

## GP BATTERIES INTERNATIONAL LIMITED

### **GP Batteries International Limited entered into a new joint venture to produce Lithium Batteries in China**

Pursuant to Clause 704(15)(c) of the Listing Manual, the Directors of GP Batteries International Limited ("GP Batteries" or the "Company") are pleased to announce that it has entered into an agreement (the "Agreement") with SANYO Energy Tottori Co., Ltd ("SANYO") to set up a joint venture company "Ningbo GP Sanyo Energy Co., Ltd" ("NGPSE") to produce primary Lithium batteries in China. GP Batteries and SANYO will own 49% and 51% of the equity interest in NGPSE respectively.

The parent company of SANYO is SANYO Electric Co., Ltd. in Japan which makes electrical and electronic products under the well-known "SANYO" brand.

Under the Agreement, NGPSE will have a registered capital of US\$25 million. GP Batteries and SANYO will make total cash contributions of US\$12.25 million (the "Contribution") and US\$12.75 million respectively in the form of capital of NGPSE in four phases over a two-year period. It is expected that the final contribution will be made before 30 June 2006. In addition to cash contribution, SANYO will also make available the latest advanced technology as well as provide the required technical support and assistance to NGPSE.

The Directors consider the new joint venture a good opportunity to expand the range of products offered by GP Batteries Group. The primary Lithium batteries produced by NGPSE will be sold in both the PRC and international markets tapping on the well-established worldwide marketing networks of both GP Batteries Group and SANYO.

The Company will fund the Contribution from both internal resources and bank borrowings. The new joint venture 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 30 June 2004

Submitted by Tan San-Ju, Company Secretary on 30/06/2004 to the SGX