

Second Quarter and Half Year Financial Statement And Dividend Announcement

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1(a) **An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Group income statement for the second quarter ("Q2") and the half year ("H1") ended 30 September 2004. These figures have not been audited.

	Q2 ended 30.9.04 S\$'000	Q2 ended 30.9.03 S\$'000	Change %	H1 ended 30.9.04 S\$'000	H1 ended 30.9.03 S\$'000	Change %
Revenue	220,770	214,005	3.2	440,348	403,563	9.1
Cost of sales	(172,631)	(157,957)	9.3	(339,774)	(301,334)	12.8
Gross profit	48,139	56,048	(14.1)	100,574	102,229	(1.6)
Other operating income	492	293	67.9	1,437	1,145	25.5
Distribution expenses	(13,247)	(14,909)	(11.1)	(24,991)	(24,440)	2.3
Administrative expenses	(22,919)	(25,412)	(9.8)	(47,345)	(46,580)	1.6
Other operating expenses	(395)	(652)	(39.4)	(510)	(2,152)	(76.3)
Profit from operations	12,070	15,368	(21.5)	29,165	30,202	(3.4)
Finance costs	(2,468)	(2,212)	11.6	(4,899)	(4,900)	(0.0)
Profit before share of results of associates	9,602	13,156	(27.0)	24,266	25,302	(4.1)
Share of results of associates	1,063	2,459	(56.8)	3,184	4,901	(35.0)
Profit before income tax	10,665	15,615	(31.7)	27,450	30,203	(9.1)
Income tax expense	(1,383)	(2,214)	(37.5)	(4,053)	(4,360)	(7.0)
Profit after income tax	9,282	13,401	(30.7)	23,397	25,843	(9.5)
Minority interests	(1,953)	(839)	132.8	(3,438)	(1,916)	79.4
Profit attributable to shareholders	7,329	12,562	(41.7)	19,959	23,927	(16.6)

Profit from operations is arrived at after crediting (charging) the following:

	Q2 ended 30.9.04 S\$'000	Q2 ended 30.9.03 S\$'000	H1 ended 30.9.04 S\$'000	H1 ended 30.9.03 S\$'000
Dividend income	793	89	793	186
Depreciation and amortisation	(11,873)	(11,335)	(22,690)	(22,394)
Expenses in relation to cadmium issue in Huizhou, China	(2,501)	0	(2,501)	0

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

As at	Group		Company	
	30.9.04 S\$'000	31.3.04 S\$'000	30.9.04 S\$'000	31.3.04 S\$'000
Non-current Assets				
Property, plant and equipment	300,895	296,897	7,176	7,426
Interest in subsidiaries	0	0	562,485	506,224
Interest in associates	57,069	30,453	16,115	11,453
Other investments	23,369	23,595	0	0
Deferred expenditure	33,431	36,699	1,880	2,036
Goodwill on consolidation	13,311	14,084	0	0
Total non-current assets	428,075	401,728	587,656	527,139
Current Assets				
Stocks	233,327	191,038	4,420	4,612
Debtors	230,058	208,024	10,630	9,662
Deposits and prepayments	22,730	16,420	1,104	957
Bank balances, deposits and cash	41,164	53,229	1,993	9,055
Total current assets	527,279	468,711	18,147	24,286
Current Liabilities				
Creditors and accrued charges	(151,439)	(151,392)	(13,294)	(15,813)
Obligations under finance leases	(2,364)	(3,299)	(22)	(22)
Income tax payable	(2,459)	(2,533)	(1,107)	(986)
Bank loans and overdrafts	(205,511)	(134,609)	(77,476)	(26,503)
Notes	(50,000)	0	(50,000)	0
Total current liabilities	(411,773)	(291,833)	(141,899)	(43,324)
Non-current liabilities				
Bank loans	(30,013)	(34,872)	(16,956)	(16,785)
Obligations under finance leases	(7,277)	(6,727)	(15)	(24)
Notes	(105,870)	(155,355)	(105,870)	(155,355)
Deferred tax liabilities	(5,648)	(4,895)	(625)	(625)
Total non-current liabilities	(148,808)	(201,849)	(123,466)	(172,789)
	394,773	376,757	340,438	335,312
Represented by:				
Share capital	87,420	85,436	87,420	85,436
Reserves	262,242	249,112	253,018	249,876
Shareholders' funds	349,662	334,548	340,438	335,312
Minority interests	45,111	42,209	0	0
	394,773	376,757	340,438	335,312

The increase in interest in associates of S\$26.6 million was mainly due to the investments in and loans made to:

- Aim High Limited (“AH”) of S\$6.1 million. AH is engaged in the marketing and distribution of batteries in Eastern Europe;
- Danionics Asia Limited (“Danionics”) of S\$15.0 million. Danionics is engaged in the production of lithium polymer batteries in China; and
- Ningbo GP Sanyo of S\$4.7 million. Ningbo GP Sanyo is engaged in the production of primary lithium batteries in China.

