

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 *	Caroline Yeo
Designation *	Company Secretary
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>> ANNOUNCEMENT DETAILS

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Announcement Title *	RESPONSES TO SGX'S QUERIES ON THE COMPANY'S SECOND QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2009 ("2QFY2010 RESULTS")
Description	

GP BATTERIES INTERNATIONAL LIMITED

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

RESPONSES TO SGX'S QUERIES ON THE COMPANY'S SECOND QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2009 ("2QFY2010 RESULTS")

In response to the queries by the Singapore Exchange Limited ("SGX") on 11 November 2009, the Board of Directors (the "Board") of GP Batteries International Limited (the "Company") wishes to provide the following information in relation to the Company's 2QFY2010 Results released on 10 November 2009.

SGX's query 1: Allowance for doubtful debts

We note that the allowance for doubtful debts has increased significantly. Please elaborate on:-

- (i) how long past due these debts are and what steps have been taken or are being taken to recover the amounts, if any.
- (ii) whether any of these amounts are due from major customers or related parties.

The Company's Response:

The allowance for doubtful debts was made for a customer who filed a voluntary Chapter 11 petition under the United States Bankruptcy Code. This customer is not a related party and contributed to less than 5% of the Group's turnover.

SGX's query 2: Realised gain on commodity contracts

Please provide details on the commodity contracts.

The Company's Response:

The Group has entered into commodity hedging contracts to hedge a small amount of Nickel requirement under some specific customers orders. Gain or loss arising from such contracts when they mature are recognised in cost of sales. The quantity of Nickel and the value of contracts concerned are not significant.

SGX's query 3: Allowance for advances to an associate

Please elaborate on the nature of the advances, and why an allowance is being made.

The Company's Response:

The Group has a 50%-own associated company with a Danish company. The Group had written off its investment in this associate in year 2005 due to heavy losses incurred by this associate though both partners have been making advances to the associate in an attempt to turn the project around. The Group has made an allowance for such advances to this associate.

SGX's query 4: Negative working capital

We note the Company's explanation on the Facility Agreement and repayment of S\$60 million and US\$45 million of syndicated loan facilities due in October 2009. Notwithstanding this, the Company continues to have a significant amount of short-term debts. Please explain how the Company intends to meet these short-term debts when they fall due.

The Company's Response:

The balance sheet only shows the financial position of the Group as of 30 September 2009. Hence, it has not reflected the effect of the refinancing and repayment of the S\$60 million and US\$45 million syndicated loan facilities due in October 2009. After the said refinancing and repayment, the Group will be back in net current assets position. The Group will continue to reduce short term borrowing with cash flow generated from operations as well as to work with its relationship banks to rollover short-term debts when they fall due.

BY ORDER OF THE BOARD

Caroline Yeo
Company Secretary
13 November 2009