

## Miscellaneous

\* 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 *	Tan San -Ju
Designation *	Company Secretary
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## >> Announcement Details

The details of the announcement start here ...

Announcement Title *	ACQUISITION OF AIM HIGH GROUP LIMITED
Description	Please see attached

## **GP BATTERIES INTERNATIONAL LIMITED**

(Incorporated in the Republic of Singapore)

Company Registration No. 199002111N

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### **ACQUISITION OF AIM HIGH GROUP LIMITED**

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The Board of Directors of GP Batteries International Limited (the “**Company**”, or “**GP Batteries**”) wishes to announce that Champion World Limited (“**Champion World**”), a wholly owned subsidiary of the Company, has on 27 June 2008 entered into a conditional sale and purchase agreement (the “**Sale and Purchase Agreement**”) in respect of the acquisition of 50% of the issued shares in Aim High Group Limited (the “**Sale Shares**”) (the “**Acquisition**”). Champion World Limited previously acquired 50% of the issued shares in Aim High Group Limited (“**Aim High**”) in 2004. Aim High will become a wholly-owned subsidiary of the Group after the Acquisition.

#### **Information on the Acquisition**

Champion World will acquire the Sale Shares, being 100,000 ordinary shares comprising 50% of the issued shares in Aim High, pursuant to the Sale and Purchase Agreement.

#### **Information relating to Aim High**

Aim High is an investment holding and trading company with an issued and paid up capital of US\$200,000 comprising 200,000 ordinary shares of US\$1 each. Aim High and its group companies (the “**Aim High Group**”) commenced business in the marketing and distribution of primary and rechargeable batteries in the consumer market in Eastern Europe in 1995. Today, they have an extensive marketing and network presence in Eastern Europe including, in particular, Russia.

#### **Consideration and material terms**

The consideration, being the purchase price of the Sale Shares payable in cash, is US\$11 million (equivalent to about S\$15 million at the exchange rate of S\$1:US\$0.73) (the “**Consideration**”). 80% of the Consideration (being US\$8.8 million) will be payable upon execution of the Sale and Purchase Agreement while 20% of the Consideration (being US\$2.2 million) will be payable within 5 business days after one year after the execution of the Sale and Purchase Agreement (the “**Retention Money**”). The Retention Money will only be payable in full if the Aim High Group is able to achieve a consolidated post tax profit of not less than US\$4.4 million for the twelve months ending 31 March 2009 (the “**Guaranteed Profit**”). In the event that the actual profit falls short of the Guaranteed Profit, Champion World will be entitled to retain a portion of the Retention Money. The amount that Champion World may retain (up to a maximum amount that is equivalent to US\$2.2 million) will be calculated based on the difference between the Guaranteed Profit and actual profit multiplied by 50%. The Consideration, which represents a PE multiple of 5 times of the Guaranteed Profit, was arrived at on a willing buyer-willing seller basis and on arm’s length commercial terms, taking into account the earning potential and extensive marketing network of the Aim High Group in Eastern Europe.

#### **The value of the Sale Shares**

No person was commissioned to value the Sale Shares.

Based on the consolidated financial statements of Aim High Group for the year ended 31 March 2008, the net asset value of the Sale Shares was about US\$6.8 million and the profit for the year attributable to the Sale Shares was approximately US\$2.5 million.

## Funding for the Acquisition

It is intended that the Acquisition will be financed through both internal cash resources and bank borrowings.

## Rationale for the Acquisition

The Acquisition will result in the Company obtaining a controlling stake in Aim High and will enable the Company to expand its core business by extending its marketing and network presence in Eastern Europe.

## Financial effects of the Acquisition

The financial effects of the Acquisition are for illustration purposes only and do not reflect the future financial position of the Company and its subsidiaries (the "Group") after completion of the Sale and Purchase Agreement. The financial effects of the Acquisition are based on the financial statements of the Group for the financial year ended 31 March 2008 announced on 28 May 2008 (ie. the most recently completed financial year) and are set out below.

### (a) Net tangible assets per share

Assuming that the Acquisition had been completed on 31 March 2008, the effect of the Acquisition on the Group's net tangible assets for the financial year ended 31 March 2008 is as follows:

	Before Acquisition	After Acquisition
NTA (S\$ million)	249.9	237.4
No. of Shares	109,687,168	109,687,168
Net tangible assets per share (S\$)	2.28	2.16

### (b) Earnings per share

Assuming that the Acquisition had been completed on 1 April 2007, the effect of the Acquisition on the Group's earnings per share for the financial year ended 31 March 2008 is as follows:

	Before Acquisition	After Acquisition
Loss attributable to Shareholders (S\$million)	4.6	0.9
No. of Shares	109,687,168	109,687,168
Loss per share (S\$ cents)	4.2	0.8

## Relative figures in Rule 1006 of the Listing Manual

The relative figures under Rule 1006 of the Listing Manual based on the latest announced consolidated results for the financial year ended 31 March 2008 are:

Listing Manual Rule	Net asset value of the assets	Net asset value of the Group	Relative Figure
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Rule 1006(a)	Not applicable to an acquisition	Not applicable to an acquisition	Not applicable to an acquisition
	<b>Net profits attributable to assets</b>	<b>Net loss of the Group</b>	<b>Relative figure</b>
Rule 1006(b)	about US\$2.5 million (or about S\$3.4 million)	S\$4.6 million	Not applicable
	<b>Aggregate consideration received for the assets</b>	<b>Market capitalization of the Group as at 27 June 2008</b>	<b>Relative figure</b>
Rule 1006(c)	US\$11 million (or about S\$15 million)	S\$82.3 million	18%
Rule 1006(d)	Not applicable as no Shares will be issued	Not applicable as no Shares will be issued	Not applicable as no Shares will be issued

### Interest of Directors and controlling Shareholders

None of the directors or controlling shareholders of the Company has any direct or indirect interest in the aforesaid transaction except through their shareholdings (if any) in the Company.

By Order of the Board

Tan San-Ju  
Company Secretary

30 June 2008