GP Batteries International Limited
(Incorporated in the Republic of Singapore)
(Company Registration No. 199002111N)
(the "**Company**")

VOLUNTARY CONDITIONAL CASH OFFER BY OVERSEA-CHINESE BANKING CORPORATION LIMITED, FOR AND ON BEHALF OF GP INDUSTRIES LIMITED, FOR GP BATTERIES INTERNATIONAL LIMITED

APPROVAL FOR (1) THE PROPOSED DELISTING OF THE COMPANY, (2) WAIVER OF RULE 1307 OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST"), AND (3) CONFIRMATION OF NON-APPLICABILITY OF RULE 1309 OF THE LISTING MANUAL

1. INTRODUCTION

The Board of Directors ("**Board**" or "**Directors**") of **GP Batteries International Limited** ("**GP Batteries**" or the "**Company**") refers to, *inter alia*:

(a) the announcement dated 10 August 2017 released by Oversea-Chinese Banking Corporation Limited ("**OCBC**"), for and on behalf of GP Industries Limited (the "**Offeror**") stating, *inter* alia, that subject to and contingent upon the satisfaction of the Pre-Condition, the Offeror intends to make a voluntary conditional offer (the "**Offer**") for all the issued ordinary shares in the capital of the Company ("**Shares**"), other than Shares already owned or agreed to be acquired by the Offeror as at the date of the Offer (the "**Pre-Conditional Offer Announcement**");

(b) the update announcement dated 11 September 2017 released by OCBC Bank, for and on behalf of the Offeror, in relation to the Pre-Condition (the "**Update Announcement**");

(c) the formal offer announcement dated 22 September 2017 released by OCBC, for and on behalf of the Offeror stating, *inter* alia, that the Pre-Condition was fulfilled and the Offeror's firm intention to make the Offer (the "**Offer Announcement**");

(d) the Company's announcements dated 10 August 2017, 11 September 2017, 22 September 2017 and 20 October 2017 in relation to the Offer;

(e) the formal offer document dated 6 October 2017 containing the terms and conditions of the Offer, which was despatched to holders of Shares on the same date (the "**Offer Document**");

(f) the circular dated 20 October 2017 containing, *inter alia*, the advice of the independent financial adviser to the Recommending Directors and the recommendation of the Recommending Directors to Shareholders in relation to the Offer (the "**Circular**");

(g) the announcement dated 31 October 2017 released by OCBC, for and on behalf of the Offeror, in relation to, *inter alia*, the Offer being declared unconditional in all respects and the extension of the Closing Date of the Offer (the "**Unconditional Offer Announcement**");

(h) the announcement dated 6 November 2017 released by OCBC Bank, for and on behalf of the Offeror, in relation to, *inter alia,* the exercise of the right of compulsory acquisition under Section 215(1) of the Companies Act (the "**Compulsory Acquisition Announcement**");

(i) the announcement dated 15 November 2017 released by OCBC Bank, for and on behalf of the Offeror in relation to, inter alia, the despatch of notices pursuant to Section 215(1) and Section 215(3) of the Companies Act ("**CA Notices Despatch Announcement**"); and

(j) the announcement dated 17 November 2017, released by OCBC, for and on behalf of the Offeror, in relation to, *inter alia*, the close of Offer (the "**Close of Offer Announcement**").

All capitalized terms used and not defined herein shall have the same meanings ascribed to them in the Offer Document, the Circular, the Compulsory Acquisition Announcement or the Close of Offer Announcement (as the case may be).

2. BACKGROUND TO AND GROUNDS FOR THE SGX APPLICATION

Further to the Close of Offer Announcement, the Company had submitted an application to the SGX-ST (the "**SGX Application**") to seek approval for:

(a) the delisting of the Company from the SGX-ST ("**Delisting**");

(b) a waiver of the requirement under Rule 1307 of the Listing Manual that the Delisting be approved by Shareholders in a general meeting ("**Rule 1307 Waiver**"); and

(c) a confirmation that Rule 1309 of the Listing Manual is not applicable ("**Rule 1309 Confirmation**").

2.1 The Delisting Application, Rule 1307 Waiver and Rule 1309 Confirmation

(a) Listing Manual Requirements

Pursuant to Rule 1307 of the Listing Manual, the SGX-ST may agree to an application by an issuer to delist from the SGX-ST if:

(1) the issuer convenes a general meeting to obtain shareholder approval for the delisting ("**Delisting EGM**");

(2) the resolution to delist the issuer has been approved by a majority of at least 75% of the total number of issued shares excluding treasury shares and subsidiary holdings held by the shareholders present and voting, on a poll, either in person or by proxy at the meeting (the issuer's directors and controlling shareholder need not abstain from voting on the resolution); and

(3) the resolution has not been voted against by 10% or more of the total number of issued shares excluding treasury shares and subsidiary holdings held by the shareholders present and voting, on a poll, either in person or by proxy at the meeting.

