

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
Date & Time of Broadcast	01-Sep-2008 17:38:23
Announcement No.	00093

>> Announcement Details

The details of the announcement start here ...

Announcement Title *	INCREASE OF SHAREHOLDING IN AN ASSOCIATED COMPANY
Description	Please see attached.

GP BATTERIES INTERNATIONAL LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number 199002111N

INCREASE OF SHAREHOLDING IN AN ASSOCIATED COMPANY

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 entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”) in respect of the acquisition of 15% of the issued shares in STL Corporation (the “**Acquisition**”). After the Acquisition, the Group’s interest in STL Corporation will increase from 30% to 45% and STL Corporation will remain an associated company of the Group.

Information on the Acquisition

Champion World will acquire the Sale Shares, being 600,000 ordinary shares comprising 15% of the issued shares in STL Corporation, pursuant to the Sale and Purchase Agreement.

Information relating to STL Corporation

STL Corporation is an investment holding company with an issued and paid up capital of US\$4,000,000 comprising 4,000,000 ordinary shares of US\$1 each. STL Corporation and its group companies (the “**STL Group**”) are engaged in the business of electronic design and assemble of battery packs primarily for computer notebooks.

Consideration and material terms

The aggregate consideration, being the purchase price of the Sale Shares payable in cash, is US\$9 million (equivalent to about S\$12.8 million at the exchange rate of S\$1:US\$0.705) (the “**Consideration**”). The Consideration is arrived at on a “willing buyer” “willing seller” basis having regard to the earnings potential of STL Group which is one of the major worldwide suppliers of computer notebooks battery packs.

80% of the Consideration (being US\$7.2 million) is payable upon execution of the Sale and Purchase Agreement while 20% of the Consideration (being US\$1.8 million) will be payable on the expiration of 90 days after the execution of the Sale and Purchase Agreement.

The value of the Sale Shares

No person was commissioned to value the Sale Shares.

Based on the unaudited consolidated financial statements of STL Group drawn up to 30 June 2008, the net asset value of the Sale Shares was about US\$2.58 million and the net profit attributable to the Sale Shares was about US\$0.44 million for the 3 months ended 30 June 2008.

Funding for the Acquisition

The Acquisition will be funded through both internal cash resources and bank borrowings.

Rationale for the Acquisition

The Acquisition will enable the Company to increase its strategic investment in the STL Group to enhance mutual business collaboration and to benefit from the future growth of the STL Group.

Financial effect of the Acquisition

Assuming that the Acquisition had been completed on 31 March 2008, being the end of the Company's most recently completed financial year, the net tangible assets per share of the Company for the financial year ended 31 March 2008 would have decreased from S\$2.28 to S\$2.20.

Assuming that the Acquisition had been completed on 1 April 2007, being the beginning of the Company's most recently completed financial year, the loss per share of the Company would have been decreased from 4.21 Singapore cents to 2.67 Singapore cents.

The financial effects computed above, based on the audited financial statements of the Company and its subsidiaries (the "**Group**") for the financial year ended 31 March 2008, are purely for illustration purposes only and do not reflect the future financial position of the Group after completion of the Acquisition.

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 first quarter of the financial period 1 April 2008 to 30 June 2008 ("**Q1 2008**") are:

Listing Manual Rule	Net asset value of the Sale Shares	Net asset value of the Group	Relative Figure
Rule 1006(a)	Not applicable to an acquisition	Not applicable to an acquisition	Not applicable to an acquisition
	Net profits attributable to the Sale Shares for Q1 2008	Net profit of the Group for Q1 2008	Relative figure
Rule 1006(b)	US\$0.44 million (or about S\$0.62 million)	S\$0.13 million	477%
	Aggregate consideration given for the Sale Shares	Market capitalization of the Group as at 29 August 2008	Relative figure
Rule 1006(c)	US\$9 million (or about S\$12.8 million)	S\$70.4 million	18.2%
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

1 September 2008