The increase in current assets of S\$58.6 million was mainly due to the increase in stocks and debtors of S\$42.3 million and S\$22.0 million respectively as a result of the increase in business volume for the period.

The increase in current liabilities of S\$119.9 million was mainly due to:

- a US\$7 million (S\$11.9 million) term loan taken by a subsidiary;
- increase in bank loans for the investment in associates, business expansion and increased working capital of S\$59.0 million; and
- the reclassification of the Series 1 Note of S\$50 million from non-current liabilities to current liabilities.

The decrease in non-current liabilities was mainly due to the reclassification of the Series 1 Note of S\$50 million to current liabilities.

1(b)(ii) Aggregate amount of group’s borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30.9.04		As at 31.3.04	
Secured	Unsecured	Secured	Unsecured
S\$2,736,000	S\$255,139,000	S\$4,024,000	S\$133,885,000

Amount repayable after one year

As at 30.9.04		As at 31.3.04	
Secured	Unsecured	Secured	Unsecured
S\$7,290,000	S\$135,870,000	S\$6,737,000	S\$190,216,000

Details of any collateral

The net book value of fixed assets included an amount of S\$12,900,000 (as at 31/3/04: S\$11,520,000) for the Group and S\$67,000 (as at 31/3/04: S\$77,000) for the Company in respect of certain machinery, moulds and equipment held under finance leases.

Land and buildings with a total net book value of S\$3,962,000 (as at 31/3/04: S\$3,922,000) for the Group have been pledged to banks as securities for banking facilities granted.

Other comments to paragraph 1(b)(ii)

Not applicable.

1(c) **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Q2 ended 30.9.04 S\$'000	Q2 ended 30.9.03 S\$'000
Cash flows from operating activities		
Profit before income tax and share of results of associates	9,602	13,156
Adjustments for:		
Depreciation and amortisation	11,873	11,335
Interest expense	2,468	2,212
Interest income	(81)	(42)
Loss/(gain) on disposal of property, plant and equipment	286	(554)
Others	0	659
Operating profit before working capital changes	24,148	26,766
Stocks	(9,157)	4,182
Debtors	(8,655)	(18,310)
Deposits and prepayments	(1,969)	(3,695)
Creditors and accrued charges	(17,112)	4,289
Cash generated (used in)/from operations	(12,745)	13,232
Interest received	81	48
Interest paid	(1,304)	(2,724)
Income tax refund	894	104
Net cash (used in)/from operating activities	(13,074)	10,660
Cash flows from investing activities		
Acquisition of associates	(4,768)	0
Dividends received from associates	1,274	3,661
Loan to an associate	(3,731)	0
Proceeds from disposal of property, plant and equipment	2,497	1,184
Purchase of property, plant and equipment	(12,984)	(7,571)
Purchase of additional investment in subsidiaries	0	(533)
Net cash used in investing activities	(17,712)	(3,259)
Cash flows from financing activities		
Bank loans obtained	30,026	98,776
Repayment of Notes	0	(104,325)
Issue of shares, net of expenses	4,821	2,586
Dividends paid	(11,155)	(8,410)
Capital contributions from minority shareholders	1,387	0
Obligations under finance leases	(1,115)	(284)
Dividend paid to minority shareholders	(1,554)	(746)
Net cash from/(used in) financing activities	22,410	(12,403)
Net effect of exchange rate changes in consolidating subsidiaries	(974)	921
Net decrease in cash and cash equivalents	(9,350)	(4,081)
Cash and cash equivalents at beginning of period	50,269	50,681
Cash and cash equivalents at end of period (Note A)	40,919	46,600
Note A:		
Cash and cash equivalents at end of period comprise:		
Bank balances, deposits and cash	41,164	47,631
Bank overdrafts	(245)	(1,031)
	40,919	46,600

