GP Batteries International Limited

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

ANNOUNCEMENT

PROFIT GUIDANCE FOR THE FOURTH QUARTER AND THE FINANCIAL YEAR ENDED 31 MARCH 2016

The Board of Directors (the "**Board**") of GP Batteries International Limited (the "**Company**" or "**GP Batteries**") wishes to inform the shareholders and investors of the Company that the Board deems it appropriate to provide a profit guidance announcement with respect to the unaudited financial results of the Company and its subsidiaries (the "**Group**") for the fourth quarter ended 31 March 2016 ("**4Q 2016**") and the financial year ended 31 March 2016 ("**FY 2016**").

The Group is expected to report a loss attributable to equity holders of the Company for 4Q 2016 mainly due to (1) unrealised foreign exchange losses and (2) assets impairment on fixed assets in respect of the Company's Rechargeable Lithium batteries production facilities due to under-utilization of production capacity. The Company is presently assessing the amount of the said impairment. As a result of the loss in 4Q 2016, the Group is expected to report a significant reduction in profit attributable to equity holders of the Company for FY 2016 compared to FY 2015.

This profit guidance is based on a preliminary review of the unaudited financial results of the Group. Further details of the Group's financial performance will be disclosed when the Company announces its unaudited consolidated financial results for the Group for 4Q 2016 and FY 2016 on or before 30 May 2016. In the meantime, shareholders and investors are advised to exercise caution when dealing in the shares of the Company ("**Shares**") and to refrain from taking any action in relation to their Shares which may be prejudicial to their interests.

By Order of the Board

Kelly Kiar Lee Noi
Company Secretary
Singapore, 18 May 2016