GP Batteries International Limited

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

RESPONSE TO QUERY RAISED BY SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

The board of directors (the "**Board**") of GP Batteries International Limited (the "**Company**") refers to the Company's Annual Report for the financial year ended 31 March 2016 (the "**Annual Report**") despatched to the shareholders on 13 July 2016 and wishes to announce the following in response to the query raised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 22 July 2016:-

SGX-ST's Query:

Guideline 11.3 of the Code of Corporate Governance 2012 (the "**Code**") states that the Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, in the company's Annual Report. The Board's commentary should include information needed by stakeholders to make an informed assessment of the company's internal control and risk management systems. The Board should also comment in the company's Annual Report on whether it has received assurance from the CEO and the CFO:

(a) that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and

(b) regarding the effectiveness of the company's risk management and internal control systems.

As required under Listing Rule 710, please make disclosures as recommended in the Code. In particular, please disclose the Board's comment on the adequacy and effectiveness of the risk management systems, or otherwise explain the reason(s) for the deviation.

Company's response:

In addition to the disclosure on page 96 of the Company's Annual Report, under the heading "Opinion on Adequacy of the Group's Internal Controls", the Board wishes to provide the following disclosure (the changes are underlined below):-

"Based on the internal control and established risk governance practices, reviews conducted by Management and various Board Committees, work performed by internal and external auditors as well as assurance from the CEO and the CFO, the Board with the concurrence of the ARC is of the opinion that the Company's internal controls addressing financial, operational, compliance and information technology controls, and the risk management systems, are adequate and effective as at 31 March 2016."

By Order of the Board

Kelly Kiar Lee Noi
Company Secretary
25 July 2016