



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

ANNOUNCEMENT

TERMINATION OF AGREEMENTS IN RELATION TO THE PROPOSED DISPOSAL OF LAND AND BUILDINGS LOCATED IN HUIZHOU, PRC ANNOUNCED ON 29 DECEMBER 2017

1. The board of directors (the “**Board**”) of GP Industries Limited (the “**Company**”) refers to the announcement dated 29 December 2017 (the “**Announcement**”) made in connection with the proposed disposal (the “**Proposed Disposal**”) of certain land and buildings located in Huizhou, the People’s Republic of China (“**PRC**”), owned by GP Batteries (China) Limited (金山电化工业（惠州）有限公司) (“**GP Batteries China**”) and Huizhou Modern Battery Limited (惠州时代电池有限公司) (“**Huizhou Modern Battery**”). Each of GP Batteries China and Huizhou Modern Battery is an indirect wholly-owned subsidiary of the Company.

All capitalised terms used and not otherwise defined herein shall have the same meanings given to them in the Announcement.

2. As disclosed in paragraph 3.7(i)(b) of the Announcement:
 - “(i) Each of the GPB China Disposal Agreement, the Huizhou MB Disposal Agreement, the GPB China Compensation Agreement and the Huizhou MB Compensation Agreement (collectively, the “**Agreements**”) may be terminated in the following manner:
 - (a) ...
 - (b) Upon payment of the relevant Deposit by the Purchaser to GP Batteries China or Huizhou Modern Battery, as the case may be, and before the expiry of 12 months from the date of the relevant Agreement, the Purchaser may terminate the relevant Agreement by providing notice in writing to the relevant Seller (the “**Termination Notice**”), if the TG Land Acquisition Condition set out below is not satisfied or, in the opinion of the Purchaser, cannot be satisfied:
 - (1) GP Batteries China or Huizhou Modern Battery, as the case may be, shall procure that the land jointly owned by T.G. Battery Co (China) Ltd (东山电池工业（中国）有限公司) (“**TGBC**”), being a 42.5 per cent. indirectly held associate of the Company, and 惠州市工业发展总公司 (惠府国用（1998）字第 13021400019 号) (the “**TGBC Desay Land**”) be changed from a government allocated land to a transferrable land

and that the TGBC Desay Land be successfully acquired by TGBC;
and

- (2) GP Batteries China or Huizhou Modern Battery, as the case may be, shall procure that the Purchaser is granted a pre-emptive right to acquire the title of the TGBC Desay Land at the same price and conditions to be quoted by TGBC,

(the “**TG Land Acquisition Condition**”). In the event of such termination, the relevant Seller shall refund the relevant Deposit (without interest) to the Purchaser upon receipt of the Termination Notice.”

3. The Board wishes to announce that as the management of the Company and its subsidiaries (collectively, the “**Group**”) is unable to reach an agreement with the other shareholder of TGBC in relation to granting a pre-emptive right to the Purchaser to acquire the title of the TGBC Desay Land as set out in paragraph 3.7(i)(b)(2) of the Announcement and expects that the TGBC Desay Land will not be transferred to the Purchaser before the expiry of 12 months from the date of the relevant Agreement, on 29 October 2018, GP Batteries China has entered into a confirmation letter with the Purchaser in relation to the termination of the GPB China Disposal Agreement and the GPB China Compensation Agreement and Huizhou Modern Battery has entered into a confirmation letter with the Purchaser relating to the termination of the Huizhou MB Disposal Agreement and the Huizhou MB Compensation Agreement (both confirmation letters collectively, the “**Confirmation Letters**”). Following such termination, all the deposits already received by GP Batteries China and Huizhou Modern Battery pursuant to the Agreements, which collectively amount to RMB66.5 million in aggregate (approximately S\$13.2 million¹) will be refunded to the Purchaser without interest within 10 business days from the date of the Confirmation Letters.
4. With effect from the date of the Confirmation Letters, the parties under the Agreements shall be released from all of their rights and obligations under the Agreements and none of the parties shall be obliged to perform their obligations under the Agreements nor be responsible for any breach of contract or compensation under the terms of the Agreements.
5. As the Agreements have been terminated, the Group will not report any gain from the Proposed Disposal. The entry into of the Confirmation Letters by GP Batteries China and Huizhou Modern Battery and the termination of the Agreements are not expected to have any material impact on the Company’s consolidated net tangible assets and earnings per share for the financial year ending 31 March 2019.

BY ORDER OF THE BOARD

Kelly Kiar Lee Noi
Company Secretary
29 October 2018

¹ Based on an exchange rate of S\$1: RMB5.0356.