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital S\$'000	Share premium S\$'000	Capital/legal reserve S\$'000	Translation reserve S\$'000	Property revaluation reserve S\$'000	Dividend reserve S\$'000	Retained profits S\$'000	Total equity S\$'000
Group								
Balance at 1.7.03	83,470	136,222	(28,922)	(32,420)	2,093	8,308	145,634	314,385
Issue of shares	1,105	0	0	0	0	0	0	1,105
Premium arising from issue of shares, net of expenses	0	1,481	0	0	0	0	0	1,481
Translation gain	0	0	0	2,022	0	0	0	2,022
Transfer to (from) reserves	0	0	246	0	0	0	(334)	(88)
Profit attributable to shareholders	0	0	0	0	0	0	12,562	12,562
Dividends								
- paid	0	0	0	0	0	(8,308)	(102)	(8,410)
- proposed	0	0	0	0	0	6,048	(6,048)	0
Balance at 30.9.03	84,575	137,703	(28,676)	(30,398)	2,093	6,048	151,712	323,057
Balance at 1.7.04	85,671	139,935	(28,623)	(32,659)	1,978	11,019	174,668	351,989
Issue of shares	1,749	0	0	0	0	0	0	1,749
Premium arising from issue of shares, net of expenses	0	3,072	0	0	0	0	0	3,072
Translation loss	0	0	0	(3,322)	0	0	0	(3,322)
Profit attributable to shareholders	0	0	0	0	0	0	7,329	7,329
Dividends								
- paid	0	0	0	0	0	(11,019)	(136)	(11,155)
- proposed	0	0	0	0	0	4,159	(4,159)	0
Balance at 30.9.04	87,420	143,007	(28,623)	(35,981)	1,978	4,159	177,702	349,662

	Share capital S\$'000	Share premium S\$'000	Translation reserve S\$'000	Dividend reserve S\$'000	Retained profits S\$'000	Total equity S\$'000
Company						
Balance at 1.7.03	83,470	136,222	(17,843)	8,308	104,798	314,955
Issue of shares	1,105	0	0	0	0	1,105
Premium arising from issue of shares, net of expenses	0	1,481	0	0	0	1,481
Translation gain	0	0	1,008	0	0	1,008
Profit attributable to shareholders	0	0	0	0	13,644	13,644
Dividends						
- paid	0	0	0	(8,308)	(102)	(8,410)
- proposed	0	0	0	6,048	(6,048)	0
Balance at 30.9.03	84,575	137,703	(16,835)	6,048	112,292	323,783
Balance at 1.7.04	85,671	139,935	(20,842)	11,019	122,917	338,700
Issue of shares	1,749	0	0	0	0	1,749
Premium arising from issue of shares, net of expenses	0	3,072	0	0	0	3,072
Translation loss	0	0	(2,343)	0	0	(2,343)
Profit attributable to shareholders	0	0	0	0	10,415	10,415
Dividends						
- paid	0	0	0	(11,019)	(136)	(11,155)
- proposed	0	0	0	4,159	(4,159)	0
Balance at 30.9.04	87,420	143,007	(23,185)	4,159	129,037	340,438

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Since 30 June 2004, 2,187,000 ordinary shares of S\$0.80 each of the Company were issued pursuant to the exercise of options granted under the Company's Executives' Share Option Scheme, as follows:

	Number of issued shares	Issued share capital S\$'000
As at 30 June 2004	107,088,168	85,671
- Issued at S\$3.08 per share	1,100,000	880
- Issued at S\$1.41 per share	32,000	25
- Issued at S\$1.60 per share	200,000	160
- Issued at S\$1.25 per share	855,000	684
As at 30 September 2004	109,275,168	87,420

Status of outstanding Share Options

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:

Share option	Date of Expiry	Exercise Price per each ordinary share of S\$0.80	As at 30.9.04	As at 30.9.03
1992 Scheme				
No. 7	5 August 2004	S\$3.08	0	2,419,000
1999 Scheme				
No. 1	16 March 2010	S\$1.41	479,000	631,000
No. 2	10 October 2010	S\$1.60	521,000	1,137,000
No. 2	10 October 2005	S\$1.60	30,000	60,000
No. 3	4 August 2012	S\$1.25	1,075,000	1,900,000
No. 3	4 August 2007	S\$1.25	70,000	100,000
No. 4	24 June 2013	S\$2.50	2,400,000	2,400,000
No. 4	24 June 2008	S\$2.50	100,000	100,000
			4,675,000	8,747,000

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has adopted the same accounting policies and methods of computation for the current financial period as those adopted for the audited financial statements for the financial year ended 31 March 2004.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Q2 ended 30.9.04	Q2 ended 30.9.03	H1 ended 30.9.04	H1 ended 30.9.03
Earnings per ordinary share for the period after deducting any provision for preference dividends:				
(a) Based on weighted average number of ordinary shares in issue	6.77 cents	11.97 cents	18.54 cents	22.93 cents
(b) On a fully diluted basis	6.65 cents	11.64 cents	18.21 cents	22.50 cents
Weighted average number of ordinary shares	108,332,895	104,955,513	107,649,319	104,349,620

For earnings per ordinary share calculation, the weighted average number of ordinary shares for the period represents the number of ordinary shares in issue at the beginning of the period adjusted for shares issued upon exercise of options, multiplied by a time-weighted factor. For the purpose of calculation the diluted earnings per ordinary shares, the weighted average number of ordinary shares in issue had been adjusted to reflect the effect of all potentially dilutive ordinary shares from the exercise of all outstanding share options.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30.9.04 S\$	31.3.04 S\$	30.9.04 S\$	31.3.04 S\$
Net asset value per ordinary share based on issued share capital at the end of the period	3.20	3.13	3.12	3.14

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Turnover for the three months ended 30 September 2004 was S\$220.8 million, an increase of 3.2% over the corresponding quarter of last year. The consolidated net profit after taxation and minority interests attributable to members of the Company for the second quarter was S\$7.3 million, a decrease of 41.7%.

