GP BATTERIES INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No. 199002111N

ANNOUNCEMENT

RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE - USE OF PROCEEDS

1. INTRODUCTION

The board of directors (the "**Board**") of GP Batteries International Limited (the "**Company**") refers to the announcements dated 23 December 2013, 21 January 2014, 6 February 2014, 17 February 2014, 11 March 2014 and 12 March 2014 made by the Company (the "**Rights Issue Announcements**") in relation to the renounceable non-underwritten rights issue (the "**Rights Issue**") of 54,935,584 new ordinary shares in the capital of the Company (the "**Rights Shares**"), at an issue price of S$0.486 for each Rights Share, on the basis of one (1) Rights Share for every two (2) existing ordinary shares in the capital of the Company held by shareholders of the Company who are eligible to participate in the Rights Issue as at 5.00 p.m. (Singapore time) on 14 February 2014, fractional entitlements to be disregarded.

All capitalised terms used and not defined herein shall have the same meanings given to them in the Rights Issue Announcements.

2. USE OF PROCEEDS OF RIGHTS ISSUE

The Board wishes to announce that today, out of the net proceeds of approximately S$26.2 million from the Rights Issue (the "**Rights Issue Proceeds**"), the Company has utilised S$26.1 million, representing approximately 99.6 per cent. of the Rights Issue Proceeds, in the following manner:

(a) S$20.5 million, representing approximately 78.2 per cent. of the Rights Issue Proceeds, has been utilised for the repayment of bank borrowings, of which:

  (i) S$12.5 million has been utilised for the partial repayment of a S$60 million three (3)-year syndicated term loan facility entered into by the Company with DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited on 14 March 2012 and maturing in March 2015 (the "**S$60 Million Syndicated Loan**"), comprising (I) the utilisation of S$4.5 million for the repayment of the principal (without interest) instalment due on 27 March 2014 under the S$60 Million Syndicated Loan and (II) the utilisation of S$8.0 million for the pre-payment of the S$60 Million Syndicated Loan; and

(ii) S$8.0 million has been utilised for the partial repayment of outstanding unsecured short term revolving credit facilities obtained by the Company as at the date of this Announcement; and

(b) S$5.6 million, representing approximately 21.4 per cent. of the Rights Issue Proceeds, has been utilised in the form of an advance made to GPI International Limited, a wholly-owned operating subsidiary of the Company and the marketing arm of the Group (comprising the Company and its subsidiaries), to be used for its working capital purposes such as settlement of trade payables as well as investment in brand building and distribution network.

The remaining S$0.1 million, representing approximately 0.4 per cent. of the Rights Issue Proceeds, will be utilised by the Company for its operating expenses in respect of its Singapore office.

The above utilisations of the Rights Issue Proceeds are in accordance with the intended utilisation of the Rights Issue Proceeds and the percentage allocated, as previously stated by the Company in the Rights Issue Announcement dated 23 December 2013 and the Offer Information Statement dated 17 February 2014 in relation to the Rights Issue.

The Board confirms that as at the date of this Announcement, the Rights Issue Proceeds have been fully utilised.

BY ORDER OF THE BOARD

Lynn Wan Tiew Leng
Company Secretary
Singapore, 27 March 2014