

GENERAL ANNOUNCEMENT::MINUTES OF EXTRAORDINARY GENERAL MEETING HELD ON 4 DECEMBER 2023

Issuer & Securities

Issuer/ Manager

GP INDUSTRIES LIMITED

Securities

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Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below)

Minutes of Extraordinary General Meeting held on 4 December 2023.

Attachments

[GPI- Minutes of EGM - 4 Dec 2023 Final.pdf](#)

Total size =261K MB

GP INDUSTRIES LIMITED
(Company Registration No.: 199502128C)
(Incorporated in Singapore)
(the “Company”)

MINUTES OF EXTRAORDINARY GENERAL MEETING

PLACE	: Clover 1, Level 1, PARKROYAL COLLECTION Marina Bay 6 Raffles Boulevard, Singapore 039594
DATE	: Monday, 4 December 2023
TIME	: 2:30 p.m. (Singapore Time)
PRESENT	: As per attendance record maintained by the Company.
IN ATTENDANCE	: As per attendance record maintained by the Company.
CHAIRMAN OF THE MEETING	: 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, welcomed the shareholders to the Extraordinary General Meeting (“**EGM**” or the “**Meeting**”) of the Company and declared the EGM open at 2:30 p.m. (Singapore Time). He then introduced the Directors present at the Meeting. 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 Circular together with the Notice convening the meeting had been circulated to the shareholders within the statutory period. With the consent 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 EGM.
- (b) Proxy forms lodged at the Company’s registered office had been checked and found to be in order.
- (c) In his capacity as the Chairman of the meeting, he demanded all the resolutions set out in the Notice of EGM dated 10 November 2023 be voted by way of poll, which was in accordance with Article 63(a) of the Company’s Constitution and also complied with the requirement of the Listing Manual of Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for all listed companies to conduct voting by poll for all general meetings.
- (d) Polling would be conducted in a paperless manner using a wireless handheld device. The electronic voting devices had been distributed to all shareholders and proxies who were eligible to vote on the proposed resolutions, at the time of registration.

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- (e) In his capacity as the 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 of shareholders who had appointed him as proxy.
- (f) Reliance 3P Advisory Pte Ltd was appointed as the Scrutineers for the conduct of the poll.

Mr Waltery Law Wang Chak, the Chief Financial Officer and Chief Risk Officer of the Company, shared a short presentation on the proposed resolutions.

POLL PROCEEDINGS

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

SPECIAL RESOLUTION:

1. PROPOSED ALTERATION TO THE OBJECTS CLAUSE – RESOLUTION 1

The following Resolution 1 was duly proposed by Chairman:

“THAT the objects clause in the Existing Constitution be deleted in its entirety and substituted therefor for the following clause:

“(3) Business or Activity. Subject to the provisions of the Act and any other written law and this Constitution, the Company has:

(a) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and

(b) for these purposes, full rights, powers and privileges.”,

which shall be incorporated in the New Constitution, to be adopted by Special Resolution 2.

As there was no question raised, Chairman then put Resolution 1 to vote by way of poll.

The poll result for Resolution 1 is as follows:

	Number of Shares	%
Votes “For”	420,785,626	99.96
Votes “Against”	156,648	0.04
Total number of valid votes cast	420,942,274	100.00

Accordingly, Chairman declared Resolution 1 carried.

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2. PROPOSED ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY – RESOLUTION 2

The following Resolution 2 was duly proposed by Chairman:

“THAT:

- (i) the Articles contained in the New Constitution submitted to this meeting, as set out in Appendix A to Annexure I of the Circular, be approved and adopted as the Constitution of the Company in substitution for, and to the exclusion of, the Existing Constitution; and
- (ii) the directors of the Company (the “**Directors**”) and each of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required in connection with this Special Resolution and the proposed adoption of the New Constitution) as they or he may consider desirable, necessary or expedient in the interests of the Company to give full effect to this Special Resolution and the proposed adoption of the New Constitution.

As there was no question raised, Chairman then put Resolution 2 to vote by way of poll.

The poll result for Resolution 2 is as follows:

	Number of Shares	%
Votes “For”	420,655,020	99.97
Votes “Against”	135,000	0.03
Total number of valid votes cast	420,790,020	100.00

Accordingly, Chairman declared Resolution 2 carried.

