating Expenses” and deducting “Other Operating Income” from PBFCRA, was a profit of S\$13.3 million for 1HFY2024 and a loss of S\$1.6 million for 1HFY2023, reflecting a substantial improvement in the operating results before other operating items of the Group in 1HFY2024 as compared to 1HFY2023.

Finance costs for 1HFY2024 was S\$16.7 million, an increase of S\$4.3 million or 34.3% from S\$12.4 million reported for 1HFY2023, due mainly to rapidly increasing global interest rates.

Share of results of associates for 1HFY2024 increased by S\$2.1 million to S\$11.8 million. The increase in 1HFY2024 was due mainly to the share of the land disposal gain from Changzhou Lithium Batteries Limited (“**CZLB**”), offset with decrease in operating results of the Group’s associates including Meiloon Industrial Co., Ltd. (“**Meiloon**”), Wisefull Technology Limited (“**Wisefull**”).

Total profit attributable to equity holders of the Company decreased to S\$8.9 million for 1HFY2024, as compared to S\$19.8 million for 1HFY2023. Based on the weighted average of 483,843,482 (1HFY2023: 483,843,482) shares in issue, basic earnings per share for 1HFY2024 was 1.84 Singapore cents, as compared to 4.09 Singapore cents reported in 1HFY2023.

Business Review

Business Segment Performance - The Group has three main business segments – Batteries Business, Electronics and Acoustics Business and Other Industrial Investments. For 1HFY2024, the Group recorded a revenue of S\$564.2 million, of which approximately 77.8% was contributed by the Batteries Business, while Electronics and Acoustics Business contributed the remaining 22.2%.

Batteries Business - The revenue of the Batteries Business for 1HFY2024 was S\$438.9 million, a decrease of 5.5% as compared to that of 1HFY2023. Sales of primary batteries and rechargeable batteries decreased by 3.8% and 14.6%, respectively. In geographical terms, sales to Asia and Europe decreased by 5.9% and 8.0%, respectively, while sales to the Americas increased slightly by 1.7%.

Gross profit margin of the Batteries Business for 1HFY2024 improved to 23.4% when compared to 20.7% for 1HFY2023. The improvement of gross profit margin was due mainly to lower cost for some commodities, improvement in product mix and the strengthening of the United States dollars (“**US dollars**”) against the Chinese Renminbi.

Electronics and Acoustics Business - KEF GP Group Limited (“**KGG**”), a wholly owned subsidiary of the Company, was incorporated in the last financial year ended 31 March 2023 to act as the intermediate holding company for the Group’s principal subsidiaries in the Electronics and Acoustics Business. Under the new holding structure, KGG and its subsidiaries (“**KGG Group**”) will better reflect the synergies and mutually reinforcing relationships of the principal subsidiaries of the Electronics and Acoustics Business in research and development, product design, manufacturing, branding, marketing and sales activities.

The revenue of the KGG Group for 1HFY2024 was S\$125.3 million, a 4.3% decline when compared to the S\$130.9 million revenue reported in 1HFY2023.

Revenue of the branded acoustics business in 1HFY2024 decreased by 13.1% when compared to 1HFY2023. Sales of KEF products decreased by 14.2%, with sales declined in the Asian and European markets while sales to the Americas markets remained stable. The Celestion brand professional speaker driver business reported an 8.7% revenue decline in 1HFY2024 when compared to 1HFY2023, due to a decrease in sales to Europe and Americas while sales to Asia increased.

Revenue of the professional audio manufacturing business increased by 13.7% due mainly to a 20.1% sales increase to the Americas.

Gross profit margin of the KGG Group for 1HFY2024 decreased slightly to 41.1%, a decline of 1.4% when compared with 1HFY2023. Despite a more favourable RMB exchange rate, the decrease in gross profit margin of KGG Group was adversely affected by revenue drop of the branded acoustics business which has a higher gross profit margin compared to professional audio manufacturing business. This also contributed to a drop in profitability of the Electronics and Acoustics Business in 1HFY2024.

Other Industrial Investments - This business segment mainly includes the Group’s investments in Meiloon, XIC Innovation Limited, Shinwa Industries (H.K.) Limited and Wisefull. The drop in the contribution before taxation of Other Industrial Investments from S\$10.2 million for 1HFY2023 to S\$4.3 million for 1HFY2024 was due mainly to the decrease in the share of results of Meiloon and Wisefull for 1HFY2024.

Outlook

The global economy remains soft with high inflation and repeated interest rate hikes during 1HFY2024. It may adversely affect consumer spending on electronic and acoustics products. Also, demand for the Group’s batteries products may be affected when the major overseas customers continue to optimize their inventory level and reduce their inventories.

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

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

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

With a strong product program and new experience centres in Tokyo and London to be opened in the second half of the financial year ending 31 March 2024 ("**FY2024**"), demand for KEF consumer speakers is expected to gradually strengthen. Demand for Celestion professional speaker drivers and professional audio manufacturing businesses is expected to benefit from strong consumer reception for public performance events and the ending of inventory adjustments at the trade level.

