



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

ANNOUNCEMENT

PROPOSED DISTRIBUTION *IN SPECIE* OF SHARES IN GP ENERGY TECH LIMITED

1. INTRODUCTION

The Board of Directors (the “**Board**”) of GP Industries Limited (“**GP Industries**” or the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to announce that the Company is proposing to undertake a distribution *in specie* (the “**Proposed Distribution**”) to distribute all of the issued ordinary shares in the capital of GP Energy Tech Limited (“**GP Energy Tech**” and such shares, the “**GP Energy Tech Shares**”) to shareholders of the Company (“**Shareholders**”), on a *pro rata* basis, subject to the satisfaction of certain conditions precedent (as stated in paragraph 4.3 below), including the completion of a restructuring of GP Energy Tech and its subsidiaries (collectively, the “**GP Energy Tech Group**”, and such restructuring, the “**GP Energy Tech Restructuring**”).

Upon completion of the GP Energy Tech Restructuring, the GP Energy Tech Group will be principally engaged in the development, manufacture and sales of rechargeable batteries products (the “**Rechargeable Batteries Business**” and such products the “**Rechargeable Batteries Products**”) and the Company will hold all of the issued GP Energy Tech Shares.

In order to provide flexibility for Shareholders who do not wish to hold shares in GP Energy Tech, which will be an unlisted company, the Company will provide Shareholders with the right to elect to receive their entitlement to the Proposed Distribution in the form of cash (the “**Cash Alternative**”).

2. RATIONALE FOR THE PROPOSED DISTRIBUTION

The Group intends to undertake the Proposed Distribution as the Directors believe that it will benefit the Company and Shareholders for the reasons outlined below.

2.1. Enhancing Value for Shareholders

The Group is engaged in the development, manufacturing and marketing of batteries and battery-related products (the “**Batteries Business**”) and electronic and acoustic products (the “**E&A Business**”) and owns a number of renowned brands under both the Batteries Business and E&A Business.

The Batteries Business includes the primary cylindrical and primary specialty batteries businesses and accessories (the “**Primary Batteries Business**”), and the Rechargeable Batteries Business. In recent years, the Rechargeable Batteries Business has become less significant among the Group’s various business segments. Revenue contribution of the Rechargeable Batteries Business, excluding inter-company sales among subsidiaries of the Batteries Business, for the financial years ended 31 March 2019, 31 March 2020 and 31 March

2021 (“FY2021”) were S\$97.7 million, S\$100.9 million and S\$102.6 million respectively, which accounted for just 8.4 per cent., 9.5 per cent. and 8.7 per cent. of the Group’s total revenue for the respective financial years.

The Proposed Distribution will provide Shareholders with the opportunity to become direct shareholders of GP Energy Tech. Shareholders will have the opportunity to directly participate in the future business growth of GP Energy Tech or to realise their return by electing for the Cash Alternative.

The Proposed Distribution will result in a demerger of the Group’s Rechargeable Batteries Business from other business segments of the Group. This will bring about clearer delineation among the core business segments (in particular, the Rechargeable Batteries Business) of the Group which have different growth paths and different strategies due to differences in their business nature. Such clearer delineation is expected to enhance access to equity and debt capital markets through creation of distinct and targeted investment opportunities for investors and creditors with preference towards the Group’s Rechargeable Batteries Business and related growth strategy, with a view of facilitating funding of necessary capital investments for its future development.

2.2. Enable Management’s Focus on Core Businesses

The Rechargeable Batteries Business and the Primary Batteries Business, which accounted for approximately 11 per cent. and 89 per cent. of the revenue of the Batteries Business for FY2021 respectively, are distinct and as such are subject to differing risks and returns based on the capital employed.

The business marketing models for the Rechargeable Batteries Business and the Primary Batteries Business are different, as the former is more industrial products oriented whereas the latter is more consumer products oriented. The proportion of customised products produced is higher and the buying and selling cycles is longer for the Rechargeable Batteries Business as compared to the Primary Batteries Business, and accordingly, the working capital requirements is higher for the Rechargeable Batteries Business as compared to the Primary Batteries Business.

