

This format of the financial statements is not exhaustive. Listed companies should include separate disclosure of any items which is material because of its size and/or incidence so as to give a proper understanding of the group's performance.

Adequate disclosure should be given to explain any material extraordinary item either as a footnote of the material extraordinary item or in the "Review of the performance of the company and its principal subsidiaries".

GP BATTERIES INTERNATIONAL LIMITED

Half Year Financial Statement And Dividend Announcement

Half-year financial statement on consolidated results for the six months ended 30 September 2001.
These figures have not been audited.

		Group			Company		
		S\$'000		%	S\$'000		%
		Latest half year	Previous half year	Change	Latest half year	Previous half year	Change
1.(a)	Turnover	282,076	286,459	(1.5)	17,335	17,170	1.0
1.(b)	Investment income	0	245	N/M	0	0	0
1.(c)	Other income including interest income	536	1,065	(49.7)	98	57	71.9
2.(a)	Operating profit before income tax, minority interests, extraordinary items, interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	29,093	32,831	(11.4)	15,293	15,614	(2.1)
2.(b)(i)	Interest on borrowings	(8,311)	(8,920)	(6.8)	(6,869)	(7,196)	(4.5)
2.(b)(ii)	Depreciation and amortisation	(13,488)	(11,003)	22.6	(380)	(339)	12.1
2.(b)(iii)	Foreign exchange gain/(loss)	(284)	(821)	(65.4)	157	(22)	N/M
2.(c)	Exceptional items	0	68	N/M	0	0	0
2.(d)	Operating profit before income tax, minority interests and extraordinary items but after interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	7,010	12,155	(42.3)	8,201	8,057	1.8

		Group			Company		
		S\$'000		%	S\$'000		%
		Latest half year	Previous half year	Change	Latest half year	Previous half year	Change
2.(e)	Income derived from associated companies	5,099	3,881	31.4	0	0	0
2.(f)	Less income tax	(1,316)	(1,650)	(20.2)	0	(50)	N/M
2.(g)(i)	Operating profit after tax before deducting minority interests	10,793	14,386	(25.0)	8,201	8,007	2.4
2.(g)(ii)	Less minority interests	28	(109)	N/M	0	0	0
2.(h)	Operating profit after tax attributable to members of the company	10,821	14,277	(24.2)	8,201	8,007	2.4
2.(i)(i)	Extraordinary items	0	0	0	0	0	0
2.(i)(ii)	Less minority interests	0	0	0	0	0	0
2.(i)(iii)	Extraordinary items attributable to members of the company	0	0	0	0	0	0
2.(j)	Operating profit after tax and extraordinary items attributable to members of the company	10,821	14,277	(24.2)	8,201	8,007	2.4

Note to 2(c) : Exceptional items for previous half year represented the net gain arising from the dilution of interest in a subsidiary and the writing off of some related intangible assets.

Group Figures

		Latest half year	Previous half year
3.(a)	Earnings per share based on 2(h) above after deducting any provision for preference dividends:-		
	(i) Based on existing issued share capital *	10.46 cents	13.80 cents
	(ii) On a fully diluted basis	10.41 cents	13.75 cents
3.(b)	Earnings per share based on 2(j) above:-		
	(i) Based on existing issued share capital *	10.46 cents	13.80 cents
	(ii) On a fully diluted basis	10.41 cents	13.75 cents
3.(c)	Net tangible asset backing per ordinary share **	S\$2.24	S\$2.27

(*) Earnings per ordinary share is computed based on the weighted average of 103,480,933 (2000:103,461,168) shares in issue during the period.

(**) Net tangible asset backing per ordinary share is computed based on actual number of shares in issue as at 30 September 2001 of 103,501,168 (2000:103,461,168).

4.(a) Amount of any adjustment for under or overprovision of tax in respect of prior years

There were no material adjustments for under or overprovision of taxation in respect of prior years.

The tax charge for the Group is determined on the basis of tax effect accounting using the liability method and is applied to all significant timing differences and by applying the different corporate tax rates prevailing in the various countries of incorporation of the Group companies. The effective tax rate for the period was 10.9% compared to 10.3% for the last period.

4.(b) Amount of any pre-acquisition profits

NIL

4.(c) Amount of profits on any sale of investments and/or properties

Sale of investments/properties
NIL

\$Profit/(Loss)

4.(d) Any other comments relating to Paragraph 4

There was no sale of investments during the six months ended 30 September 2001.

5.(a) Review of the performance of the company and its principal subsidiaries

The Group's turnover for the six months ended 30 September 2001 decreased slightly by 1.5% to S\$282.1 million. The operating profit before taxation, interest, depreciation and amortisation, and exchange amounted to S\$29.1 million, representing a decrease of 11.4% as compared to the same period last year. Other income decreased to S\$0.5 million due to lower interest income earned from deposit and depreciation and amortisation for the first six months increased by 22.6% to S\$13.5 million. However, income from associated companies continued to contribute significantly with contribution amounting to S\$5.1 million, an increase of 31.4% over last year. This increase was due mainly to the good performance of the major joint venture companies in China. Overall, the consolidated net profit after taxation attributable to members of the company decreased by 24.2% to S\$10.8 million when compared to the previous corresponding period.