Pursuant to Rule 1309 of the Listing Manual, if an issuer is seeking to delist from the SGX-ST:

(1) a reasonable exit alternative, which should normally be in cash, should be offered to (a) the issuer's shareholders and (b) holders of any other classes of listed securities to be delisted; and

(2) the issuer should normally appoint an independent financial adviser to advise on the exit offer.

(b) Grounds for Application

The Rule 1307 Waiver is sought based on the following grounds:

(1) As at the close of the Offer at 5.30 p.m. (Singapore time) on 17 November 2017, the number of Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties, together with valid acceptances of the Offer, constitute approximately 97.61% of the Shares in the Company.

(2) If the Delisting of the Company were to be put to a vote by the shareholders of the Company ("**Delisting Resolution**"), the Offeror and its Concert Parties will vote all their Shares in favour of the Delisting Resolution, in line with the public disclosures previously made by the Offeror concerning the listing status of the Company, including but not limited to the Offer Document and the Compulsory Acquisition Announcement. Accordingly, the Offeror will be able to unilaterally determine the outcome of the Delisting Resolution proposed to be passed at the Delisting EGM, if such meeting is convened pursuant to Rule 1307 of the Listing Manual.

(3) In addition, after the compulsory acquisition is completed, the Offeror would become the sole shareholder of the Company.

(4) In view of the above, it is a foregone conclusion that any Delisting Resolution will be approved, and the Company considers that it would be neither meaningful nor justifiable to incur the unnecessary expenditure of time and costs if the Company were to be required to call a Delisting EGM for the purposes of approving the Delisting Resolution.

The Rule 1309 Confirmation is sought based on the following grounds:

(1) The Offeror's intention to delist the Company following compulsory acquisition is set out clearly in the Offer Document, the Compulsory Acquisition Announcement and other public disclosures.

(2) As the Offeror has received valid acceptances pursuant to the Offer or acquired Shares from the date of the Offer Document otherwise than through valid acceptances of the Offer, in respect of not less than 90% of the total number of Shares in issue (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of despatch of the offer document), the Offeror is entitled to exercise the right to compulsorily acquire, at the offer price under the Offer, all the Shares held by the Dissenting Shareholders under Section 215(1) of the Companies Act (the "**215(1) Compulsory Acquisition**"), as announced in the Compulsory Acquisition Announcement.

(3) In addition to the foregoing, the Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares (the "**215(3) Compulsory Acquisition**").

(4) The Company had appointed Asian Corporate Advisors Pte. Ltd. as the independent financial adviser (the "**IFA**") to the Recommending Directors for making a recommendation on the Offer. In the letter from the IFA to the Recommending Directors dated 20 October 2017 (a copy of which was appended to the Circular), the IFA had advised that the financial terms of the Offer were, on balance, fair and reasonable.

(5) In view of the above, the Dissenting Shareholders will have a reasonable exit alternative by requiring the Offeror to acquire their Shares under the 215(3) Compulsory Acquisition. In addition, the IFA has opined that the financial terms of the Offer were not fair but reasonable.

3. WAIVER FROM THE SGX-ST

The Board wishes to announce that the SGX-ST had on 11 December 2017, informed the Company that based on the Company's submission and representations to the SGX-ST, including:

(a) the Offeror and its concert parties hold, in aggregate, more than 90% of all the issued and paid-up ordinary shares in the capital of the Company (excluding treasury shares), resulting in the Company's free float falling below 10%;

(b) the Offeror has announced the exercise of it right of compulsory acquisition; and

(c) the Offeror will be the sole shareholder of the Company upon the completion of the compulsory acquisition,

the SGX-ST has no objection to the Delisting of the Company from the Official List of the SGX-ST, subject to the completion of the compulsory acquisition.

The SGX-ST also indicated that it has no objection to the Company's application for a waiver of Rule 1307 of the Listing Manual in connection with the Delisting subject to:-

(1) an announcement via SGXNET of the waivers granted, the reasons for seeking the waivers and the conditions as required under Rule 107 of the Listing Manual; and

(2) submission of a written confirmation from the Company that the waivers do not contravene any laws and regulations governing the Company and the Constitution of the Company.

The Company intends to submit the confirmations referred to in the above paragraph (2) to the SGX-ST.

The SGX-ST's decision is not an indication of the merits of the Delisting.

The date and time of the Delisting will be announced in due course, following the completion of the compulsory acquisition.

BY ORDER OF THE BOARD

Kelly Kiar Lee Noi
Company Secretary

12 December 2017