The technology used in the Primary Batteries Business is more mature as compared to that used in the Rechargeable Batteries Business. In a rapidly advancing and dynamic business environment driven by technology, Rechargeable Batteries Products, which are substantially defined by their features and capabilities, must remain innovative and as such, the Rechargeable Batteries Business is reliant on continued research and development and engineering capabilities with substantial investment in capital expenditures to propel profit margins and generate profits. Business risks associated with the Rechargeable Batteries Business include the Group’s ability to maintain its research and development and engineering capabilities to stay ahead of its competitors. Such risks are higher for the Rechargeable Batteries Business as compared to the Primary Batteries Business. The Company therefore seeks to address this issue through a disposal of the non-core Rechargeable Batteries Business.

Clearer delineation among the Group’s Rechargeable Batteries Business and other business segments of the Group will enable the Group to focus its resources on its core businesses, including its Primary Batteries Business and E&A Business. This will allow the Group to

implement its future plans, thereby enhancing the operational efficiency and streamlining the decision-making process through a dedicated management team focused on executing its growth strategy, and also enhancing financial transparency, through separate financial and management reporting of the Group's core businesses.

3. INFORMATION ON GP ENERGY TECH

3.1. General

GP Energy Tech is a company incorporated in the Cayman Islands on 19 November 2021. GP Energy Tech acts as the investment holding company of the Group's Rechargeable Batteries Business, and focuses on delivering results in the perceived growing rechargeable batteries market. It is not currently listed on or quoted on the Official List of the Singapore Exchange Securities Trading Limited or any securities exchange or any other regulated markets.

3.2. GP Energy Tech Restructuring

(i) Effect of the Restructuring

The current corporate structure of the Rechargeable Batteries Business is set out in **Appendix 1** to this Announcement.

To facilitate the Proposed Distribution, the Group will undertake an internal re-organisation, such that the Rechargeable Batteries Business will be held entirely by GP Energy Tech, as illustrated by the corporate structure set out in **Appendix 2** to this Announcement.

Pursuant to the steps of the GP Energy Tech Restructuring:

- (a) the Group shall transfer all of its interest in BMTPow Holdings Limited, Dongguan Chao Ba Batteries Co Ltd, GP Batteries (Shenzhen) Co., Ltd, GP Technology & Innovation Limited, GWA Energy, Inc, Huizhou Modern Battery Limited, Huizhou Power Pack Co Ltd and Sylva Industries (China) Limited to GP Energy Tech or GP Energy Tech (Singapore) Pte. Limited, a wholly owned subsidiary of GP Energy Tech; and
- (b) concurrent with the transfers referred to in paragraph (a) above, GP Batteries (Malaysia) Sdn Bhd shall transfer the plant and machinery together with inventories relating to the Rechargeable Batteries Business to GP Energy Tech (Malaysia) Sdn. Bhd., a wholly owned subsidiary of GP Energy Tech (Singapore) Pte. Limited.

In relation to steps (a) and (b) of the GP Energy Tech Restructuring, as consideration for the transfers, on completion of the GP Energy Tech Restructuring, GP Energy Tech shall issue such number of new GP Energy Tech Shares to the Company, which when aggregated with the number of GP Energy Tech Shares held by the Company immediately prior to completion of the GP Energy Tech Restructuring, will amount to a number equivalent to the number of the issued shares of the Company (each a "**Share**" or "**GPI Share**") (excluding treasury shares and subsidiary holdings) held by Shareholders who hold Shares as at a record date to be determined by the Company

(the “**Record Date**”, and such Shareholders who hold Shares as at the Record Date, the “**Entitled Shareholders**”).

