GP Industries Limited
(Incorporated in the Republic of Singapore)
Co. Reg. No. 199502128C

15 November 2017

To: The Shareholders of GP Batteries International Limited

Dear Sir / Madam

COMPULSORY ACQUISITION OF SHARES IN GP BATTERIES INTERNATIONAL LIMITED (THE "COMPANY" OR "GP BATTERIES") BY GP INDUSTRIES LIMITED (THE "OFFEROR") PURSUANT TO SECTION 215(1) OF THE COMPANIES ACT, CHAPTER 50 OF SINGAPORE (THE "COMPANIES ACT"), AND RIGHTS PURSUANT TO SECTION 215(3) OF THE COMPANIES ACT

1. INTRODUCTION

1.1 Offer. We refer to the formal offer document dated 6 October 2017 in relation to the voluntary conditional cash offer (the "**Offer**") by Oversea-Chinese Banking Corporation Limited ("**OCBC Bank**"), for and on our behalf, for all the issued ordinary shares ("**GP Batteries Shares**") in the capital of the Company, other than GP Batteries Shares already owned or agreed to be acquired by us as at the date of the Offer (the "**Offer Document**").

*Capitalised terms not defined in this letter (this "**Letter**") shall have the respective meanings given to them in the Offer Document.*

If you have already (i) validly accepted the Offer in respect of all your GP Batteries Shares by completing and returning a relevant Acceptance Form or (ii) sold all your GP Batteries Shares on the Singapore Exchange Securities Trading Limited prior to the date of this Letter, please disregard this Letter and the accompanying Form 57 and Form 58 (each as defined below).

1.2 Offer Unconditional. As announced by OCBC Bank, for and on our behalf, as at 5.00 p.m. (Singapore time) on 31 October 2017, we have received valid acceptances (which have not been withdrawn) in respect of such number of GP Batteries Shares which, when taken together with GP Batteries Shares owned, acquired or agreed to be acquired by us and any person acting in concert with us before or during the Offer, has resulted in us and any person acting in concert with us holding such number of GP Batteries Shares carrying more than 90 per cent. of the voting rights attributable to all the GP Batteries Shares in issue (excluding treasury GP Batteries Shares) (the "**90 per cent. Acceptance Condition**"). Accordingly, the 90 per cent. Acceptance Condition had been satisfied and the Offer was declared unconditional in all respects on 31 October 2017.

1.3 Compulsory Acquisition Threshold Attained. As further announced by OCBC Bank, for and on our behalf, as at 5.00 p.m. (Singapore time) on 6 November 2017, pursuant to valid acceptances of the Offer, we own, control or have agreed to acquire an aggregate of 152,772,842 GP Batteries Shares, representing approximately 96.62 per cent. of the total number of GP Batteries Shares in issue[1].

1.4 Compulsory Acquisition. Pursuant to Section 215(1) of the Companies Act, as we have received valid acceptances of the Offer and/or acquired such number of Offer Shares in respect of not less than 90 per cent. of the total number of GP Batteries Shares in issue (excluding treasury GP Batteries Shares) (other than those already held by us, our related corporations or our respective nominees as at the date of the Offer), we are entitled and intend to, as indicated in the Offer Document, exercise our right under Section 215(1) of the Companies Act to compulsorily acquire all the Offer Shares held by Shareholders who have not accepted the Offer (the "**Dissenting Shareholders**"), at the Offer Price of **S$1.30** (in cash) for each Offer Share (the aggregate amount payable, the "**Offer Consideration**").

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[1] Calculated based on a total of 158,116,552 issued GP Batteries Shares (excluding treasury GP Batteries Shares) as at the date of this Letter and rounded to the nearest two decimal places.

2. COMPULSORY ACQUISITION UNDER SECTION 215(1) OF THE COMPANIES ACT

2.1 Dissenting Shareholder. According to the records maintained by The Central Depository (Pte) Limited ("**CDP**") and/or Boardroom Corporate & Advisory Services Pte. Ltd. (the "**Registrar**"), as the case may be, you have not accepted the Offer in respect of your Offer Shares. Accordingly, we are writing to inform you that we are exercising our right of compulsory acquisition under Section 215(1) of the Companies Act to acquire all the Offer Shares held by you at the consideration of **S$1.30** (in cash) for each Offer Share. We enclose, for this purpose, a Notice to Dissenting Shareholder in the form prescribed under the Companies Act ("**Form 57**").

Please disregard this Letter and the accompanying Form 57 and Form 58 (as defined below) if you have already validly accepted the Offer in respect of all your Offer Shares or sold all your Offer Shares.

