

**ACQUISITIONS AND DISPOSALS :: DISCLOSEABLE TRANSACTION :: PROPOSED DISPOSAL OF PROPERTY AT
97 PIONEER ROAD, SINGAPORE 639579**

** 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 *	Lynn Wan Tiew Leng
Designation *	Company Secretary
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>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

Announcement Title *	PROPOSED DISPOSAL OF PROPERTY AT 97 PIONEER ROAD, SINGAPORE 639579
Description	

GP Batteries International Limited

(Incorporated in the Republic of Singapore)

Company Registration No. 199002111N

ANNOUNCEMENT

PROPOSED DISPOSAL OF PROPERTY AT 97 PIONEER ROAD, SINGAPORE 639579

1. INTRODUCTION

The Board of Directors of GP Batteries International Limited ("**GP Batteries**" or the "**Company**") wishes to announce that its subsidiary, Bolder Technologies Pte Ltd ("**Bolder Tech**"), has today granted an option to purchase (the "**Option to Purchase**") to Landscape Engineering Pte Ltd (the "**Purchaser**") pursuant to which Bolder Tech has agreed to offer to sell the property at 97 Pioneer Road, Singapore 639579 (the "**Property**") to the Purchaser for a total consideration of S\$11.18 million (excluding the goods and services tax ("**GST**")) (the "**Proposed Disposal**"). The Purchaser is not related to the Company, its subsidiaries or its controlling shareholder.

2. TERMS OF THE PROPOSED DISPOSAL

2.1 **Option to Purchase.** Pursuant to the terms of the Option to Purchase, in consideration of the Option Fee (as defined below), Bolder Tech has agreed to offer to sell the Property to the Purchaser for the Consideration (as defined below) and on the terms and conditions as set out in the Option to Purchase, with such offer remaining open for acceptance by the Purchaser before 4.00 p.m. on 5 February 2014 (the "**Expiry Date**"). Upon acceptance of the offer by the Purchaser (the "**Acceptance**"), the Option to Purchase together with the Acceptance shall constitute a binding contract between Bolder Tech and the Purchaser for the sale and purchase of the Property on the terms and conditions contained in the Option to Purchase (the "**Contract**"). If the Purchaser fails to accept the offer before the Expiry Date, the Option to Purchase shall lapse and Bolder Tech shall forfeit and retain the Option Fee (as defined below) for its own benefit.

2.2 **Consideration.** The aggregate consideration payable by the Purchaser to Bolder Tech for the Proposed Disposal is S\$11.18 million (excluding the GST) ("**Consideration**"). The Consideration and the applicable GST will be satisfied in cash in the following manner:

- (i) on or before the grant of the Option to Purchase, an amount of S\$111,800.00 together with the applicable GST (collectively, the "**Option Fee**") shall be paid by the Purchaser to Bolder Tech;
- (ii) upon Acceptance, an amount of S\$447,200.00, together with the applicable GST, shall be paid by the Purchaser to Bolder Tech's solicitors who shall hold the said sum as stakeholders until the Completion Date (as defined below); and
- (iii) on the Completion Date (as defined below), the balance of the Consideration and all other monies payable under the Contract together with the applicable GST, shall be paid by the Purchaser to Bolder Tech.

Bolder Tech has today received the Option Fee in cash from the Purchaser.

The Consideration was arrived at on a willing seller willing buyer basis, taking into account, *inter alia*, the rationale for the Proposed Disposal, the Valuation Report (as defined below), recently transacted prices of the properties around the vicinity of the Property and offers received by Bolder Tech. The Consideration also represents one of the highest offers received by Bolder Tech for the Property since Bolder Tech listed the Property for sale in July 2013.

2.3 **Completion.** Subject to the terms and conditions of the Option to Purchase, completion of the sale and purchase of the Property ("**Completion**") shall take place on the later of the following:

- (i) 7 July 2014; or
- (ii) the date of expiry of four (4) weeks from the date of the Purchaser's receipt of the Approval (as defined below),

provided always the Completion shall not take place on a date earlier than 7 July 2014 (such date on which the Completion takes place shall be the "**Completion Date**").

2.4 **Conditions.** The sale and purchase of the Property is subject to, *inter alia*, the following:

- (i) the approval from Jurong Town Corporation ("**JTC**") for the sale and purchase of the Property to the Purchaser for use as factory premises for landscape engineering works/ metal prefabrication ("**Approval**") being obtained by the Purchaser by no later than 30 June 2014. If the Approval is not obtained by 30 June 2014, either Bolder Tech or the Purchaser may rescind the Contract by written notice to the other party; and
- (ii) Purchaser's solicitors receiving satisfactory replies to all requisitions and enquiries sent by them to the various government departments and authorities. Subject to the terms and conditions of the Contract, if any of the aforesaid reply or replies to the Purchaser's Solicitor's requisition is unsatisfactory, the Purchaser may rescind the Contract by written notice to Bolder Tech.