No significant "Other Operating Income or Expenses" related to disposal of non-core assets is expected for FY2024.

Upon completion of the proposed distribution in-specie for the Nickel Metal Hydride rechargeable batteries manufacturing business to the shareholders of the Company, which is expected to be completed in the second half of FY2024, the Batteries Business will focus on manufacturing consumer batteries and marketing its own GP brand products for the global consumer market.

B. Condensed Interim Consolidated Statement of Profit or Loss

Half year ended 30 September 2023

	Note	1H ended 30.09.23 S\$'000	Restated 1H ended 30.09.22 S\$'000	Change %
Revenue	4	564,184	595,499	(5.3)
Cost of sales		(409,839)	(443,882)	(7.7)
Gross profit		154,345	151,617	1.8
Other operating income *	5	12,827	40,919	(68.7)
Distribution costs		(69,768)	(72,985)	(4.4)
Administrative expenses		(70,930)	(80,410)	(11.8)
(Allowance for) Write-back of expected credit losses, net		(351)	153	n/m
Other operating expenses	6	(1,555)	(10,045)	(84.5)
Profit before finance costs and share of results of associates *		24,568	29,249	(16.0)
Finance costs		(16,668)	(12,407)	34.3
Share of results of associates *		11,757	9,692	21.3
Profit before taxation *	7	19,657	26,534	(25.9)
Income tax expense	8	(5,811)	(3,385)	71.7
Profit after taxation *		13,846	23,149	(40.2)
Attributable to:				
Equity holders of the Company *		8,894	19,798	(55.1)
Non-controlling interests		4,952	3,351	47.8
		13,846	23,149	(40.2)

n/m – not meaningful

The condensed interim consolidated statement of profit and loss for the first half year ended 30 September 2022 (“1HFY2023”) was restated due to the effect of equity accounting of an associate, XIC Innovation Limited (“XIC”) (Note 2). These figures have not been audited.

* Asterisk denotes restated figures for 1HFY2023 in this unaudited condensed interim consolidated financial statements, where applicable.

C. Condensed Interim Consolidated Statement of Comprehensive Income

Half year ended 30 September 2023

	1H ended 30.09.23 S\$'000	<i>Restated</i> 1H ended 30.09.22 S\$'000
Profit after taxation for the financial period *	13,846	23,149
Other comprehensive income (loss):		
<u>Item that will not be reclassified subsequently to profit or loss:</u>		
Fair value loss on financial assets at fair value through other comprehensive income	-	(354)
<u>Items that are or may be reclassified subsequently to profit or loss:</u>		
Foreign exchange translation		
- Exchange translation deficit	(23,044)	(24,856)
- Exchange translation deficit reclassified to profit or loss upon de-registration / disposal of subsidiaries	-	3,948
Share of other comprehensive income of associates		
- Exchange translation deficit reclassified to profit or loss upon disposal and derecognition of interest in associates	89	3,875
- Exchange translation surplus *	7,392	9,324
Other comprehensive loss for the financial period, net of tax *	(15,563)	(8,063)
Total comprehensive (loss) income for the financial period *	(1,717)	15,086
Attributable to:		
Equity holders of the Company *	(4,786)	15,983
Non-controlling interests	3,069	(897)
	(1,717)	15,086

D. Condensed Interim Statements of Financial Position**As at 30 September 2023**

As at	Note	Group		Company	
		30.09.23 S\$'000	31.03.23 S\$'000	30.09.23 S\$'000	31.03.23 S\$'000
Non-current Assets					
Property, plant and equipment	11	370,742	392,085	574	611
Right-of-use assets		45,721	43,802	2,414	2,795
Interest in subsidiaries		-	-	465,750	422,708
Interest in associates		274,216	268,581	31,943	31,943
Financial assets at fair value through other comprehensive income	12	4,320	4,191	-	-
Deferred tax assets		5,695	5,829	-	-
Deposits and prepayments		4,477	3,333	-	-
Intangible assets	13	10,434	10,387	-	-
		715,605	728,208	500,681	458,057
Current Assets					
Inventories		201,758	208,484	-	-
Receivables and prepayments		237,858	215,450	23,282	29,439
Dividend receivable		819	4,382	3,219	6,554
Taxation recoverable		5,676	5,807	-	-
Short-term investments		123	162	-	-
Bank balances, deposits and cash		157,564	209,513	28,983	30,220
		603,798	643,798	55,484	66,213
Total Assets		1,319,403	1,372,006	556,165	524,270
Current Liabilities					
Trade and other payables		266,220	264,440	77,518	19,907
Contract liabilities		12,410	14,911	-	-
Lease liabilities		9,998	9,767	611	527
Income tax payable		3,318	8,654	239	257
Bank and other loans		425,475	363,200	108,915	114,914
		717,421	660,972	187,283	135,605
Net Current Liabilities		(113,623)	(17,174)	(131,799)	(69,392)
Non-current Liabilities					
Bank and other loans		44,856	138,659	44,651	57,137
Lease liabilities		38,296	38,379	1,555	1,978
Deferred tax liabilities		6,478	6,190	-	-
		89,630	183,228	46,206	59,115
Net Assets		512,352	527,806	322,676	329,550
Represented by:					
Issued capital	15	286,307	286,307	286,307	286,307
Treasury shares	15	(20,978)	(20,978)	(20,978)	(20,978)
Reserves		138,763	150,807	57,347	64,221
Equity attributable to equity holders of the Company		404,092	416,136	322,676	329,550
Simple agreements for future equity ("SAFE")	16	18,793	18,793	-	-
Share of net assets of subsidiaries		89,467	92,877	-	-
Non-controlling interests		108,260	111,670	-	-
Total Equity		512,352	527,806	322,676	329,550

