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**First Quarter Financial Statement for the Period Ended 30 June 2005**

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**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 first quarter ("Q1") ended 30 June 2005. These figures have not been audited.

	<b>Q1 ended 30.6.05 S\$'000</b>	<b>Q1 ended 30.6.04 S\$'000</b>	<b>Change %</b>
		(restated)	
Revenue	217,061	219,578	(1.1)
Cost of sales	(176,182)	(167,143)	5.4
Gross profit	40,879	52,435	(22.0)
Other operating income	752	945	(20.4)
Distribution expenses	(11,852)	(11,744)	0.9
Administrative expenses	(18,764)	(24,555)	(23.6)
Other operating expenses	(947)	(115)	723.5
Finance costs	(4,072)	(2,431)	67.5
Profit before exceptional items	5,996	14,535	(58.7)
Exceptional items	(2,245)	0	n/m
Profit before share of results of associates	3,751	14,535	(74.2)
Share of results of associates	1,716	2,121	(19.1)
Profit before income tax	5,467	16,656	(67.2)
Income tax	(808)	(2,670)	(69.7)
Profit after income tax	4,659	13,986	(66.7)
Attributable to:			
Equity holders of the Company	3,871	12,501	(69.0)
Minority interests	788	1,485	(46.9)
	4,659	13,986	(66.7)

n/m – not meaningful

Figures for prior period have been restated to reflect the adoption of new and revised FRS (see paragraph 4 for details).

	<b>Q1 ended 30.6.05 S\$'000</b>	<b>Q1 ended 30.6.04 S\$'000</b>
<b>Profit from operations is arrived at after charging the following:</b>		
Allowance for stock obsolescence	(2,642)	(1,990)
Depreciation and amortisation	(10,091)	(10,817)
<b>Exceptional items comprised:</b>		
Cost relating to the closing down and relocation of production facilities	(2,245)	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	
	30.6.05 S\$'000	31.3.05 S\$'000	30.6.05 S\$'000	31.3.05 S\$'000
		(restated)		(restated)
<b>Non-current Assets</b>				
Investment properties	21,077	20,478	800	800
Property, plant and equipment	293,848	285,607	6,470	6,613
Interest in subsidiaries	0	0	549,419	523,277
Interest in associates	63,148	49,877	26,579	20,630
Other investments	5,722	7,719	0	0
Deferred tax assets	2,785	2,703	0	0
Deferred expenditure	29,641	30,085	1,645	1,723
Goodwill on consolidation	12,558	12,558	0	0
Total non-current assets	428,779	409,027	584,913	553,043
<b>Current Assets</b>				
Stocks	235,963	223,898	7,641	4,615
Debtors	229,390	224,107	8,969	7,814
Short-term investments	18,584	18,035	0	0
Tax recoverable	1,520	4,262	0	0
Deposits and prepayments	15,343	12,584	1,268	876
Bank balances, deposits and cash	44,953	41,172	3,422	6,902
Total current assets	545,753	524,058	21,300	20,207
<b>Current Liabilities</b>				
Creditors and accrued charges	154,427	150,739	22,785	19,007
Obligations under finance leases	3,674	2,814	20	22
Income tax payable	4,199	3,586	1,267	1,267
Bank loans and overdrafts	167,762	147,479	45,682	37,711
Notes	0	50,000	0	50,000
Total current liabilities	330,062	354,618	69,754	108,007
<b>Net current assets (liabilities)</b>	<b>215,691</b>	<b>169,440</b>	<b>(48,454)</b>	<b>(87,800)</b>
<b>Non-current liabilities</b>				
Bank loans	78,978	82,057	67,826	65,823
Obligations under finance leases	484	5,844	0	2
Notes	165,870	104,367	165,870	104,367
Deferred tax liabilities	11,575	11,652	625	625
Total non-current liabilities	256,907	203,920	234,321	170,817
	387,563	374,547	302,138	294,426
<b>Represented by:</b>				
Share capital	87,571	87,563	87,571	87,563
Reserves	250,994	240,061	214,567	206,863
Shareholders' funds	338,565	327,624	302,138	294,426
Minority interests	48,998	46,923	0	0
	387,563	374,547	302,138	294,426

Figures for prior period have been restated to reflect the adoption of new and revised FRS (see paragraph 4 for details).