For the six months ended 30 September 2004, the Group's turnover was S\$440.3 million, an increase of 9.1% over the same period last year. The consolidated net profit after taxation and minority interests attributable to members of the Company was S\$20.0 million, representing a decrease of 16.6%.

Turnover increased mainly due to the continued increase in sales of Nickel Metal Hydride and Alkaline primary cylindrical batteries. This was however, negated by the drop in turnover of Nickel Cadmium batteries. Although total sales for Lithium Ion batteries rose, the market has become increasingly competitive since the beginning of the second quarter due to surplus supply.

Gross profit margin decreased mainly due to raw material costs, especially Nickel and Cobalt, continued to remain at high levels as compared to last year and exceptional expenses incurred in relation to the Cadmium issue in our two plants in Huizhou, China. The Company has paid S\$2.5 million during the quarter for the compensation, medical and hospital expenses for those workers affected.

Distribution expenses for the three months ended 30 September 2004 were S\$13.2 million, a decrease of 11.1% over the corresponding quarter of last year. This was mainly due to less advertising and promotion expenses incurred during the period.

Administrative expenses for the three months ended 30 September 2004 were S\$22.9 million, a decrease of 9.8% over the corresponding quarter of last year. This was mainly due to lower payroll costs as a result of cost control.

As a result of better cost control, profit before share of results of associates decreased by only S\$3.6 million despite the decrease in gross profit by S\$7.9 million for the quarter ended 30 September 2004 compared to the previous corresponding period.

The share of results of associates for the three months and six months ended 30 September 2004 was S\$1.1 million and S\$3.2 million respectively, a decrease of 56.8% and 35.0% over the corresponding period of last year. This was mainly due to the inclusion of the pre-operating loss of the 50% owned associate, Danionics Asia Limited.

The profit attributable to the minority shareholders for the three months and six months ended 30 September 2004 increased by S\$1.1 million and S\$1.5 million respectively, mainly as a result of the increase in profit of Zhongyin Ningbo Battery Co Ltd.

Relocation of the Danionics Lithium Polymer facility in Denmark to China has been delayed because of difficulties experienced by the civil contractors during the recent austerity measures implemented by the government in China to cool down the economy.

The JV factory in Ningbo, China with Sanyo to produce primary Lithium batteries is under construction and expected to be operational in 2005 as scheduled.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

These results are in line with the statement made by the Company in the announcement of results on 11 August 2004 for the financial quarter ended 30 June 2004.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Sales are expected to remain steady but operating margin will be under pressure as raw material prices are expected to stay high and volatile. Competition in the Lithium Ion market is expected to be keener as prices continue to erode even as costs are going up as a result of the over supply situation. The Cadmium issue in our two Huizhou factories still needs time to be resolved and more expenses are expected to be incurred. However, it is difficult to quantify the total amount that will be involved. The Group expects the operating environment to remain difficult for the rest of the current fiscal year.

Production of Nickel Metal Hydride batteries will continue to increase while that for Nickel Cadmium is expected to be further reduced.

The Group will further streamline its operations to strengthen cost competitiveness and continue to promote its GP brand name and capitalise on its strong worldwide distribution network and to look for investment opportunities.

The Management remains positive about the medium and long-term prospects of the Group.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (in cents)	3.8 cents per ordinary share (tax exempt)
Dividend Rate (in %)	4.75% per ordinary share
Par value of shares	S\$0.80
Tax Rate	-

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (in cents)	5.7 cents per ordinary share (tax exempt)
Dividend Rate (in %)	7.125% per ordinary share
Par value of shares	S\$0.80
Tax Rate	-

(c) Date payable

The Company's interim tax-exempt dividend of 3.8 Singapore cents per share will be paid on 8 December 2004.

(d) Books closure date

Notice is hereby given that the Register of Members and Transfer Books of the Company will be closed on 30 November 2004 for the preparation of dividend warrants.

Registrable Transfers received by the Company's Registrar, Lim Associates (Pte) Ltd of 10 Collyer Quay #19-08, Ocean Building, Singapore 049315 up to 5.00 pm on 29 November 2004 will be registered before entitlements to the dividend are determined.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Not applicable.

14. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not applicable.

15. **A breakdown of sales.**

Not applicable.

16. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Total Annual Dividend (*Refer to Para 16 of Appendix 7.2 for the required details*)

Not applicable.

BY ORDER OF THE BOARD

Andrew Ng Sung On
Chairman and Chief Executive
09/11/2004