As at the date of this Announcement, GP Industries holds one (1) GP Energy Tech Share. For the purposes of illustration, assuming that, as at the Record Date, there are 483,843,482 Shares held by Entitled Shareholders, the number of new GP Energy Tech Shares to be issued to the Company on completion of the GP Energy Tech Restructuring shall be 483,843,481.

(ii) Cautionary Note

The Proposed Distribution is subject to, among others, the completion of the GP Energy Tech Restructuring. The Company will provide an update as and when the GP Energy Tech Restructuring is completed.

The GP Energy Tech Restructuring set out in paragraph 3.2(i) above is subject to the Company receiving further legal and financial advice (including on taxation matters) and may be subject to necessary refinement. Completion of the GP Energy Tech Restructuring is also subject to the Group receiving all regulatory approvals (where necessary) for the transfers set out in paragraph 3.2(i) above. In addition, the Group has been financially supporting the GP Energy Tech Group’s capital expenditure and working capital requirements, and as at 30 September 2021, the inter-company balances outstanding owed by entities within the GP Energy Tech Group amount to approximately S\$16.6 million. As part of the GP Energy Tech Restructuring, the Company intends to arrange for, or procure the settlement of all or substantially all, of such outstanding inter-company balances on or prior to the completion of the Proposed Distribution. The final plan for the GP Energy Tech Restructuring will be disclosed in the Circular (as defined in paragraph 9.1 below).

For the avoidance of doubt, the GP Energy Tech Restructuring is not subject to the Proposed Distribution being approved, and it is the Company’s current intention to implement the GP Energy Tech Restructuring regardless of whether the Proposed Distribution proceeds.

3.3. Financial Information

Assuming that the GP Energy Tech Restructuring had been completed on 31 March 2021:

- (i) the pro forma revenue and net loss before tax of the GP Energy Tech Group are approximately S\$64.0 million and S\$2.2 million respectively for the six month period ended 30 September 2021 (“**1HFY2022**”); and
- (ii) the pro forma net asset value (“**NAV**”) of the GP Energy Tech Group is approximately S\$38.0 million as at 30 September 2021.

4. DETAILS OF THE PROPOSED DISTRIBUTION

4.1. Method of Distribution and Distribution Ratio

As at the date of this Announcement, the Company has a direct interest in one (1) GP Energy Tech Share representing 100 per cent. of the GP Energy Tech Shares in issue.

The Proposed Distribution will be effected by way of a dividend *in specie* to Entitled Shareholders *pro rata* to their respective shareholdings in the Company, on the basis of one (1) GP Energy Tech Share for each Share held by Entitled Shareholders or on their behalf as at the Record Date, fractional entitlements to be disregarded. Entitled Shareholders will receive their entitlement of GP Energy Tech Share(s) free of cash outlay. The GP Energy Tech Shares will be distributed free of encumbrances and together with all rights attaching thereto on and from the date the Proposed Distribution is effected to Entitled Shareholders who do not elect for the Cash Alternative.

In order to provide flexibility for Entitled Shareholders who do not wish to hold shares in an unlisted company, the Company will provide the Cash Alternative to Entitled Shareholders so that they may choose to receive cash in consideration for all and not part of their GP Energy Tech Shares in which they are entitled to receive pursuant to the Proposed Distribution.

4.2. Appropriation from Retained Profits

To effect the Proposed Distribution as a dividend *in specie* and the Cash Alternative (should Entitled Shareholders elect for the Cash Alternative) as a dividend, the Company will appropriate an aggregate amount of approximately S\$37,992,000 out of the retained earnings of the Company to meet the dividend to be declared, which was determined based on the following factors:

- (i) the NAV of the GP Energy Tech Group as at 30 September 2021;
- (ii) the nature of the assets and liabilities included in the calculation of the NAV of the GP Energy Tech Group as at 30 September 2021; and
- (iii) the expected timing of completion of the GP Energy Tech Restructuring.

