

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 *	Caroline Yeo
Designation *	Company Secretary
Date & Time of Broadcast	26-Sep-2008 17:26:18
Announcement No.	00070

>> Announcement Details

The details of the announcement start here ...

Announcement Title *	DISPOSAL OF SHARES IN A SUBSIDIARY
Description	

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

DISPOSAL OF SHARES IN A SUBSIDIARY

The Board of Directors of GP Batteries International Limited (the “**Company**” or “**GP Batteries**”) wishes to announce that the Company has entered into a sale and purchase agreement (“**SPA**”) to dispose of some of its shares in its subsidiary, Bolder Technologies Pte Ltd (“**Bolder**”) (the “**Disposal**”).

Information on the Disposal and Bolder

The Company will dispose of 20,000 ordinary shares comprising 20% of the total number of shares in Bolder (the “**Sale Shares**”). After the Disposal, Bolder will remain a subsidiary and the Company’s shareholding in Bolder will reduce from 100% to 80%. Bolder is a company incorporated in Singapore, engaged in the research and development, production and sale of Thin Metal Film (“**TMF®**”) Lead Acid batteries.

Consideration and material terms of the SPA

The consideration for the Disposal is S\$4,000,000 (the “**Consideration**”). The Consideration is arrived at on a “willing buyer” “willing seller” basis based on the advanced features of the TMF® batteries and its market potential in industrial applications, especially in the automobile industry. The Consideration is payable in cash on completion of the Sale and Purchase Agreement. On completion, S\$1,000,000 of the Consideration will be advanced to Bolder by the Company as a shareholder loan.

On completion under the SPA, Bolder, the Company and the buyer will enter into a Shareholders Agreement (the “**SHA**”) to regulate their respective rights and obligations in respect of Bolder and the conduct of the business and affairs of Bolder.

Material terms of the SHA

Under the SHA, the Company will retain management control of Bolder with certain matters requiring unanimous approval of the shareholders, namely any amendment to the memorandum and articles of association of Bolder, the winding up of Bolder and the entry into any joint venture, partnership, profit sharing or merger arrangement with any other party.

Under the SHA, the Group will only conduct the business of TMF Lead Acid batteries through Bolder and has undertaken not to engage in the same business in competition with Bolder.

Bolder will also grant a non-exclusive non-transferable license of its intellectual property rights to its new shareholder to manufacture, distribute, use, sell and offer to sell products covered by such Bolder intellectual property rights. This license will terminate in the event that the buyer ceases to hold at least 20% of the shares in Bolder or upon the occurrence of certain termination events including un-remedied breaches of the terms of the license, insolvency.

The value of the Sale Shares

No person was commissioned to value the Sale Shares. Based on the unaudited financial statements of Bolder as at 30 June 2008, the net asset value of the Sale Shares is about S\$0.4 million and the loss attributable to the Sale Shares for the financial period from 1 April 2008 to 30 June 2008 is S\$0.1 million.

Excess over book value and use of proceeds

The excess of the proceeds of the Disposal over book value is S\$3.8 million. The proceeds from the Disposal will be used for the working capital of the Group.

Rationale for the Disposal

The Disposal is for the purpose of facilitating the entry of a new shareholder to further develop and expand the business of Bolder.

Financial effect of the Disposal

Assuming that the Disposal 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 increased from at S\$2.28 to S\$2.31.

Assuming that the Disposal 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 decreased from 4.21 Singapore cents to 3.87 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 purpose only and do not reflect the future financial position of the Group after completion of the Disposal.

Relative figures under 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)	S\$0.4 million	S\$274 million	0.15%
	Net (loss) attributable to the Sale Shares for Q1 2008	Net profit of the Group for Q1 2008	Relative figure
Rule 1006(b)	S\$(0.1) million	S\$2.5 million	not meaningful
	Aggregate consideration received for the Sale Shares	Market capitalization of the Group as at 24 September 2008	Relative figure
Rule 1006(c)	S\$4.0 million	S\$62million	6.5%
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

Caroline Yeo
Company Secretary
26 September 2008