E. Condensed Interim Statements of Changes in Equity

Half year ended 30 September 2023

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

Half year ended 30 September 2022

	Attributable to equity holders of the Company											Non-controlling interests S\$'000	Total equity S\$'000
	Issued capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Legal reserve S\$'000	Capital reserve on consolidation S\$'000	Exchange translation reserve S\$'000	Fair value reserve S\$'000	Share-based payment reserve S\$'000	Property revaluation reserve S\$'000	Retained profits S\$'000	Total S\$'000		
Group													
Balance at 01.04.22, as previously reported	286,307	(20,978)	12,092	16,761	29,602	(89,668)	3,289	1,467	955	227,733	467,560	100,048	567,608
Effects of equity accounting for interest in associate	-	-	6,079	-	-	336	-	-	-	49,838	56,253	-	56,253
Balance at 01.04.22, as restated	286,307	(20,978)	18,171	16,761	29,602	(89,332)	3,289	1,467	955	277,571	523,813	100,048	623,861
Total comprehensive income (loss)													
Profit for the financial period *	-	-	-	-	-	-	-	-	-	19,798	19,798	3,351	23,149
Other comprehensive loss for the financial period *	-	-	-	-	-	(3,461)	(354)	-	-	-	(3,815)	(4,248)	(8,063)
Total comprehensive (loss) income for the financial period *	-	-	-	-	-	(3,461)	(354)	-	-	19,798	15,983	(897)	15,086
Transactions with owners, recognised directly in equity													
Contributions by and distributions to owners:													
Dividends paid	-	-	-	-	-	-	-	-	-	(9,677)	(9,677)	(3,599)	(13,276)
Changes in ownership interests in subsidiaries:													
Disposal of a subsidiary	-	-	84	(634)	-	-	-	-	-	550	-	-	-
Total transactions with owners	-	-	84	(634)	-	-	-	-	-	(9,127)	(9,677)	(3,599)	(13,276)
Balance at 30.09.22, as restated	286,307	(20,978)	18,255	16,127	29,602	(92,793)	2,935	1,467	955	288,242	530,119	95,552	625,671

	Issued capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Retained profits S\$'000	Total equity S\$'000
Company					
Balance at 01.04.23	286,307	(20,978)	614	63,607	329,550
<u>Total comprehensive profit</u>					
Profit for the financial period	-	-	-	384	384
Total comprehensive profit for the financial period	-	-	-	384	384
<u>Transactions with owners, recognised directly in equity</u>					
Dividend paid	-	-	-	(7,258)	(7,258)
Balance at 30.09.23	286,307	(20,978)	614	56,733	322,676
Balance at 01.04.22	286,307	(20,978)	614	82,676	348,619
<u>Total comprehensive loss</u>					
Loss for the financial period	-	-	-	(3,785)	(3,785)
Total comprehensive loss for the financial period	-	-	-	(3,785)	(3,785)
<u>Transactions with owners, recognised directly in equity</u>					
Dividend paid	-	-	-	(9,677)	(9,677)
Balance at 30.09.22	286,307	(20,978)	614	69,214	335,157

F. Condensed Interim Consolidated Statement of Cash Flows

Half year ended 30 September 2023

	1H ended 30.09.23 S\$'000	<i>Restated</i> 1H ended 30.09.22 S\$'000
Operating activities		
Profit before taxation *	19,657	26,534
Adjustments for:		
Share of results of associates *	(11,757)	(9,692)
Depreciation of property, plant and equipment	16,559	16,154
Depreciation of right-of-use assets	5,826	6,374
Amortisation of intangible assets	270	168
Finance costs	16,668	12,407
Interest income	(1,665)	(1,669)
Loss (Gain) on disposal and write-off of property, plant and equipment, net	223	(1,977)
Allowance for inventory obsolescence and write-off of inventory, net	544	2,269
Allowance for (Write-back of) expected credit losses, net	351	(153)
Fair value loss (gain) on short-term investments, net	34	(7,581)
Loss (Gain) from disposal / deemed disposal of interest in associates, net	211	(4,241)
Gain on bargain purchase arising from purchase of additional interest in associates *	(3)	(2,221)
Reduction in compensation receivable	-	2,998
Gain from disposal of a subsidiary	-	(10,637)
Loss from de-registration of a subsidiary	-	3,345
Dividend income from financial assets at fair value through other comprehensive income	-	(30)
Unrealised fair value loss on derivative financial instruments	-	615
Rent concession related to COVID-19	-	(320)
Gain on lease early termination	(1)	-
Unrealised exchange gain	(1,571)	(2,721)
Operating cash flows before movements in working capital	45,346	29,622
Inventories	11,931	20,531
Receivables and prepayments	(25,692)	(4,573)
Trade and other payables, and contract liabilities	(7,400)	(18,404)
Provision for restructuring	-	(2,119)
Cash generated from operations	24,185	25,057
Income tax paid	(4,930)	(6,329)
Finance costs paid	(16,179)	(12,504)
Interest received	1,645	1,412
Net cash generated from operating activities	4,721	7,636