ORDINARY RESOLUTION:

3. PROPOSED DISTRIBUTION – RESOLUTION 3

The following Resolution 3 was duly proposed by Chairman:

“THAT pursuant to Article 113 of the Constitution of the Company, approval be and is hereby given for the Company to make a distribution (the “**Proposed Distribution**”) of all the ordinary shares in the issued share capital of GP Energy Tech Limited (“**GPET**”) and such shares the “**GPET Shares**”) held by the Company to shareholders of the Company (the “**Shareholders**”) and each a “**Shareholder**”) by way of a distribution *in specie* on a *pro rata* basis of one (1) GPET Share for each ordinary share in the capital of the Company (the “**Shares**”) held by or on behalf of Shareholders, fractional entitlements to be disregarded, such that:

- (i) the GPET Shares are distributed free of encumbrances and together with all rights attaching thereto on and from the Books Closure Date;
- (ii) the Company will provide Shareholders with the right to elect to receive their

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entitlement to the Proposed Distribution by way of cash (the “**Cash Alternative**”);

- (iii) where the Directors are of the view that the distribution of the GPET Shares to any Shareholder whose registered address as recorded in the Register of Members of the Company or in the Depository Register maintained by CDP on the Books Closure Date is outside Singapore may infringe any foreign law or may necessitate compliance with conditions or requirements which the Directors, in their absolute discretion, regard as onerous or impracticable by reason of costs, delay or otherwise (the “**Overseas Shareholder**”), such GPET Shares shall not be distributed to such Overseas Shareholder, but shall be dealt with in the manner set out in sub-paragraph (iv) below;
- (iv) the GPET Shares which such Overseas Shareholders would have been entitled to pursuant to the Proposed Distribution will not be distributed to such Overseas Shareholders (the “**Excluded Overseas Shareholders**”). Excluded Overseas Shareholders will not receive the Election Form, will be deemed to have elected for the Cash Alternative and will receive cash in lieu of their pro-rata entitlements to the Proposed Distribution in cash in respect of the Shares held by them as at the Books Closure Date;
- (v) the Directors and/or any of them be and are hereby authorised to appropriate an amount of approximately S\$35.4 million out of the retained profits of the Company to meet the dividend to be declared based on the following factors: (I) the Net Asset Value (“**NAV**”) of the GPET Group as at 31 March 2023; and (II) the nature of the assets and liabilities included in the calculation of the NAV of GPET and its subsidiaries (the “**GPET Group**”) as at 31 March 2023;
- (vi) the Directors and/or any of them be authorised to deal with the GPET Shares remaining with the Company (including any resulting fractional GPET Shares arising from the Proposed Distribution) after the Proposed Distribution, in such manner as they deem fit; and
- (vii) the Directors and each of them be and are hereby authorised to do all acts and things and to execute all such documents as they or he may consider necessary or expedient to give effect to the Proposed Distribution as set out in this Resolution.

Chairman then invited questions from shareholders on Resolution 3. After dealing with the questions from a shareholder as set out in Appendix 1 of these minutes, the motion was put to vote.

The poll result for Resolution 3 is as follows:

	Number of Shares	%
Votes “For”	420,285,526	99.96
Votes “Against”	167,482	0.04
Total number of valid votes cast	420,453,008	100.00

Accordingly, Chairman declared Resolution 3 carried.

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CONCLUSION

There being no other business to transact, Chairman declared the EGM of the Company closed at 3:26 p.m. and thanked everyone for their attendance.

CONFIRMED AS TRUE RECORD OF PROCEEDINGS HELD

**LAM HIN LAP
CHAIRMAN**

APPENDIX 1

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Summary of Questions & Answers

Proposed Distribution – Ordinary Resolution 3

Question 1 (Shareholder #1) : The shareholder referred to the section “Outlook” at Page 152 of the Circular which discuss about the core business (i.e. the remaining business) of the Company after the DIS. He opined that the Company should look at the overall prospect of the Group with or without GPET. The Circular painted a picture that GPET has lost monies in the past and it involves new capital expenditure. He noted that there is other view in the industry that the future of batteries is lithium and with the new type of batteries, not the old type of batteries, that is the Company’s main business. But once the Company divest GPET, it would be out of the rechargeable batteries business. What the Company engaged in is considered old technology and not environmentally friendly because there are mostly disposable batteries.

In the past, the Company was talking about lithium batteries and nickel batteries as the possible future for the Company to grow or evolve into and now the Company is separating it. He expressed his concern and reading the Outlook which was in the last annual report of the Company and the recent half year results announcement, whereby the profit attributable to equity holder of the Company is down by 55%, partly due to the one-off gains previously and is absent from the current period. He asked what the core profit of the Company is without the one-off gains? Is the core business sustainable? He sought assurance from Mr Victor Lo that with the separation of GPET, the Company is still a viable and profitable business, and that the recent downturn is temporary in nature.