Assuming that, as at the Record Date, there are 483,843,482 Shares held by Entitled Shareholders, the dividend declared for each Share is therefore expected to be approximately 7.8522 Singapore cents to be satisfied by:

- (i) the distribution of one (1) GP Energy Tech Share for each Share held by Entitled Shareholders or on their behalf as at the Record Date, fractional entitlements to be disregarded; or
- (ii) for Entitled Shareholders who elect to receive the Cash Alternative, the relevant amount of the Cash Alternative for each Share held, which is expected to be approximately 7.8522 Singapore cents.

4.3. Conditions to the Proposed Distribution

The Proposed Distribution is subject to and conditional upon, *inter alia*, the following:

- (i) the completion of the GP Energy Tech Restructuring;
- (ii) the approval of Shareholders by way of an ordinary resolution for the Proposed Distribution at an extraordinary general meeting of the Company to be convened (the “**EGM**”); and
- (iii) all other necessary waivers, consents and approvals from, *inter alia*, third parties and regulatory authorities as may be required or advisable in connection with the Proposed Distribution being obtained.

As mentioned in paragraph 3.2(ii) above, the GP Energy Tech Restructuring is not subject to the Proposed Distribution being approved, and it is the Company’s current intention to implement the GP Energy Tech Restructuring regardless of whether the Proposed Distribution proceeds.

4.4. Effects of the Proposed Distribution

On completion of the Proposed Distribution:

- (i) the Company will have distributed all of its holding of its GP Energy Tech Shares, assuming that no Entitled Shareholder elects to receive the Cash Alternative; or
- (ii) the Company will have distributed approximately 85.59 per cent. of its holding of GP Energy Tech Shares, with a resultant shareholding of 69,745,039 GP Energy Tech Shares representing approximately 14.41 per cent. of the GP Energy Tech Shares, assuming that all Entitled Shareholders other than Gold Peak Industries (Holdings) Limited (“**GPIH**”) elects to receive the Cash Alternative, as mentioned in paragraph 5 below.

The Proposed Distribution will not result in any change to the issued and paid-up share capital of the Company after the Proposed Distribution or to the number of GPI Shares held by each Shareholder.

4.5. Pro Forma Financial Effects

For illustrative purposes only, the pro forma financial effects of the Proposed Distribution on the Group are set out in paragraph 6 below. The pro forma financial effects are for illustrative purposes only and do not reflect the actual financial position of the Group after the Proposed Distribution.

4.6. Notice of Record Date

Subject to the fulfilment of the conditions to the Proposed Distribution, the Company will, in due course, announce the Record Date in order to determine the entitlements of each Entitled Shareholder to the GP Energy Tech Shares.

5. UNDERTAKING AGREEMENT

5.1. GPIH's Undertaking

In connection with the Proposed Distribution, the Company's controlling Shareholder, GPIH, which holds a direct interest in an aggregate of 414,098,443 Shares, representing approximately 85.59 per cent. of the Shares in issue (excluding treasury shares and subsidiary holdings), is supportive of the Proposed Distribution and has undertaken to the Company to vote in favour of the resolution approving the Proposed Distribution at the EGM.

GPIH has also confirmed that it **will not** be electing for the Cash Alternative in connection with the Proposed Distribution.

5.2. GPIH's Resultant Shareholding in GP Energy Tech

As GPIH will not be electing for the Cash Alternative, following the completion of the Proposed Distribution (assuming that, as at the Record Date, there are 483,843,482 Shares held by Entitled Shareholders), GPIH's resultant shareholding in GP Energy Tech will be 414,098,443 shares, representing approximately 85.59 per cent. of the GP Energy Tech Shares.

6. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED DISTRIBUTION

6.1. Basis and Assumptions

The pro forma financial effects of the Proposed Distribution on selected financial measures of the Group have been prepared based on the audited consolidated financial statements of the Group for FY2021 and the unaudited consolidated financial statements of the Group for 1HFY2022, and are purely for illustrative purposes only and do not reflect the future actual financial position of the Group following the completion of the Proposed Distribution.

