

Increase in shareholding in a subsidiary

The Directors of GP Batteries International Limited ("GP Batteries" or the "Company") wish to announce that the Company has entered into an agreement with the minority shareholders of Geewin Industrial (S) Pte Ltd ("Geewin") to acquire their 20% equity interest in Geewin together with their rights on the shareholders' loans granted to Geewin (the "Acquisition") at a total consideration of US\$400,000 (the "Consideration").

Geewin is the holding company of Huizhou Modern Battery Limited ("HMBL"), a company that manufactures primary alkaline cylindrical batteries in Huizhou, PRC. After the Acquisition, Geewin will become a wholly-owned subsidiary of GP Batteries.

Based on Geewin's unaudited accounts as at 31 December 2002, the value of the assets being acquired is about US\$400,000.

The Consideration was arrived at after negotiation on a willing-buyer, willing-seller basis. It will be payable in cash and funded through the Company's internal resources.

After the Acquisition, the production facility of HMBL will be relocated to and consolidated with Zhongyin (Ningbo) Batteries, a company that manufactures primary alkaline cylindrical batteries in Ningbo, PRC in which GP Batteries has 75% interest. The other resources of HMBL, such as factory premises and human resources, will be redeployed for the production of other types of batteries.

The above transaction is not expected to have any material impact on the earnings per share and net asset value per share of the Company for the current financial year.

None of the Directors or Controlling Shareholders of the Company has any interest, direct or indirect, in the above transaction.

By order of the Board

Tan San-Ju
Company Secretary

Singapore 12 March 2003

Submitted by Tan San-Ju, Company Secretary on 12/03/2003 to the SGX