Answer (Victor Lo)

Mr Victor Lo commented that whole consumer market is having a rather tough year in 2023. The Company’s sales have decreased by a single digit but those companies where the Company has invested into, their sales decreased by approximately 20% to 40%. Food cost, fuel cost and interest rate for mortgage have increased substantially and global consumers have become poorer and families have spent their savings during the COVID period. Due to laying off of workers, global consumers have become uncertain about their future and therefore not spending on consumer products during the year 2023.

In addition, the Company and its peers expect the market to improve after the COVID, but this did not materialise. Mr Victor Lo opined that this tough market condition would continue for some time. He added that the Company remains competitive in the batteries and electronics & acoustics industries. In the consumer batteries business, the volume was huge. Last year, the Company has made 6.2 billion pieces of batteries and that makes the Company the numbered six producer in the world. Approximately 30% to 40% of the output are sold under the Company’s brand.

The turnover of electronics & acoustics business is smaller than the batteries business. However, as the Company has two brands (i.e. KEF and Celestion) and unlike a completely OEM manufacturer which can only making products for others, the Company can have direct access to the consumer market, otherwise the Company would be in a tougher position.

Regarding the rechargeable business, it is a small business with a small market. The global demand for nickel metal hydride batteries for consumer use is approximately a billion US dollars. For the last three years, through the Company’s own research and development, it became interested in this nickel zinc system. A system with that has long term potential in energy storage applications. One of the markets that the Company has its eyes on is the data

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Summary of Questions & Answers

centres uninterruptible power supply. Most of data centres are using lead acid batteries, which is not environmentally friendly because they are toxic. On the upper end, some data centres are using lithium, but lithium is unsafe as it catches on fire easily and the materials are not recyclable. As such, nickel zinc does have its advantages and price-wise, it is below lithium but above lead acid. But it is a large and ambitious project which would take at least three years of investment. Given the current economic environment and the Group’s gearing is not low, the Company should focus what it is best at, which is consumer products (i.e. consumer batteries and consumer audio). If the Company tries to do this rechargeable for industrial markets as well, Mr Victor Lo opined that the Company would be spreading itself too thin. He added that all three businesses would need to raise its own funds in the next two years as it is not advisable to rely heavily on banks and as to when the global market for consumer durables would recover, it remains uncertain. This is why the Company is proposing the proposed distribution so that the Company could focus on consumer products and let Gold Peak Technology Group Limited (“GPG”) in Hong Kong to take on the industrial project, which is a long term project, at least three years, before seeing a positive return and it is capital intensive as well.

Question 2
(Shareholder #1)

Referring to Mr Victor Lo’s comment about borrowing financing and maybe fundraising through equity, he would like to understand what are the options? As the Company has undergone certain restructuring, the shareholder would like to know if the restructuring has completed and whether the Group is leaner now and with the correct position and moving forward, the Company would be focusing more on producing and selling rather than restructuring still. For reduction of debt, are there other options, such as sale of assets instead of equity financing.

Answer
(Victor Lo)

Mr Victor Lo replied that the Management has three areas where they could raise funds. The Company has done it with KGG about a year ago and managed to raise approximately USD13 million. Upon the transfer of GPET to GPG, Management would try to raise funds to support the development of the nickel zinc project. At an opportune time, Management could consider singling out the consumer batteries business and see whether there is opportunity for fundraising. While the primary batteries business is matured, there is still opportunity for example the lithium coins, which is growing very fast, and the Company would be one of the biggest producers. Further, the primary batteries business, in the next few years, might go through a period of consolidation. If the Company is financially stronger, it could consider possible merger & acquisition opportunities. This is why the Management is proposing to split up the businesses with the biggest being the consumer batteries, follow by the electronics & acoustics business and lastly the rechargeable technology business, which would be moved to GPG. Mr Victor Lo opined that each of the three businesses should have their own team, bankers and core investors.

Question 3
(Shareholder #1)

Does the Company have a viable business model to ride through the downturn?

Answer
(Victor Lo)

Mr Victor Lo replied in the affirmative. In the respective sector that the Company is operating, the Company is as competitive as any others.

Question 4
(Shareholder #1)

For the constitution amendments, there is nothing significant that the shareholders should be aware of?

Answer
(Victor Lo)

Mr Victor Lo replied that the constitution amendments are the necessities.