The pro forma financial effects have also been prepared based on, *inter alia*, the following assumptions:

- (i) the net tangible assets ("**NTA**") per Share, leverage ratio and working capital of the Group as at 31 March 2021 have been prepared on the assumption that the Proposed Distribution had been completed on 31 March 2021;
- (ii) the NTA per Share, leverage ratio and working capital of the Group as at 30 September 2021 have been prepared on the assumption that the Proposed Distribution had been completed on 30 September 2021;
- (iii) the earnings per Share ("**EPS**") of the Group for FY2021 has been prepared on the assumption that the Proposed Distribution had been completed on 1 April 2020;
- (iv) the EPS of the Group for 1HFY2022 has been prepared on the assumption that the Proposed Distribution had been completed on 1 April 2021; and

- (v) any discrepancies presented in the tables below are due to rounding. Accordingly, totals and percentages presented may not be a precise reflection of the figures that precede them.

Further, the pro forma financial effects have been prepared taking into account the current steps for the GP Energy Tech Restructuring, as described in paragraph 3.2 above. In the event that such steps are modified or further refined (for example, following the receipt of legal and/or financial advice (including on taxation matters) or otherwise), such modification or refinement may have an impact on the pro forma financial effects of the Proposed Distribution on the Group. The Company will update the pro forma financial effects of the Proposed Distribution on the Group in the Circular to take into account modifications or refinements (if any) to the GP Energy Tech Restructuring (if applicable).

6.2. Overview of Pro Forma Financial Effects

After completion of the Proposed Distribution, the Group will not be entitled to the results of the operations of the GP Energy Tech Group. Immediately upon completion of the Proposed Distribution, the Group will recycle the cumulative exchange translation reserve (“**CETR**”) attributable to the GP Energy Tech Group (the “**Attributable CETR**”) to profit and loss (the “**CETR Adjustment**”). As both the Attributable CETR as at 31 March 2020 and 31 March 2021 amounted to deficits, the CETR Adjustments reduced the profit of the Group for both FY2021 and 1HFY2022 in the illustrative pro forma financial effects set out in paragraph 6.4 below. The pro forma financial effect of (i) de-recognizing the GP Energy Tech Group; and (ii) the CETR Adjustment on net profit attributable to Shareholders is summarized as follows:

Net Profit Attributable to Shareholders	FY2021 S\$ million	1HFY2022 S\$ million
Before Proposed Distribution	31.7	11.7
Loss attributable to the GP Energy Tech Group	5.9	2.3
Excluding the loss attributable to the GP Energy Tech Group	37.6	14.0
CETR Adjustment	(8.3)	(2.8)
After Proposed Distribution	<u>29.3</u>	<u>11.2</u>

Details of the pro forma financial effects of the Proposed Distribution on net profit and EPS are set out in paragraph 6.4.

The CETR Adjustment has no effect on the Group’s NTA, leverage ratio, share capital and working capital.

As at 31 March 2021 and 30 September 2021, the pro forma GP Energy Tech Group was in a net current asset position with no bank borrowings. Therefore, the Proposed Distribution will increase the net current liabilities of the Group on a pro forma basis as at these dates.

6.3. NTA

For illustrative purposes only:

- (i) assuming that the Proposed Distribution had been completed on 31 March 2021, the pro forma financial effects of the Proposed Distribution on the NTA and NTA per Share of the Group as at 31 March 2021 are as follows:

	Before the Proposed Distribution	After the Proposed Distribution	
		If no Entitled Shareholder elects to receive the Cash Alternative	If all Entitled Shareholders (other than GPIH) elect to receive the Cash Alternative
NTA (S\$ million)	406.7	373.3	373.3
NTA per Share ⁽¹⁾ (S cents)	84.02	77.12	77.12

Note:

- (1) The figures are based on the issued share capital of 484,046,682 Shares (excluding treasury shares and subsidiary holdings) as at 31 March 2021.