	1H ended 30.09.23 S\$'000	<i>Restated</i> 1H ended 30.09.22 S\$'000
Investing activities		
Purchase of property, plant and equipment	(5,678)	(28,076)
Deposits paid for purchase of property, plant and equipment	(242)	(84)
Dividends received from associates	7,076	7,680
Proceeds from disposal of property, plant and equipment, net of transaction costs	317	4,036
Proceeds from disposal of a subsidiary, net of cash and cash equivalents disposed	-	27,243
Additional investment in associates	(1,855)	(2,912)
Proceeds from disposal of associates	51	10,102
Proceeds from disposal of short-term investments	9	19,346
Dividend income from financial assets at fair value through other comprehensive income	-	30
Net cash (used in) generated from investing activities	(322)	37,365
Financing activities		
Drawdown of bank and other loans	-	70,000
Repayment of bank and other loans	(31,966)	(66,568)
Payment of lease liabilities	(6,118)	(5,312)
Dividend paid	(7,258)	(9,677)
Dividend paid to non-controlling interests	(6,479)	(3,599)
Proceeds from issue of SAFE by a subsidiary	673	-
Net cash used in financing activities	(51,148)	(15,156)
Net (decrease) increase in cash and cash equivalents	(46,749)	29,845
Cash and cash equivalents at beginning of financial period	209,513	188,263
Effects of exchange rate changes on the balance of cash held in foreign currencies	(5,200)	(11,564)
Cash and cash equivalents at end of financial period	157,564	206,544
Cash and cash equivalents at end of financial period comprised:		
Bank balances, deposits and cash	157,564	206,708
Less: Bank overdrafts	-	(164)
	157,564	206,544

G. Notes to the Condensed Interim Consolidated Financial Statements

30 September 2023

1. Corporate information

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

These condensed interim consolidated financial statements as at and for half year ended 30 September 2023 (the "Interim Financial Statements") comprise the Company and its subsidiaries (collectively, the "Group").

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

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

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

2. Basis of preparation

The Interim Financial Statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The Interim Financial Statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last audited annual financial statements for the financial year ended 31 March 2023 ("FY2023").

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

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

On 30 December 2022, XIC, a 39.13% directly held associate of the Company, has completed the acquisition of the entire issued share capital of Light Engine Technologies Limited ("Light Engine") for a cash consideration of HK\$1,100.0 million (approximately S\$191.26 million) of which XIC and Light Engine were under the common control of their controlling shareholder preceding to this acquisition. Following completion of the aforementioned acquisition, the consolidated financial statements of XIC and its subsidiaries (the "XIC Group") have been restated to include assets and liabilities and the operating results of the Light Engine and its subsidiaries (the "Light Engine Group"), as if Light Engine Group had been in existence as at 1 April 2021 in accordance with the statement of Recommended Accounting Practice 12 Merger Accounting for Common Control Combinations for financial statements ("RAP 12").

Considering the restatement of consolidated financial statements of XIC Group from 1 April 2021, the condensed interim consolidated financial statement of the Group as at 30 September 2022 have been restated to adjust the interest in associates, share of results, other comprehensive income (loss) and share of change in net assets of XIC other than other comprehensive income.

2.1 New and amended standards adopted by the Group

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

Amendments to SFRS(I) 1-12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

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

The application of amendments to SFRS(I) 1-12 in the current period had no material impact on the condensed consolidated financial statements but is expected to affect the disclosure notes to the consolidated financial statements of the Group for the financial year ending 31 March 2024.

2.2 Use of judgements and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 March 2023.

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

3. Seasonal operations

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

4. Revenue

Revenue comprised product sales recognised at a point in time.

