

Press Release

For Immediate Release

GP Batteries to Acquire China's 2nd Largest Alkaline Battery Manufacturer

*Further strengthens its manufacturing capacity and market position
and broadens its earnings base*

17 September 2002 – Main board listed GP Batteries International Limited (“GP Batteries”) today announces that it has entered into conditional sales and purchase agreements to acquire 75% of the issued capital of Zhongyin (Ningbo) Battery Co. Ltd (“Ningbo Battery”) of China. Ningbo Battery is currently China’s second largest alkaline battery manufacturer.

The total cash consideration amounted to Rmb230 million (approximately S\$48.7 million) which was negotiated on a willing buyer, willing seller basis.

Established in 1993 as a Chinese-foreign joint venture in Ningbo of Zhejiang Province, China, Ningbo Battery is 49% owned by Ningbo Pairdeer Battery Co Ltd with the remainder held by an investment bank. After the acquisition, Ningbo Pairdeer Battery would continue to retain the remaining 25% of Ningbo Battery.

Ningbo Battery is one of the leading battery manufacturers in China with an annual turnover of over Rmb380 million, and its net tangible assets at 31 December 2001 amounted to over Rmb217 million. It is principally engaged in the manufacture of cylindrical alkaline batteries and a significant portion of its output are sold under the “Pairdeer” brand with the rest exported primarily to private-label and OEM customers. Presently, the “Pairdeer” trademark is owned by Ningbo Pairdeer Battery. As part of the terms of the sales and purchase agreements, the “Pairdeer” trademark shall be transferred free of consideration from Ningbo Pairdeer Battery to Ningbo Battery upon completion of the acquisition.

Ningbo Battery currently is the second largest alkaline battery manufacturer in China and its “Pairdeer” brand is recognized as one of China’s top brands in the alkaline battery market.

“We are bullish about the growth in the battery market in China and have always been looking for opportunity to further expand our capacity and market position,” said Mr Andrew Ng, Chairman and Chief Executive of GP Batteries.

In addition to possessing a cost-competitive, high-performance alkaline battery manufacturing facilities, Ningbo Battery has a strong distribution network in over 80 major cities throughout China.

“We consider that both companies are highly complementary in manufacturing, customer base, product range and distribution network. We view this acquisition as an opportunity for us to expand our market position in China through the renowned “Pairdeer” brand name as well as the GP brand. It would increase our production capacities and enable us to have access to Ningbo Battery’s extensive distribution network in China,” elaborated Mr Ng.

“We believe the acquisition will significantly increase our market share in China and enhance our earnings base,” added Mr Ng.

The proposed acquisition is conditional upon, inter alia, requisite approvals of respective boards, relevant China authorities and approval of GP Batteries’ shareholders in general meeting if the waiver from seeking shareholders’ approval from the Singapore Stock Exchange is not granted.

The acquisition will be funded by internal resources and bank borrowings.

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Background information on GP Batteries

GP Batteries International Limited is principally engaged in the development, manufacture and marketing of batteries and battery-related products.

GP Batteries has been listed on the main board of the Singapore Exchange Securities Trading Limited since March 1991 and is currently a component stock of the BT Singapore Regional Index.

GP Batteries' major production facilities are located in Hong Kong, China, Singapore, Taiwan, Malaysia, Denmark and Poland, supported by marketing and trading offices in Singapore, Hong Kong, Taiwan, China, South Korea, Malaysia, Thailand, Poland, France, Germany, Italy, the UK, Canada and the US.

For more information on GP Batteries, please visit ***www.gpbatteries.com.sg***