

GP BATTERIES INTERNATIONAL LIMITED

Acquisition of an associated company

The Directors of GP Batteries International Limited ("GP Batteries" or the "Company") wish to announce that one of its wholly-owned subsidiary has entered into an agreement to acquire a 45% interest (the "Acquisition") in Aim High Limited ("Aim High") at a cash consideration of US\$2.5 million (the "Consideration").

Aim High commenced its business in the marketing and distribution of primary and rechargeable cylindrical batteries in the consumer market in Eastern Europe, particularly Russia, since 1995.

The Consideration was negotiated on a willing-buyer, willing-seller basis, and was arrived at after taking into account factors such as the earnings potential, the established marketing channels and a strong distribution network of Aim High in six countries in Eastern Europe as well as Russia. The Consideration represents a multiple of about 6 times the guaranteed minimum profit before tax of US\$900,000 for the year ending 31 March 2003. Turnover and profit before tax for Aim High, based on the unaudited accounts at 31 December 2002, is about US\$8.7 million and US\$0.7 million respectively; and the value of the assets being acquired, is about US\$0.3 million.

GP Batteries Group is one of the world's major suppliers of primary and rechargeable batteries. The Acquisition is regarded by the Directors as a strategic move to enhance the Group's presence in Eastern Europe and Russia.

The acquisition will be funded from the Company's internal resources and 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. This is a non-discloseable transaction under Chapter 10 of the SGX-ST Listing Manual.

By Order of the Board

Tan San-Ju
Company Secretary

Singapore, 27 March 2003

Submitted by Tan San-Ju, Company Secretary on 27/03/2003 to the SGX