

Miscellaneous

* Asterisks denote mandatory information

Name of Announcer *	GP BATTERIES INT LTD
Company Registration No.	199002111N
Announcement submitted on behalf of	GP BATTERIES INT LTD
Announcement is submitted with respect to *	GP BATTERIES INT LTD
Announcement is submitted by *	Tan San-Ju
Designation *	Company Secretary
Date & Time of Broadcast	29-Dec-2004 21:26:04
Announcement No.	00063

>> Announcement Details

The details of the announcement start here ...

Announcement Title *	Profit Warning for Third Quarter 2004 Results
Description	

GP BATTERIES INTERNATIONAL LIMITED

Profit Warning for Third Quarter 2004 Results

In anticipation of the forthcoming results announcement for the third quarter ending 31 December 2004 and further to the announcement on 13 April 2004, the Directors of GP Batteries International Limited (“GP Batteries” or the “Company”) deem it appropriate to issue an update on Danionics Asia Limited (“Danionics Asia”) and its subsidiaries (the “Joint Venture”) in which GP Batteries Group and Danionics A/S each has a 50% equity interest.

The Joint Venture has incurred substantial losses since it was formed in May 2004 mainly due to the unsatisfactory sales performance compared to what was envisaged under the original business plan presented by the management of Danionics A/S to the Company for the purpose of establishing the Joint Venture.

The Joint Venture is made up of Danionics Asia, being the 50/50 joint venture company, Danionics (Shenzhen) Limited, a wholly-owned subsidiary of Danionics Asia in China and Danionics International A/S (“Danionics International”), a wholly-owned Danish subsidiary and currently the principal operating company of the Joint Venture. The Company has been informed that the board of directors of Danionics International has today resolved to file for a suspension of payment to the Bankruptcy Court of Odense, Denmark on account of its inability to make payments as they fall due. Danionics International may be liquidated if its financial position does not improve. Any liquidation of Danionics International will have repercussions on the viability of the Joint Venture.

GP Batteries Group has advanced the total sum of about US\$10 million to the Joint Venture as obligated under the shareholders’ agreement between GP Batteries Group and Danionics A/S. It has also provided a guarantee of US\$3 million for a loan made by Nordea Bank A/S to the Joint Venture (“the Guarantee”). As at 30 November 2004, the outstanding amount of the loan was about US\$2.6 million.

On account of the current financial position of the Joint Venture, there is significant doubt as to whether GP Batteries Group will be able to recover the advances made to the Joint Venture. The Company will be making

appropriate provisions for losses in respect of such advances and for liabilities under the Guarantee. Further announcements will be made to apprise shareholders of the position as and when appropriate.

Shareholders of the Company and investors should exercise caution when dealing in the shares of the Company.

By Order of the Board

Tan San-Ju
Company Secretary

Submitted by Tan San-Ju, Company Secretary on 29/12/2004 to the SGX