



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

ANNOUNCEMENT PURSUANT TO RULE 706A OF THE SGX-ST LISTING MANUAL

The board of directors (the “**Board**”) of GP Industries Limited (the “**Company**”) wishes to announce the following acquisitions and disposals by the Company and its subsidiaries (collectively, the “**Group**”) that occurred during the second-half year ended 31 March 2021 pursuant to Rule 706A of the Listing Manual of Singapore Exchange Securities Trading Limited (“**SGX-ST**”):

1. Incorporation of a subsidiary

The Company has incorporated Celestion Music Asia Limited (“**CMAL**”) as a wholly owned subsidiary. Incorporated in Hong Kong, CMAL has a registered capital of HK\$10,000 (equivalent to approximately S\$1,713) and has not commenced operations as at 31 March 2021.

2. Acquisition of non-controlling interest in a subsidiary

GP Battery Technology (HK) Limited (“**GPBTHK**”), an indirectly held wholly owned subsidiary of the Company, has acquired the remaining 10% equity interest (the “**Non-controlling Interest**”) in GP Battery Marketing (Korea) Limited (“**GPBMK**”) for a cash consideration of KRW50.50 million (equivalent to approximately S\$61,000) (the “**GPBMK Consideration**”). As a result, GPBMK has become a wholly owned subsidiary of the Group. GPBMK is incorporated in South Korea and is principally engaged in marketing and trading of batteries.

The GPBMK Consideration was arrived at on a willing-seller willing-buyer basis after considering, *inter alia*, the share of net asset value of GPBMK attributable to the Non-controlling Interest. Based on the unaudited management accounts of GPBMK as at 31 January 2021, the net asset value attributable to the Non-controlling Interest amounted to approximately S\$65,000. Payment of the GPBMK Consideration was funded by the Group’s internal resources.

3. Increase in equity interest in an associate

GPBTHK has acquired an additional 15.67% equity interest (the “**Additional Interest**”) in Lichten International Limited (“**Lichten**”) for a cash consideration of HK\$611,000 (approximately S\$108,000) (the “**Lichten Consideration**”). Prior to the acquisition of the Additional Interest, GPBTHK already owned 33.33% of Lichten. As a result, Lichten has become a 49.0% owned associate of the Group. Lichten is incorporated in Hong Kong and is principally engaged in marketing and trading of lighting products.

The Lichten Consideration was arrived at on a willing-seller willing-buyer basis after considering, *inter alia*, the share of net asset value of Lichten attributable to the Additional Interest. Based on the unaudited management accounts of Lichten as at 30 September 2020,

the net liability value of Lichton attributable to the Additional Interest was approximately HK\$560,000. As GPBTHK has no legal obligations to, and will not, assume the net liabilities of Lichton, the net asset value attributable to the Additional Interest was nil. Payment of the Lichton Consideration was funded by the Group's internal resources.

4. Dilution of effective equity interest in an associate

STL Technology Co., Ltd ("**STL**"), an indirectly held associate and listed on the Taipei Exchange has, pursuant to its employees share option scheme, issued new shares to its employees. As a result, the Company's effective equity interest in STL decreased from 30.08% to 29.73%.

5. De-registration of an inactive subsidiary

GP Acoustics (Middle East) DWC-LLC ("**GPAME**"), incorporated in the United Arab Emirates, was de-registered. GPAME was an indirectly held wholly owned subsidiary of the Company and was principally engaged in the marketing and distribution of acoustic and electronic products before it became inactive.

The above transactions did not have any material impact on the earnings per share and net tangible asset per share of the Group for the financial year ending 31 March 2021.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the above transactions.

By order of the Board

Kelly Kiar Lee Noi
Company Secretary
27 May 2021