



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

FURTHER DISPOSAL OF SHARES IN STL TECHNOLOGY CO., LTD ON 6 JUNE 2022

1. INTRODUCTION

- 1.1 The board of directors (the “**Board**”) of GP Industries Limited (the “**Company**”) refers to the Company’s announcement dated 6 April 2022 (the “**6 April 2022 Announcement**”) and 2 June 2022 (the “**2 June 2022 Announcement**”) regarding the disposal of an aggregate of 15,600,000 ordinary shares (each a “**STL Share**” and the disposal of such 15,600,000 STL Shares, the “**Cumulative Disposals**”) in the issued capital of STL Technology Co., Ltd (“**STL**”) by GP Battery Technology (HK) Limited (“**GPBTHK**”), an indirectly held wholly-owned subsidiary of the Company, via a series of on-market transactions on 6 April 2022 and for the period from 30 May 2022 to 2 June 2022 for a cumulative gross consideration of approximately NTD506.8¹ million (approximately S\$24.0 million, the “**Cumulative Consideration**”).

Capitalised terms not defined in this Announcement shall have the respective meanings given to them in the 2 June 2022 Announcement.

2. FURTHER DISPOSAL OF STL SHARES ON 6 JUNE 2022

- 2.1 The Board wishes to advise that on 6 June 2022, GPBTHK has further disposed of an aggregate of 300,000 STL Shares (the “**6 June 2022 Disposal**”) and together with the Cumulative Disposal, the “**Disposals**”) via a series of on-market transactions for a gross consideration of approximately NTD12.5 million (approximately S\$0.6 million, the “**6 June 2022 Consideration**”).
- 2.2 This Announcement sets out the updated financial impacts and other disclosures required under the Rules of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**Listing Manual**”) as a result of the 6 June 2022 Disposal. Please refer to the 2 June 2022 Announcement, a copy of which is available at www.sgx.com, for other relevant information on the Disposals, such as:
- (i) information on STL and the Group’s investment in STL;
 - (ii) the rationale for, and use of proceeds from, the Disposals; and
 - (iii) the market value of the STL Shares sold under the Cumulative Disposals.

3. FINANCIAL EFFECTS

- 3.1 **Bases and Assumptions.** The pro forma financial effects of the Disposals have been prepared based on the unaudited consolidated financial statements of the Group for the financial year ended FY2022 (the “**FY2022 Results**”) and are purely for illustrative purposes only and do not reflect the future actual financial position of the Group following completion of the Disposals. The pro forma financial effects have also been prepared based on, *inter alia*, the following assumptions:

¹ Unless otherwise stated, the approximate S\$ equivalent of NTD amounts in this announcement are based on an exchange rate of NTD1 : S\$0.0473.

- (i) the Disposals had been effected on 31 March 2022, being the end of the most recently completed financial year of the Group, for illustrating the financial effects on the consolidated net tangible assets (“**NTA**”) of the Group; and
- (ii) the Disposals had been effected on 1 April 2021, being the beginning of the most recently completed financial year of the Group, and dividend received from STL during FY2022 were received on 1 April 2021 for illustrating the financial effects on the consolidated earnings of the Group.

3.2 NTA. For illustrative purposes only and assuming that the Disposals had been completed on 31 March 2022, the pro forma financial effects of the Disposals on the consolidated NTA of the Group as at 31 March 2022 are as follows:

	Before the Disposals	After the Disposals
NTA (S\$' million)	456.9	472.4
Number of issued shares in the capital of the Company (“ Shares ”)	483,843,482	483,843,482
NTA per Share (Singapore cents)	94.4	97.6

3.3 Earnings and Earnings per Share. For illustrative purposes only and assuming that the Disposals had been completed on 1 April 2021, the pro forma financial effects of the Disposals on the consolidated earnings and earnings per Share (“**EPS**”) of the Group for FY2022 are as follows:

	Before the Disposals	After the Disposals
Profit after tax and minority interests (S\$' million)	35.3	47.1
Weighted average number of issued Shares	483,853,969	483,853,969
EPS (Singapore cents)	7.29	9.73

3.4 Share Capital. The Disposals will not have any impact on the issued and paid-up share capital of the Company.

4. DISCLOSEABLE TRANSACTIONS

4.1 Rule 1006. The relative figures for the Disposals computed on the applicable bases set out in Rule 1006 of the Listing Manual are as follows:

Rule 1006	Bases	The Disposals (S\$' million)	The Group (S\$' million)	Relative Figures (%)
(a)	NAV attributable to the Disposals ⁽¹⁾ compared with the Group's NAV ⁽¹⁾	11.0	567.6	1.94
(b)	Net profits attributable to the Disposals ⁽¹⁾ compared with the Group's net profits ⁽¹⁾⁽²⁾	0.1 ⁽³⁾	51.2	Not meaningful
(c)	Aggregate consideration ⁽⁴⁾ compared with the Company's market capitalisation ⁽⁵⁾	24.6	300.0	8.20

Notes:

- (1) Based on the unaudited FY2022 Results.
- (2) The term “**net profits**” means profit before income tax and non-controlling interests.
- (3) Share of loss of STL for FY2022.
- (4) Comprises Cumulative Consideration and 6 June 2022 Consideration.
- (5) The Company’s market capitalisation is based upon 483,843,482 issued Shares (excluding treasury shares and subsidiary holdings) as at 3 June 2022, being the last market day preceding 6 June 2022 (being the date on which the 6 June 2022 Disposal took place) on which Shares were traded on the Singapore Exchange Securities Trading Limited, at a volume weighted average price of S\$0.620 for each Share.

4.2 Discloseable Transaction. As the relative figure under Rule 1006(c) above exceeds 5 per cent. but is not more than 20 per cent., the Disposals constitute a discloseable transaction for the Company as defined in Chapter 10 of the Listing Manual and which does not require the Company to obtain shareholders’ approval for the Disposals.

4.3 Shareholding in STL. The 6 June 2022 Disposal resulted in a decrease in the number of STL Shares held by the Group from 3,041,614 to 2,741,614, representing 4.76% and 4.29% of the prevailing total number of issued STL Shares respectively.

4.4 Rule 704(18)(b). The Disposals did not result in the Group’s aggregate cost of investment in quoted securities falling below any multiple of 5% of the Group’s latest audited consolidated net tangible assets as at 31 March 2021.

5. FURTHER INFORMATION

5.1 Market Value. For illustrative purposes only, the market value of the 300,000 STL Shares sold under the 6 June 2022 Disposal was approximately NTD12.9 million (approximately S\$0.6 million), based on the closing price of STL Share on 2 June 2022, being the last market day of the Taipei Exchange preceding the date of the 6 June 2022 Disposal, of 42.85 per STL Share.

5.2 Estimated Gain on Disposals. For illustrative purposes only, the estimated aggregate gain from the Disposals is approximately S\$11.4 million, comprising the following:

	S\$’ million
Estimated aggregate gain from the Cumulative Disposals as disclosed in the 2 June 2022 Announcement ⁽¹⁾	11.1
6 June 2022 Disposal: Excess of 6 June 2022 Consideration over the Initial Carrying Value attributable to the disposed 300,000 STL Shares ⁽¹⁾	0.3
Estimated aggregate gain from the Disposals	11.4

Note:

- (1) After brokerage expense and stamp duty but exclude other transaction costs and taxation.

5.3 Directors’ Service Contracts. No person is proposed to be appointed as a director of the Company in connection with the Disposals. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

5.4 Interests of Directors and Controlling Shareholders. None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Disposals.

By Order of the Board

Lee Tiong Hock
Company Secretary
6 June 2022