	1H ended 30.09.23 S\$'000	1H ended 30.09.22 S\$'000
Batteries and battery-related products	438,854	464,577
Electronics and acoustics products	125,330	130,922
	564,184	595,499

5. Other operating income

	1H ended 30.09.23 S\$'000	<i>Restated</i> 1H ended 30.09.22 S\$'000
Product development and engineering fee income ⁽¹⁾	3,098	219
Interest income	1,665	1,669
Gain on disposal of property, plant and equipment ⁽²⁾	66	2,317
Management fee income from associates	471	445
Operating lease income	465	438
Government grant ⁽³⁾	3,296	640
Gain on sale of parts, samples, scrap and surplus materials	408	706
Realised gain on derivative financial instruments	4	-
Gain from disposal / deemed disposal of interest in associates ⁽⁴⁾	19	4,241
Gain from disposal of a subsidiary ⁽⁵⁾	-	10,637
Rent concession related to COVID-19	-	320
Recovery of bad debts	1	1
Fair value gain on short-term investments, net ⁽⁶⁾	-	7,581
Gain on bargain purchase arising from purchase of additional interest in associates ⁽⁷⁾ *	3	2,221
Royalty income	399	495
Exchange gain	2,893	8,436
Others	39	553
	12,827	40,919

- (1) The increase was mainly contributed by increase in product development projects completed during 1HFY2024 for the Electronics Business.
- (2) Gain for the first half year ended 30 September 2022 ("1HFY2023") comprised mainly gain on disposal of property, plant and equipment from sale of a staff quarter by a 70%-owned subsidiary, Zhongyin (Ningbo) Battery Co Ltd ("ZYNB").
- (3) The increase in government grant was grants related to research and development costs of the ZYNB group of companies.
- (4) The gain for 1HFY2023 was due to disposal of the Group's interest in STL Technology Co., Ltd ("STL") which resulted in a decrease in shareholdings in STL 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 1HFY2023.
- (5) Being gain from disposal of Huizhou Modern Battery Limited for 1HFY2023.
- (6) The fair value gain for 1HFY2023 comprised mainly the revaluation gain of the Retained STL Interest. The Group has disposed of all the Retained STL Interest before 30 September 2022.
- (7) The gain on bargain purchase for 1HFY2023 arose from purchase of additional interest in XIC which was re-computed based on the restated XIC's consolidated financial statements in accordance with RAP 12 upon acquisition of Light Engine.

6. Other operating expenses

	1H ended 30.09.23 S\$'000	1H ended 30.09.22 S\$'000
Property, plant and equipment written-off	289	340
Bank charges	837	866
Fair value loss on short-term investments	34	-
Unrealised fair value loss on derivative financial instruments	-	615
Realised loss on derivative financial instruments	33	1,373
Loss from deemed disposal of interest in an associate	230	-
Closure and relocation costs ⁽¹⁾	-	306
Loss from de-registration of a subsidiary ⁽²⁾	-	3,345
Transaction costs incurred for disposal of short-term investments	-	86
Reduction in compensation receivable ⁽³⁾	-	2,998
Others	132	116
	1,555	10,045

(1) Costs incurred during 1HFY2023 were for relocation of the rechargeable batteries manufacturing factories located in Huizhou and Dongguan, China.

(2) Being exchange translation deficit reclassified to profit or loss upon de-registration of a subsidiary during 1HFY2023.

(3) Pursuant to the property disposal agreement for the old factory site owned by GP Electronics (Huizhou) Co., Ltd. ("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 (the "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 1HFY2023, the parties agreed to a final compensation and the difference was recognised under other operating expenses in 1HFY2023.

7. Profit before taxation

Profit before taxation was arrived at after crediting (charging) the following:

	1H ended 30.09.23 S\$'000	1H ended 30.09.22 S\$'000
Depreciation and amortisation	(22,655)	(22,696)
(Allowance for) / Write-back of expected credit losses and bad debts recovered, net	(350)	154
Allowance for inventory obsolescence and write-off of inventory, net	(544)	(2,269)

8. Income tax expense

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

	1H ended 30.09.23 S\$'000	1H ended 30.09.22 S\$'000
Current taxation:		
Provision for taxation in respect of profit for the financial period	4,406	4,079
Over-provision in respect of prior years	(1)	(84)
Withholding tax on overseas income	1,030	2,451
Deferred taxation:		
Charge (Credit) for the financial period	376	(3,061)
	5,811	3,385

9. Earnings per ordinary shares

Earnings per share ("EPS")	1H ended 30.09.23 Singapore cents	1H ended 30.09.22 Singapore cents
Basic and Diluted EPS	1.84	<i>Restated</i> 4.09

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

	1H ended 30.09.23	1H ended 30.09.22
Weighted average number of ordinary shares used in calculating basic and diluted EPS	483,843,482	483,843,482

There were no dilutive potential voting shares for 1HFY2024 and 1HFY2023.

10. Net asset value

As at	Group		Company	
	30.09.23 Singapore cents	31.03.23 Singapore cents	30.09.23 Singapore cents	31.03.23 Singapore cents
Net asset value per ordinary share based on 483,843,482 issued shares excluding treasury shares and subsidiary holdings as at 30 September 2023 (31 March 2023: 483,843,482)	83.52	86.01	66.69	68.11

11. Property, plant and equipment

During the 1HFY2024, the Group acquired property, plant and equipment amounting to S\$5,794,000 (1HFY2023: S\$28,146,000) of which S\$116,000 (1HFY2023: S\$70,000) were transferred from deposits paid for assets. Net book value of property, plant and equipment disposed and written-off during the 1HFY2024 was S\$540,000 (1HFY2023: S\$2,059,000).

