

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
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>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

Announcement Title *	ACQUISITION OF SHARES IN NEW VECTRIX LLC
Description	

GP BATTERIES INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)

Company Registration Number 199002111N

ACQUISITION OF SHARES IN NEW VECTRIX LLC

The Board of Directors of GP Batteries International Limited (the "**Company**") wishes to announce that the Group has subscribed for new shares in the capital of New Vectrix LLC, a Delaware limited liability company ("**NVC**") which has become a wholly owned subsidiary of the Group. NVC is a special purpose vehicle established to acquire certain of the assets of Vectrix Corporation, a Delaware corporation ("**VC**") (the "**Asset Purchase**").

INVESTMENT IN SUBSIDIARY

The consideration for the investment in NVC was US\$1,750,000 (equivalent to S\$2.45 million at an exchange rate of US\$1.00:S\$1.40). The consideration was paid in cash. The amount invested took into account the funding requirements of NVC for the Asset Purchase. No person was commissioned to value the shares acquired.

ASSET PURCHASE

Information about the Asset Purchase

VC was in the business of developing, inventing, manufacturing and testing mechanical and electronic systems to produce electric vehicles which are then used, sold, leased or otherwise distributed in the domestic and international markets. NVC has acquired certain assets of VC including licences, trademarks, fixed assets, accounts receivables, claims, goodwill, bank deposits, software assets, intellectual property, goodwill and the name "Vectrix" (the "**Assets**") and has assumed certain liabilities of VC, through a supervised sale under section 363 of the United States Bankruptcy Code.

Consideration and Material Terms

The consideration for the Asset Purchase was US\$1,750,000 plus the assumption of up to US\$3,306,000 in specified liabilities for a total purchase price of US\$5,056,000 ("**Consideration**"). The assumed liabilities include warranty coverage of up to US\$2,000,000 on Vectrix vehicles previously sold to dealers and consumers for claims filed within a period of 60 days after the filing of a voluntary petition for relief under chapter 11 of the United States Bankruptcy Code by VC, as well as debts owing to certain third parties. The Consideration was arrived at after taking into account the value of the Assets, the liabilities to be assumed, and the absence of competing bidders.

The Value of the Assets

No person was commissioned to value the Assets.

Funding for the Acquisition

The Asset Purchase was funded through the internal cash resources of the Group.

Rationale for the Acquisition

The Asset Purchase will enable the Group to acquire assets, technology and intellectual property rights which will strengthen the Group's presence in electric vehicles market.

Financial Effects of the Asset Purchase

Assuming that the Asset Purchase had been completed on 31 March 2009, being the end of the Company's most recently completed financial year, the transaction would not have had any effect on the net tangible assets per share of the Company for the financial year ended 31 March 2009.

Assuming that the Asset Purchase had been completed on 1 April 2008, being the beginning of the Company's most recently completed financial year, the transaction would not have had any effect on the profit per share of the Company for the financial year ended 31 March 2009.

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 2009 to 30 June 2009 ("Q1 2009") are:

Listing Manual Rule	Net asset value of the Assets	Net asset value of the Group	Relative Figure
Rule 1006(a)	Not applicable to an acquisition	Not applicable to an acquisition	Not applicable
	Net profits attributable to the Assets for Q1 2009	Net profit of the Group for Q1 2009	Relative Figure
Rule 1006(b)	Not applicable as there are no profits attributable to the Assets. Acquisition of Assets is in the context of a bankruptcy reorganisation.	S\$13.7 million	Not applicable.
	Aggregate value of consideration	Market capitalisation of the Company as at 5 November 2009	Relative Figure
Rule 1006(c)	US\$5.056 million	S\$126.1 million (equivalent to US\$90.1 million)	5.6%
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
6 November 2009