

GP BATTERIES INTERNATIONAL LIMITED

Acquisition of an associated company annulled

Further to the announcement on 27 March 2003, the Directors of GP Batteries International Limited ("GP Batteries" or the "Company") wish to announce that the Company has decided not to complete the Acquisition in Aim High Limited ("Aim High"). This decision was made as the Company was not satisfied with the documentation produced to substantiate Aim High's legal ownership in its Russian associated company which specialises in the marketing and distribution of primary and rechargeable cylindrical batteries in the local market. As a result, the Agreement has been annulled (the "Annulment") and the seller has refunded to the Company the consideration of US\$2.5 million, which the Company made pursuant to the Agreement.

Notwithstanding the Annulment, Aim High will continue to be one of the major distributors of GP Batteries' products in Eastern Europe. At the same time the Company is still optimistic about the market potential in Eastern Europe and will continue to look for opportunities in enhancing GP Batteries' presence there.

The aforementioned event 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.

By Order of the Board

Tan San-Ju
Company Secretary

Singapore 3 June 2003

Submitted by Tan San-Ju, Company Secretary on 03/06/2003 to the SGX