12. Financial assets at fair value through other comprehensive income

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

As at	Group	
	30.09.23 S\$'000	31.03.23 S\$'000
Non-current assets		
Investment in unquoted equity shares	4,320	4,191

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

- a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- b) 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
- c) Level 3 inputs are unobservable inputs for the asset or liability.

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

	Group			
	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
30 September 2023				
<u>Financial assets</u>				
Financial assets at FVTOCI	-	-	4,320	4,320
Financial assets at FVTPL	123	-	-	123
	123	-	4,320	4,443
31 March 2023				
<u>Financial assets</u>				
Financial assets at FVTOCI	-	-	4,191	4,191
Financial assets at FVTPL	162	-	-	162
	162	-	4,191	4,353

13. Intangible assets

	Goodwill S\$'000	Trademarks S\$'000	Patent S\$'000	Total S\$'000
Group				
Cost				
At 1 April 2023	15,138	6,420	423	21,981
Currency realignment	467	198	13	678
At 30 September 2023	15,605	6,618	436	22,659
Accumulated impairment loss and amortisation				
At 1 April 2023	8,943	2,464	187	11,594
Charge for the period	-	163	107	270
Currency realignment	275	79	7	361
At 30 September 2023	9,218	2,706	301	12,225
Carrying amounts				
At 30 September 2023	6,387	3,912	135	10,434
At 1 April 2023	6,195	3,956	236	10,387

13.1 Goodwill impairment

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

The recoverable amounts of the Relevant CGUs are estimated annually unless impairment indicators exist. As at 30 September 2023, as there was no indication of significant change to these key assumptions, the recoverable amounts approximate their carrying values.

13.2 Trademarks and Patents

The Group's patents are the right to use the design for certain Acoustics products. Trademarks and Patents are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives, which are estimated to be 20 years and 2 years respectively.

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

As at	30.09.23 S\$'000	31.03.23 S\$'000
Amount repayable in one year or less, or on demand:		
Secured ⁽¹⁾	235	486
Unsecured	425,475	363,200
	425,710	363,686
Amount repayable after one year:		
Secured ⁽²⁾	-	13
Unsecured	44,856	138,659
	44,856	138,672

⁽¹⁾ Included lease liabilities of S\$235,000 which were secured against leased assets (31 March 2023: S\$486,000).

⁽²⁾ Included lease liabilities as at 31 March 2023 of S\$13,000 which were secured against leased assets.

Details of any collateral

As at	30.09.23 S\$'000	31.03.23 S\$'000
Net book value of property, plant and equipment held under secured borrowings / right-of-use assets secured over lease liabilities:		
(i) Motor vehicles	-	2
(ii) Machinery and equipment	1,115	1,294

15. Issued capital, treasury shares and dividend

15.1 Issued capital and treasury shares

	Group and Company	
	Number of ordinary shares	S\$'000
<u>Issued capital</u>		
Issued and fully paid up:		
At 1 April 2023 and 30 September 2023	521,358,482	286,307
<u>Treasury shares</u>		
At 1 April 2023 and 30 September 2023	37,515,000	20,978

As at	Group and Company	
	30.09.23	30.09.22
Total number of issued shares excluding treasury shares and subsidiary holdings	483,843,482	483,843,482
Treasury shares held	37,515,000	37,515,000
Subsidiary holdings held	-	-
	37,515,000	37,515,000
Percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of issued shares excluding treasury shares and subsidiary holdings	7.75%	7.75%

- There was no change in the Company's issued capital during 1HFY2024.
- As at 30 September 2023, the total number of issued shares excluding treasury shares was 483,843,482 (31 March 2023: 483,843,482).
- There were no shares that may be issued on conversion of any outstanding convertibles as at 30 September 2023 and 2022.
- As at 30 September 2023, there were no sales, transfers, cancellation and/or use of treasury shares.
- As at 30 September 2023, there were no sales, transfers, cancellation and/or use of subsidiary holdings.

15.2 Dividends

Dividends paid during the financial period are as follows:

	Group and Company	
	1H ended 30.09.23 S\$'000	1H ended 30.09.22 S\$'000
Final tax-exempt (1-tier) dividend of 1.5 Singapore cents per ordinary share for FY2023	7,258	-
Final tax-exempt (1-tier) dividend of 2.0 Singapore cents per ordinary share for FY2022	-	9,677
	7,258	9,677

16. Simple agreements for future equity

On 26 January 2023, KEF GP Group Limited ("KEF GP"), a subsidiary of the Company, entered into simple agreements for future equity ("SAFE") with certain investors, who are long-term partners and business associate and supporters of KEF and Celestion branded products, for an aggregate purchase amount of US\$13.7 million. The SAFE provide the investors with rights to future equity in KEF GP under the terms of the agreements. The SAFE will automatically convert into preferred shares to be issued to the investors in the future capital raising transactions, which is equal to SAFE amount divided by US\$1,000. The SAFE issued by KEF GP are classified as non-controlling interests and recognised under equity in the consolidated statement of financial position.

