**GP Batteries International Limited**

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

**ANNOUNCEMENT**

**PROFIT GUIDANCE FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2014**

The Board of Directors (the "**Board**") of GP Batteries International Limited ("**GP Batteries**" or the "**Company**") wishes to provide guidance with respect to the unaudited consolidated financial results of the Company and its subsidiaries (the "**Group**") for the fourth quarter ended 31 March 2014 ("**4Q 2014**") and for the financial year ended 31 March 2014 ("**FY2014**").

As set out in the Group's results announcement for the third quarter ended 31 December 2013, the Group has been trying to rationalize its Lithium factories. In view of reduced sales in Gold Peak Industries (Taiwan) Limited ("GPIT"), the Company's subsidiary in Taiwan, the Company plans to consolidate its Lithium battery plants. As a result, the carrying value of the Group's investment in GPIT is likely to exceed the amount recoverable and therefore, in accordance with the Group's accounting policies, the Board considers it prudent to make a provision for the impairment loss.

As the Vectrix group of companies (the "Vectrix Group") is winding down its operations, it will not continue with any of its outstanding projects, including joint projects with the Company. At present, the Company is discussing with an affected customer regarding an unfinished project. An amicable settlement is expected to be reached shortly. The Company will be making a provision for the estimated settlement amount.

As a result of the aforesaid provisions, the Group will report a net loss for 4Q 2014 and for FY2014. Despite the loss, the Group's financial position remains healthy with net bank borrowings reduced substantially during FY2014.

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 2014 and FY2014 later this month. 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

Lynn Wan Tiew Leng
Company Secretary
15 May 2014