- (ii) assuming that the Proposed Distribution had been completed on 30 September 2021, the pro forma financial effects of the Proposed Distribution on the NTA and NTA per Share of the Group as at 30 September 2021 are as follows:

	Before the Proposed Distribution ⁽²⁾	After the Proposed Distribution	
		If no Entitled Shareholder elects to receive the Cash Alternative	If all Entitled Shareholders (other than GPIH) elect to receive the Cash Alternative
NTA (S\$ million)	427.1	389.1	389.1
NTA per Share ⁽¹⁾ (S cents)	88.27	80.42	80.42

Notes:

- (1) The figures are based on the issued share capital of 483,843,482 Shares (excluding treasury shares and subsidiary holdings) as at 30 September 2021.
- (2) Includes the effect of payment of the interim dividend of 1.25 Singapore cents declared on 12 November 2021 and paid on 15 December 2021, amounting to approximately S\$6.0 million, on a pro forma basis.

6.4. EPS

For illustrative purposes only:

- (i) assuming that the Proposed Distribution had been completed on 1 April 2020, the pro forma financial effects of the Proposed Distribution on the earnings of the Group for FY2021 are as follows:

	Before the Proposed Distribution	After the Proposed Distribution	
		If no Entitled Shareholder elects to receive the Cash Alternative	If all Entitled Shareholders (other than GPIH) elect to receive the Cash Alternative ⁽²⁾
Net profit attributable to Shareholders			
(S\$ million):			
Excluding the CETR Adjustment	31.7	37.6	37.6
Including the CETR Adjustment	31.7	29.3	29.3
EPS ⁽¹⁾ (S cents):			
Excluding the CETR Adjustment	6.55	7.77	7.77
Including the CETR Adjustment	6.55	6.06	6.06

Notes:

(1) The figures are based on the weighted average of 484,046,682 Shares in issue during FY2021.

(2) Assuming payment of the Cash Alternative was funded by cash.

- (ii) assuming that the Proposed Distribution had been completed on 1 April 2021, the pro forma financial effects of the Proposed Distribution on the earnings of the Group for 1HFY2022 are as follows:

	Before the Proposed Distribution	After the Proposed Distribution	
		If no Entitled Shareholder elects to receive the Cash Alternative	If all Entitled Shareholders (other than GPIH) elect to receive the Cash Alternative ⁽²⁾
Net profit attributable to Shareholders (S\$ million):			
Excluding the CETR Adjustment	11.7	14.0	14.0
Including the CETR Adjustment	11.7	11.2	11.2
EPS ⁽¹⁾ (S cents):			
Excluding the CETR Adjustment	2.42	2.90	2.90
Including the CETR Adjustment	2.42	2.31	2.31

Notes:

(1) The figures are based on the weighted average of 483,864,398 Shares in issue during 1HFY2022.

(2) Assuming payment of the Cash Alternative was funded by cash.

6.5. Leverage Ratio

For illustrative purposes only:

- (i) assuming that the Proposed Distribution had been completed on 31 March 2021, the pro forma financial effects of the Proposed Distribution on the leverage ratios of the Group as at 31 March 2021 are as follows:

	Before the Proposed Distribution	After the Proposed Distribution	
		If no Entitled Shareholder elects to receive the Cash Alternative	If all Entitled Shareholders (other than GPIH) elect to receive the Cash Alternative ⁽³⁾
Net bank borrowings ⁽¹⁾ (S\$ million)	337.2	352.0	357.5

	Before the Proposed Distribution	After the Proposed Distribution	
		If no Entitled Shareholder elects to receive the Cash Alternative	If all Entitled Shareholders (other than GPIH) elect to receive the Cash Alternative ⁽³⁾
Shareholders' funds and non-controlling interest (S\$ million)	510.4	477.0	477.0
Gearing ⁽²⁾ (times)	0.66	0.74	0.75

Notes:

- (1) Net bank borrowings include total bank borrowings and finance leases less bank balances, deposits and cash.
- (2) Gearing is determined based on total borrowings divided by Shareholders' funds and non-controlling interest.
- (3) Assuming payment of the Cash Alternative was funded by cash.