17. Segment and revenue information

Following the Group's announcement on 26 January 2023 with regards to the proposed restructuring of the Electronics and Acoustics subsidiaries and the issuance of SAFE by KEF GP, the Group reassessed and reorganised its Electronics and Acoustics business segment as the proposed restructuring began during the 1HFY2024. As a result, the Electronics and Acoustics business segment includes KEF GP and principal subsidiaries of the Company operating in the electronics and Acoustics business of the Group. The other dormant companies and associates that are mainly engaged in the manufacturing of high precision parts and components used in electronics products will be reclassified to under Other Industrial Investments segment.

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

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

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

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

Other Industrial Investments – Comprises dormant companies, investment holding companies and the Group's associates, namely XIC Innovation Limited, Meiloon Industrial Co., Ltd, and associates that are mainly engaged in the manufacturing of high precision parts and components used in electronics products.

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

17.1 Operating segments

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

	As at 30 September 2023				
	Batteries S\$'000	Electronics and acoustics S\$'000	Other industrial investments S\$'000	Elimination S\$'000	Total S\$'000
Assets and liabilities					
Assets	890,948	272,470	276,039	(131,425)	1,308,032
Liabilities	491,478	199,324	104,757	(131,425)	664,134
Other information					
Interest in associates	47,609	-	226,607	-	274,216
Additions to property, plant and equipment	4,395	1,353	46	-	5,794
Additions to right-of-use assets	4,854	3,086	-	-	7,940

	1H ended 30.09.22 (Re-presented)				
	Batteries S\$'000	Electronics and acoustics S\$'000	Other industrial investments S\$'000	Elimination S\$'000	Total S\$'000
Revenue					
External revenue	464,577	130,922	-	-	595,499
Inter-segment revenue	3	-	-	(3)	-
Total revenue	464,580	130,922	-	(3)	595,499
Results			<i>Restated</i>		<i>Restated</i>
Contribution (Loss) before taxation *	22,085	(3,216)	10,177	-	29,046
Other information					
Interest income	942	531	-	-	1,473
Finance costs	7,056	2,157	-	-	9,213
Share of results of associates *	2,364	-	7,328	-	9,692
Depreciation and amortisation	17,538	4,727	431	-	22,696
Allowance for inventory obsolescence and write-off of inventory, net	1,987	282	-	-	2,269
Gain on disposal of property, plant and equipment	2,289	28	-	-	2,317
Write-back of expected credit losses	143	10	-	-	153
Closure and relocation costs	306	-	-	-	306
Gain from disposal of a subsidiary	10,637	-	-	-	10,637
Fair value gain (loss) on short-term investments, net	8,236	-	(655)	-	7,581
Gain from disposal / deemed disposal of interest in an associate	4,241	-	-	-	4,241
Loss from de-registration of a subsidiary	3,345	-	-	-	3,345

	As at 31 March 2023 (Re-presented)				
	Batteries S\$'000	Electronics and acoustics S\$'000	Other industrial investments S\$'000	Elimination S\$'000	Total S\$'000
Assets and liabilities					
Assets	898,802	246,690	276,428	(61,550)	1,360,370
Liabilities	533,486	168,836	42,289	(61,550)	683,061
Other information					
Interest in associates	43,163	-	225,418	-	268,581
Additions to property, plant and equipment	37,424	13,206	526	-	51,156
Additions to right-of-use assets	4,024	5,513	2,940	-	12,477
Additions to intangible assets	-	437	-	-	437

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

	1H ended 30.09.23 S\$'000	(Re-presented) 1H ended 30.09.22 S\$'000
		<i>Restated</i>
Results		
Contribution before taxation per reportable segments *	20,605	29,046
Unallocated finance costs, net	(4,373)	(2,998)
Taxation	(5,811)	(3,385)
Share of taxation of associates *	(2,368)	(3,567)
Taxation attributable to non-controlling interests' share of results	841	702
Profit attributable to equity holders of the Company *	8,894	19,798
Interest income		
Per reportable segments	1,122	1,473
Unallocated interest income	543	196
Per consolidated Interest income	1,665	1,669
Finance costs		
Per reportable segments	11,752	9,213
Unallocated finance costs	4,916	3,194
Per consolidated finance costs	16,668	12,407
As at	30.09.23 S\$'000	31.03.23 S\$'000
Assets		
Per reportable segments	1,308,032	1,360,370
Other unallocated assets	11,371	11,636
Per consolidated total assets	1,319,403	1,372,006
Liabilities		
Per reportable segments	664,134	683,061
Unallocated bank loans and lease liabilities	133,121	146,295
Other unallocated liabilities	9,796	14,844
Per consolidated total liabilities	807,051	844,200

17.2 Geographical segments

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

	1H ended 30.09.23 S\$'000	1H ended 30.09.22 S\$'000
Singapore	4,973	5,066
PRC	252,644	263,891
Other Asian countries	32,681	40,524
Asia	290,298	309,481
Germany, Netherlands, Russia and United Kingdom	77,530	82,096
Other European countries	74,761	85,699
Europe	152,291	167,795
United States of America	109,533	104,391
Other American countries	8,351	9,192
Americas	117,884	113,583
Others	3,711	4,640
Revenue	564,184	595,499