2.2 Compulsory Acquisition. We will exercise our right of compulsory acquisition to acquire all the Offer Shares held by you on or after 18 December 2017 (the "**Transfer Date**"), being one month after the date of Form 57, subject to and on the terms set out in the accompanying Form 57.

2.3 Registration of Transfer. Upon the settlement of the Offer Consideration to the Company, the Company will cause to be transferred to us all the Offer Shares held by you and will register us as the holder of all those Offer Shares as soon as practicable. The Offer Consideration will be credited by the Company into a separate bank account and held by the Company on trust for you.

2.4 Settlement. Subject to and in accordance with the provisions of Section 215(1) of the Companies Act and the terms set out in Form 57, as soon as practicable after the Transfer Date:

(i) if your Offer Shares are held through a Securities Account maintained with CDP, CDP will, on our behalf, despatch remittances in the form of S$ crossed cheques drawn on a bank in Singapore for the appropriate amount of the Offer Consideration payable in respect of your Offer Shares to you (or, if you hold Offer Shares which are not deposited with CDP, your designated agent(s), as you may direct) by ordinary post, at your own risk, to your address as it appears in the records of CDP, or by such other manner as you may have agreed with CDP for the payment of any cash distribution; and

(ii) if your Offer Shares are held in scrip form, the Registrar will, on our behalf, despatch a S$ crossed cheque drawn on a bank in Singapore for the appropriate amount of the Offer Consideration payable in respect of your Offer Shares to you by ordinary post, at your own risk, to your address as it appears in the register of members of the Company, as maintained by the Registrar.

2.5 No Action Needed. No action needs to be taken by you in relation to Form 57 to entitle you to payment, which will be made to you in accordance with paragraphs 2.3 and 2.4 above.

3. RIGHTS UNDER SECTION 215(3) OF THE COMPANIES ACT

3.1 Non-Assenting Shareholder. Under Section 215(3) of the Companies Act, you have the right to require us to acquire your Offer Shares. In connection therewith, a Notice to Non-Assenting Shareholder in the form prescribed under the Companies Act ("**Form 58**") is enclosed with this Letter. You may, within three months from the date of Form 58 (that is, by 15 February 2018), require us to acquire your Offer Shares and we shall be entitled and bound to acquire your Offer Shares on the same terms as those offered under the Offer at the consideration for the Offer, comprising the Offer Price of **S$1.30** (in cash) for each Offer Share.

3.2 No Action Needed. As we would be proceeding to compulsorily acquire your Offer Shares pursuant to Section 215(1) of the Companies Act, you need <u>not</u> take any action in relation to Form 58. If you wish to exercise your right under Section 215(3) of the Companies Act, you are advised to seek your own independent legal advice.

4. DELISTING

4.1 Listing Status of the Company. Rule 723 of the Listing Manual requires the Company to ensure that at least 10 per cent. of the total number of GP Batteries Shares (excluding treasury GP Batteries Shares) is at all times held by the public (the "**Free Float Requirement**"). As announced by OCBC Bank, for and on our behalf on 31 October 2017, the Free Float Requirement is no longer satisfied. As stated in the Offer Document, **we do not intend to preserve the listing status of the Company and do not intend to take any steps for any trading suspension in the securities of the Company to be lifted.**

4.2 Application for Delisting. An application has been or will be made to the SGX-ST for the delisting of the Company, subject to the completion of the compulsory acquisition by us under Section 215(1) of the Companies Act (the "**Delisting Application**"). The result of the Delisting Application will be announced in due course.

4.3 Timing of Suspension and Delisting:

4.3.1 Pursuant to Rule 1303(1) of the Listing Manual, trading in the listed securities of the Company, being the GP Batteries Shares, on the SGX-ST will be suspended after the close of the Offer.

4.3.2 Subject to the result of the Delisting Application, the Company will be delisted upon the completion of the compulsory acquisition by us under Section 215(1) of the Companies Act. The date on which the Company will be delisted from the SGX-ST will be announced in due course, following the completion of such compulsory acquisition.

5. GENERAL

If you are in any doubt about any of the matters referred to in this Letter, you should consult your stockbroker, bank manager, solicitor or other professional adviser immediately.

6. RESPONSIBILITY STATEMENT

The directors of the Offeror (including any director of the Offeror who may have delegated detailed supervision of this Letter) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Letter are fair and accurate and that no material facts have been omitted from this Letter. The directors of the Offeror jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, relating to the Company and its subsidiaries), the sole responsibility of the directors of the Offeror has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this Letter.

Yours faithfully
For and on behalf of
GP Industries Limited



Wong Man Kit
Director

Enclosed: Form 57 and Form 58

Member
Gold Peak Group