- (ii) assuming that the Proposed Distribution had been completed on 30 September 2021, the pro forma financial effects of the Proposed Distribution on the leverage ratios of the Group as at 30 September 2021 are as follows:

	Before the Proposed Distribution ⁽³⁾	After the Proposed Distribution	
		If no Entitled Shareholder elects to receive the Cash Alternative	If all Entitled Shareholders (other than GPIH) elect to receive the Cash Alternative ⁽⁴⁾
Net bank borrowings ⁽¹⁾ (S\$ million)	388.8	410.1	415.6
Shareholders' funds and non-controlling interest (S\$ million)	534.8	496.8	496.8
Gearing ⁽²⁾ (times)	0.73	0.83	0.84

Notes:

- (1) Net bank borrowings include total bank borrowings and finance leases less bank balances, deposits and cash.
- (2) Gearing is determined based on total borrowings divided by Shareholders' funds and non-controlling interest.
- (3) Includes the effect of payment of the interim dividend of 1.25 Singapore cents declared on 12 November 2021 and paid on 15 December 2021, amounting to approximately S\$6.0 million, on a pro forma basis.
- (4) Assuming payment of the Cash Alternative was funded by cash.

6.6. Share Capital

The Proposed Distribution will not have any impact on the number of Shares held by Shareholders or on the share capital of the Company after the Proposed Distribution.

6.7. Working Capital

For illustrative purposes only:

- (i) assuming that the Proposed Distribution had been completed on 31 March 2021, the pro forma financial effects of the Proposed Distribution on the working capital of the Group as at 31 March 2021 are as follows:

	Before the Proposed Distribution	After the Proposed Distribution	
		If no Entitled Shareholder elects to receive the Cash Alternative	If all Entitled Shareholders (other than GPIH) elect to receive the Cash Alternative
Net current liabilities (S\$ million)	52.5	64.6	70.1
Current ratio ⁽¹⁾ (times)	0.93	0.91	0.91

Note:

- (1) Current ratio is determined based on total current assets divided by total current liabilities.
- (ii) assuming that the Proposed Distribution had been completed on 30 September 2021, the pro forma financial effects of the Proposed Distribution on the working capital of the Group as at 30 September 2021 are as follows:

	Before the Proposed Distribution ⁽²⁾	After the Proposed Distribution	
		If no Entitled Shareholder elects to receive the Cash Alternative	If all Entitled Shareholders (other than GPIH) elect to receive the Cash Alternative
Net current liabilities (S\$ million)	40.7	56.5	62.0
Current ratio ⁽¹⁾ (times)	0.95	0.92	0.91

Notes:

- (1) Current ratio is determined based on total current assets divided by total current liabilities.
- (2) Includes the effect of payment of the interim dividend of 1.25 Singapore cents declared on 12 November 2021 and paid on 15 December 2021, amounting to approximately S\$6.0 million, on a pro forma basis.

7. OVERSEAS SHAREHOLDERS

Where the Board is of the view that the distribution of the GP Energy Tech Shares to any Entitled Shareholder whose registered address appearing in the register of members of the Company or the depository register maintained by The Central Depository (Pte) Limited (as the case may be) is outside Singapore (each an “**Overseas Shareholder**”), may infringe any relevant foreign law or may necessitate compliance with conditions or requirements which they, in their sole discretion, regard as onerous by reason of costs, delay or otherwise, the GP Energy Tech Shares which such Overseas Shareholders would have been entitled to pursuant to the Proposed Distribution will not be distributed to such Overseas Shareholders. Instead, such Overseas Shareholders will receive the Cash Alternative.

Further information on the entitlements of the Overseas Shareholders will be set out in the Circular (as defined in paragraph 9.1 below).