Earnings per share for the period based on the weighted average of 103,480,933 (2000:103,461,168) shares in issue amounted to 10.46 Singapore cents, compared with 13.80 Singapore cents for the previous corresponding period. The diluted earnings per share, based

on the weighted average of 103,989,253 (2000:103,844,885) after taking into account the dilution adjustment for share options, amounted to 10.41 Singapore cents, compared with 13.75 Singapore cents for 2000.

The slowdown in the personal computer and cell phone demand which started from the fourth quarter of last fiscal year continued into the first half of the year, causing a sharp reduction of orders from OEM customers. However, strong demand from private-label customers especially the Alkaline 9-volt batteries and the steady consumer sales helped to cushion the shortfall. Demand for our Nickel Metal Hydride battery remained satisfactory. Margins were affected by the fierce competition due to oversupply, especially in the rechargeable battery market.

Our plan to increase the production of the Lithium Ion batteries in Taiwan has been affected due to the sluggish demand for laptop computers. However, the plan to develop other Lithium Ion battery sizes as well as prismatics for cell phones and other electronic applications is continuing as scheduled. With the launch of these batteries in early 2002, we shall have a comprehensive range of Lithium Ion batteries. This will enhance our competitiveness.

The Group has secured a contract to supply electric vehicle ("EV") batteries for the Advance Hybrid Transport vehicles of the Netherlands. This confirms our position as a major qualified battery supplier in Europe. The implementation of such a new transport system in January 2002 will bring forth an era of environmentally friendly and energy efficient electric mass transit creating a significant demand for EV batteries. The project negotiations to supply Beijing with EV batteries in time for the Olympics 2008 is still in progress.

Our plant in Singapore has undergone the QS9000 accreditation audit and has been recommended for certification.

- 5.(b) A statement by the Directors of the Company on whether "any item or event of a material or unusual nature which would have affected materially the results of operations of the Group and Company has occurred between the date to which the report refers and the date on which the report is issued". If none, to include a negative statement.

In the opinion of the Directors, no items, transaction or event of a material and unusual nature has arisen between the date up to which this report refers 30 September 2001 and the date on which this report is issued which would substantially affect the results of the Company or of the Group.

6. Commentary on current year prospects

The economy in the U.S. is expected to remain weak with the terrorist attacks on 11 September. Demand for batteries is expected to soften and competition will intensify. We intend to capitalize on our distribution in Asia to enhance our "GP" brand in the consumer market and explore more business opportunities in China. The Group will increase its efforts in the EV battery market especially for hybrid electric vehicles ("HEV").

During the Asian financial crisis, the Group had undertaken a number of measures to streamline its operation which improved its competitive position and cost structure. Some of the measures have been reinstated in view of the current economic climate.

Overall, barring any unforeseen circumstances, the Group's results for the second half year will remain profitable but would be lower than that of the first half year.

7. Dividend

(a) *Latest Period*

Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	3.875%/ 3.1 cents per ordinary share tax exempt
Par value of shares	S\$0.80
Tax Rate	

(b) *Previous Corresponding Period*

Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	5.125%/ 4.1 cents per ordinary share tax exempt
Par value of shares	S\$0.80
Tax Rate	

(c) Date payable

To be announced later.

(d) Books closing date

To be announced later.

(e) Any other comments relating to Paragraph 7

NIL

8. Details of any changes in the company's issued share capital

Since the end of the previous half year up to 30 September 2001, the issued share capital of the Company was increased from S\$82,771,000 to S\$82,801,000 arising from the issue of 37,000 ordinary shares of S\$0.80 each at S\$1.41 pursuant to the exercise by option holders under the Company's Executives' Share Option Scheme.

The total number of shares that may be issued on exercise of all outstanding share options granted under the Company's Executives' Share Option Scheme are as follows:

	Date of Expiry	Exercise Price per each ordinary share of S\$0.80	As at 30/9/2001	As at 31/3/2001
Share Option 1992 Scheme				
No. 5	15 January 2002	US\$3.312	928,000	928,000
No. 6	28 July 2002	S\$4.448	935,000	935,000
No. 7	5 August 2004	S\$3.08	2,730,000	2,730,000
1999 Scheme				
No. 1	16 March 2010	S\$1.41	1,734,000	1,771,000
No. 2	10 October 2010	S\$1.60	2,000,000	2,000,000
			8,327,000	8,364,000

9. Comparative figures of the group's borrowings and debt securities

(a) Amount repayable in one year or less, or on demand

As at 30/09/2001 (DD/MM/YYYY)

As at 31/03/2001 (DD/MM/YYYY)

Secured	Unsecured	Secured	Unsecured
S\$645,000	S\$150,909,000	S\$606,000	S\$152,071,000

(b) Amount repayable after one year

As at 30/09/2001 (DD/MM/YYYY)

As at 31/03/2001 (DD/MM/YYYY)

Secured	Unsecured	Secured	Unsecured
S\$1,914,000	S\$113,730,000	S\$2,181,000	S\$123,961,000

(c) Any other comments relating to Paragraph 9

NIL

BY ORDER OF THE BOARD

Andrew Ng Sung On
Chairman and Chief Executive
05/12/2001