3. INFORMATION ON THE PROPERTY

3.1 **Property.** The Property is a two-storey detached factory building with a lofty single-storey warehouse at the rear located at 97 Pioneer Road, Singapore 639579 and owned by Bolder Tech, the Company's 80 per cent. subsidiary. The Property is not a core asset for the GP Batteries Group. It has been under-utilised since Bolder Tech relocated most of its manufacturing operations and is currently utilised for, *inter alia*, the corporate offices of the GP Batteries Group and its controlling shareholder, GP Industries Limited.

- 3.2 Asset Value.** Based on the unaudited consolidated financial statements for GP Batteries and its subsidiaries (the “**GP Batteries Group**”) for the six months ended 30 September 2013 (“**1H 2014**”), the net book value of the Property was approximately S\$1.86 million. The Consideration represents an excess of approximately S\$9.32 million over the net book value of the Property.

The Company had commissioned a valuation by Allied Appraisal Consultants Pte Ltd, who had valued the open market value of the Property at S\$12 million in their valuation report dated 16 December 2013 (the “**Valuation Report**”).

- 3.3 Net Profit and Gain on Disposal.** The net profit attributable to the Property for the six-month period ended 30 September 2013 is approximately S\$63,000.¹ Based on the unaudited consolidated financial statements for the GP Batteries Group for 1H 2014 where the net asset value of the Property was approximately S\$1.86 million, the estimated gain on disposal of the Property is approximately S\$9.32 million.

4. FINANCIAL EFFECTS

- 4.1 Assumptions.** The pro forma financial effects of the Proposed Disposal on the net tangible assets (“**NTA**”) per share and the earnings per share (“**EPS**”) of the GP Batteries Group are set out below. The pro forma financial effects have been prepared based on the audited consolidated financial statements of the GP Batteries Group for the financial year ended 31 March 2013 (“**FY2013**”) and are purely for illustrative purposes only and do not reflect the actual financial position of the GP Batteries Group following completion of the Proposed Disposal.
- 4.2 NTA.** For illustrative purposes only and assuming that the Proposed Disposal had been completed on 31 March 2013, the pro forma financial effects of the Proposed Disposal on the consolidated NTA of the GP Batteries Group as at 31 March 2013 are as follows:

	Before the Proposed Disposal	After the Proposed Disposal
NTA (S\$'million)	252.04	259.50
NTA per Share (S\$)	2.29	2.36

- 4.3 EPS.** For illustrative purposes only and assuming that the Proposed Disposal had been completed on 1 April 2012, the pro forma financial effects of the Proposed Disposal on the consolidated earnings of the GP Batteries Group for FY2013 are as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Profit/ (Loss) after tax and minority interests (S\$'million)	(16.18)	(8.72)
Earnings/(Loss) Per Share (cents)	(14.73)	(7.94)

¹ The net profit is calculated based on the rental proceeds attributable to the Property received by Bolder Tech from its associated companies and third party companies for the six-month period ended 30 September 2013.

- 4.4 **Share Capital.** The Proposed Disposal will not have any impact on the issued share capital of the Company.

5. RATIONALE AND USE OF PROCEEDS

The Proposed Disposal will enable the GP Batteries Group to improve its cash flow by disposing of a non-core asset which is currently under-utilised. The Company intends to use the net proceeds from the Proposed Disposal for working capital purposes, including for the repayment of bank loans.

6. DISCLOSEABLE TRANSACTION

- 6.1 **Rule 1006.** The relative figures for the Proposed Disposal computed on the applicable bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) are as follows:

Rule 1006	Bases	Proposed Disposal (\$'000)	GP Batteries Group (\$'000)	Relative Figures (%)
(a)	Net asset value attributable to the Proposed Disposal compared with GP Batteries Group's net asset value	1,864	330,686	0.6
(b)	Net profits attributable to the Proposed Disposal compared with GP Batteries Group's net profits	63	9,431	0.7
(c)	Consideration to be received for the Proposed Disposal compared with GP Batteries Group's market capitalisation ⁽¹⁾	11,180	67,406	16.6

Note:

- (1) The GP Batteries Group's market capitalisation is based upon 109,871,168 ordinary shares (“Shares”) in the capital of GP Batteries (excluding Shares held as treasury shares) as at 17 January 2014 at a volume weighted average price of S\$0.6135 per Share as of 17 January 2014.

- 6.2 **Discloseable Transaction.** As the relative figure under Rule 1006(c) above exceeds five per cent. but does not exceed 20 per cent., the Proposed Disposal constitutes a discloseable transaction for the Company as defined in Chapter 10 of the SGX-ST Listing Manual.

7. FURTHER INFORMATION

- 7.1 **Directors' Service Contracts.** No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly no service contract is proposed to be entered into between the Company and any such person.
- 7.2 **Interests of Directors and Controlling Shareholders.** None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal.

7.3 **Documents Available for Inspection.** A copy of each of the Option to Purchase and the Valuation Report is available for inspection during normal business hours at the registered office of the Company at 97 Pioneer Road, Singapore 639579, for the period of three months commencing from the date of this Announcement.

By Order of the Board

Lynn Wan Tiew Leng
Company Secretary
20 January 2014, Singapore