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling Shareholders of the Company has any interest, direct or indirect, in the Proposed Distribution, other than through their respective direct or indirect shareholdings (if any) in the Company or GPIH.

9. EGM AND CIRCULAR

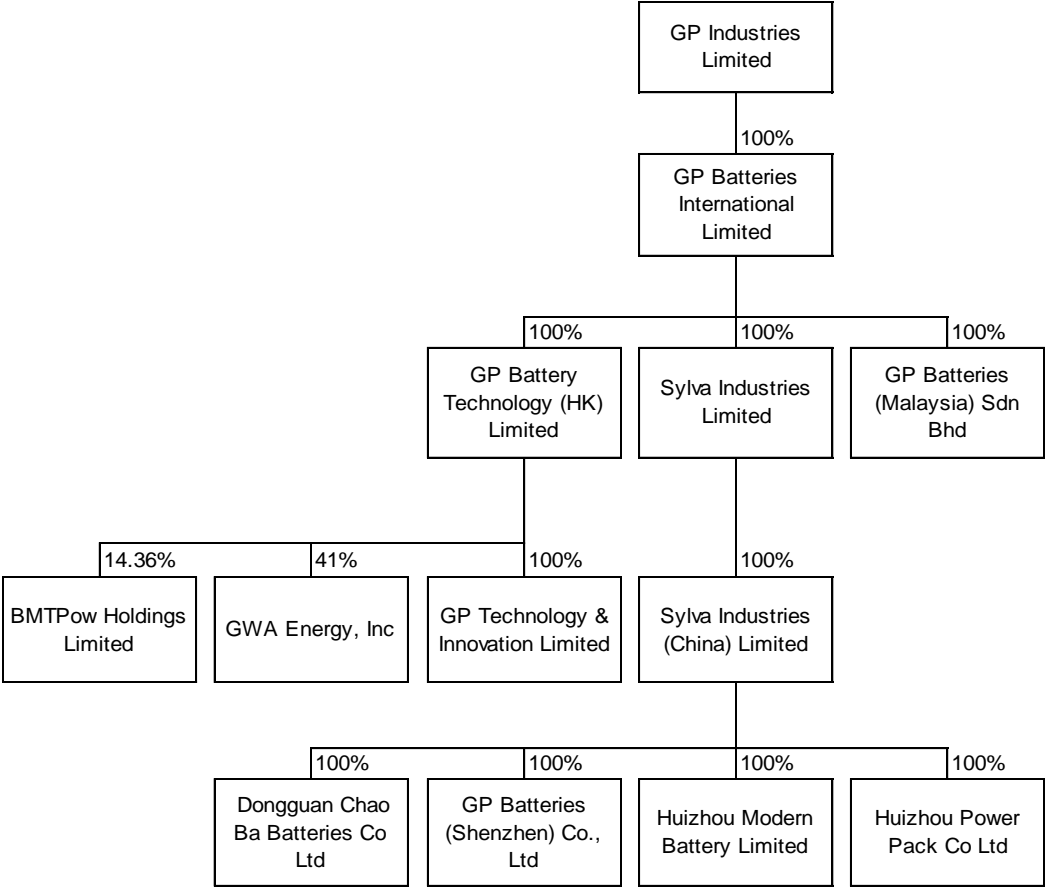
- 9.1.** A circular to Shareholders (the “**Circular**”) containing details in respect of the Proposed Distribution, and enclosing a notice of the EGM to be convened, will be despatched to Shareholders in due course.
- 9.2.** In the meantime, Shareholders are advised to refrain from taking any action in relation to their Shares which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations to be set out in the Circular.

By Order of the Board

Lee Tiong Hock
Company Secretary

28 December 2021

Appendix 1
Corporate Structure of Rechargeable Batteries Business
before GP Energy Tech Restructuring



Appendix 2
Corporate Structure of Rechargeable Batteries Business
after GP Energy Tech Restructuring

