



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

PROFIT GUIDANCE FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

The board of directors (the “**Board**”) of GP Industries Limited (the “**Company**”) wishes to provide a brief update on the financial performance of the Company and its subsidiaries (the “**Group**”) for the financial year ended 31 March 2023 (“**FY2023**”) to the shareholders and potential investors.

Based on the information currently available and the management’s preliminary review of the unaudited consolidated management accounts of the Group for FY2023, it is expected that the Group’s profit attributable to shareholders of the Company for FY2023 will be ranging from approximately S\$20.0 million to S\$24.0 million as compared to the Group’s profit attributable to shareholders of S\$35.3 million for the financial year ended 31 March 2022 (“**FY2022**”).

The expected decrease in the Group’s net profit for FY2023 is mainly attributable to the following factors:

- (1) increase in finance cost by approximately 51.4% for FY2023 as compared with those for FY2022, which is primarily due to the increase in bank borrowing rate and
- (2) net decrease in share of attributable profit of XIC Innovation Limited (“XIC Innovation”), a 39.13% directly held associate of the Company, of S\$31.6 million compared with those for FY2022, following completion of the two corporate exercises mentioned below:
 - (a) As disclosed in the Company’s announcement dated 17 March 2022, XIC Innovation sold its entire 63.58% indirect equity interest in Time Interconnect Technology Limited (“Time Interconnect”) at a cash consideration of approximately HK\$940.1 million (approximately S\$163.5 million)¹ and as a result a significant gain was recognised for FY2022. The share of results of Time Interconnect by XIC Innovation was terminated after the completion of the aforementioned disposal; and
 - (b) On 31 March 2022, XIC Innovation entered into a sale and purchase agreement with United Luminous International (Holdings) Limited, to acquire 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 Innovation and Light Engine were under the common control of their controlling shareholder preceding to this acquisition. The acquisition was completed on 30 December 2022. Following completion of the aforementioned acquisition, the consolidated financial statements of XIC Innovation Group for FY2022 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. The restated Group’s profit attributable to shareholders for FY2022 increased to S\$40.0 million from S\$35.3 million previously reported.

The Company is still in the course of finalising the Group’s financial results for FY2023. The information contained in this announcement is only a preliminary assessment based on the consolidated management accounts of the Group which has not been reviewed by the Audit and Risk Committee of the Company or the auditors of the Company, and may be subject to adjustments. Shareholders and potential investors of the Company are advised to refer to the Group’s unaudited financial results for FY2023 which will be released by 30 May 2023 for further details.

Shareholders and investors are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take, should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers before trading in or making any investment decision regarding the Company’s securities.

By Order of the Board

Lee Tiong Hock
Company Secretary
22 May 2023

- ¹ Unless otherwise stated, the approximate S\$ equivalent of HK\$ amounts in this announcement are based on an exchange rate of S\$1: HK\$5.75.

 *Member*
Gold Peak Technology Group