18. Capital commitments

As at	Group	
	30.09.23 S\$'000	31.03.23 S\$'000
Commitments for the acquisition of property, plant and equipment	1,092	518

19. Contingent liabilities (unsecured)

As at	Group		Company	
	30.09.23 S\$'000	31.03.23 S\$'000	30.09.23 S\$'000	31.03.23 S\$'000
Guarantees given to certain banks in respect of banking facilities utilised by subsidiaries	-	-	226,772	214,000
Others	2,078	2,150	-	-

20. Related party transactions

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

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

	Group			
	Associates		Related companies	
	1H ended 30.09.23 S\$'000	1H ended 30.09.22 S\$'000	1H ended 30.09.23 S\$'000	1H ended 30.09.22 S\$'000
Sales *	26,588	<i>Restated</i> 18,985	-	-
Purchases *	(44,377)	(29,635)	-	-
Rental income	19	35	122	154
Royalty income	54	61	-	-

* Restated to include transactions with Light Engine Group.

21. Subsequent events

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

H. Other Information Required by Listing Rule Appendix 7.2

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

The figures have not been audited or reviewed.

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

Not applicable.

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

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

Not applicable.

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

Not applicable.

4. Financial Review

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

(a) Statement of profit or loss - Group

- (i) "Profit after taxation attributable to non-controlling interests": The increase was due mainly to the increase in profit of the 70%-owned Zhongyin (Ningbo) Battery Co Ltd.

(b) Statement of financial position - Group

- (i) "Receivables and prepayments": The increase was due mainly to the (i) increase of trade receivables of approximately S\$39 million of the Batteries Business due to the increase in sales in the second half of FY2024 vs the last quarter of FY2023 and offset by (ii) the utilization of approximately S\$6 million tax certificates for the settlement of tax expense. The tax certificates purchased were included as other receivables as at 31 March 2023.
- (ii) "Income tax payable": The decrease was due mainly to tax paid, settlement of tax expense by utilization of the tax certificates and the decrease in taxable profits of the Group.
- (iii) "Bank and other loans - current and non-current": The increase in amount repayable within one year and the decrease in amount repayable after one year was due mainly to the effect of repayment of term loans, and reclassification of non-current loans to current liabilities.
- (iv) "Net current liability position": The increase in net current liabilities as at 30 September 2023 was due mainly to the increase in loans repayable within one year after reclassification of non-current loans to current liabilities, and the funding of capital expenditure and repayment of term loans and loan interest with cash and short term borrowings.

(c) Statement of financial position - Company

- (i) "Right-of-use assets" and "Total lease liabilities": The decrease was due to depreciation charge and due mainly to payment of lease liabilities.
- (ii) "Receivables and prepayments": The decrease was due mainly to decrease in amounts due from subsidiaries.
- (iii) "Trade and other payables": The increase was due mainly to increase in amounts due to subsidiaries.
- (iv) "Total borrowings": The decrease in amount repayable within one year was due mainly to repayment. The decrease in the amount repayable after one year was due to reclassification of amounts to current liabilities.

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

Not applicable.

6. Dividend**(a) Current financial period reported on**

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

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share	1.00 Singapore cent per ordinary share tax-exempt (1-tier)

(b) Corresponding period of the immediately preceding financial year

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

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share	1.00 Singapore cent per ordinary share tax-exempt (1-tier)

(c) Date payable

To be announced later.

(d) Record date

To be announced later.

(e) Other comments relating to dividend

The Directors are pleased to recommend an interim tax-exempt (1-tier) dividend of 1.00 Singapore cent (30 September 2022: 1.00 Singapore cent) per share amounting to approximately S\$4.8 million for its financial year ending 31 March 2024. The dividend will be paid in cash and the dividend was not included as liabilities as at 30 September 2023.

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

Not applicable.

8. Interested person transactions

Pursuant to the shareholders' mandate on interested person transactions approved by the shareholders at the Annual General Meeting held on 25 July 2023, the interested person transactions entered into by the Group during the 1HFY2024 are as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 during the financial period under review (excluding transactions less than S\$100,000)	
		1H ended 30.09.23 S\$'000	1H ended 30.09.22 S\$'000	1H ended 30.09.23 S\$'000	1H ended 30.09.22 S\$'000
Sales: Huizhou Light Engine Limited	(Note a)	-	67	8	63
Purchases: Light Engine Limited	(Note a)	-	137	47	314

(Note a) An associate of controlling shareholder.

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

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

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

We, Victor Lo Chung Wing and Lam Hin Lap, being two directors of GP Industries Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the unaudited financial statements for the financial period ended 30 September 2023 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Victor Lo Chung Wing
Chairman and Chief Executive Officer

Lam Hin Lap
Vice Chairman and Executive Vice President

14 November 2023