The increase in interest in associates of S\$13.3 million was mainly due to:

- Investment in Jetview Limited ("Jetview") of S\$9.8 million. Jetview and its subsidiaries are primarily engaged in the design and assembly of Lithium ion and Lithium polymer battery packs for notebook computers and other electronic devices in Taiwan and China for sales to the OEM market worldwide; and
- Additional investment in Ningbo GP Sanyo of S\$5.9 million. Ningbo GP Sanyo is engaged in the production of primary lithium batteries in China.

The increase in current assets of S\$21.7 million was mainly due to the increase in stocks of S\$12.1 million.

The decrease in current liabilities of S\$24.6 million was mainly due to the redemption of the S\$50 million Notes in May 2005 offset by the increase in bank loans of S\$20.3 million for the investment in associates of S\$15.7 million.

The increase in non-current liabilities was due to the issue of Notes of S\$60 million in June 2005.

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

**Amount repayable in one year or less, or on demand**

As at 30.6.05		As at 31.3.05	
Secured	Unsecured	Secured	Unsecured
S\$3,674,000	S\$167,762,000	S\$2,829,000	S\$197,464,000

**Amount repayable after one year**

As at 30.6.05		As at 31.3.05	
Secured	Unsecured	Secured	Unsecured
S\$484,000	S\$244,848,000	S\$5,844,000	S\$186,424,000

**Details of any collateral**

The net book value of fixed assets included an amount of S\$11,420,000 (as at 31/3/05: S\$11,323,000) for the Group and S\$54,000 (as at 31/3/05: S\$57,000) 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 31/3/05: S\$3,845,000) 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.**

	Q1 ended 30.6.05 S\$'000	Q1 ended 30.6.04 S\$'000
		(restated)
<b>Cash flows from operating activities</b>		
Profit before income tax and share of results of associates	3,751	14,535
Adjustments for:		
Depreciation and amortisation	10,091	10,817
Interest expense	4,072	2,431
Interest income	(64)	(42)
Loss on disposal of property, plant and equipment	223	6
Cost of share-based payment	129	129
Changes in fair values of financial instruments	(12)	0
Operating profit before working capital changes	18,190	27,876
Stocks	(12,065)	(33,132)
Debtors	(5,282)	(13,378)
Deposits and prepayments	(2,759)	(4,341)
Creditors and accrued charges	3,902	16,881
Cash generated from (used in) operations	1,986	(6,094)
Interest received	65	41
Interest paid	(4,805)	(3,328)
Income tax refund (paid)	2,524	(3,972)
Net cash used in operating activities	(230)	(13,353)
<b>Cash flows from investing activities</b>		
Acquisition of associates	(15,784)	(6,132)
Advance to an associate	0	(11,240)
Dividends received from associates	4,248	726
Proceeds from disposal of property, plant and equipment	507	53
Proceeds from return of other investments	0	457
Purchase of property, plant and equipment	(11,372)	(9,417)
Net cash used in investing activities	(22,401)	(25,553)
<b>Cash flows from financing activities</b>		
Bank loans obtained	13,944	35,367
Capital contributions from minority shareholders	0	81
Dividend paid to minority shareholders	(45)	(511)
Issue of Notes	60,000	0
Issue of shares	13	781
Obligations under finance leases	(3,899)	(670)
Repayment of Notes	(50,000)	0
Net cash from financing activities	20,013	35,048
<b>Net effect of exchange rate changes in consolidating subsidiaries</b>	6,033	1,193
Net increase (decrease) in cash and cash equivalents	3,415	(2,665)
Cash and cash equivalents at beginning of period	40,220	52,934
<b>Cash and cash equivalents at end of period</b>	43,635	50,269
Cash and cash equivalents at end of period comprise:		
Bank balances, deposits and cash	44,953	53,237
Bank overdrafts	(1,318)	(2,968)
	43,635	50,269

Figures for prior period have been restated to reflect the adoption of new and revised FRS (see paragraph 4 for details).

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.

Group	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	Other reserve S\$'000	Sub- total S\$'000	Minority interest S\$'000	Total equity S\$'000
Balance at 31.3.04											
- As previously reported	85,436	139,388	(28,637)	(36,689)	2,093	11,019	167,551	0	340,161	42,209	382,370
- Change in accounting policy FRS102	0	0	0	0	0	0	(388)	388	0	0	0
- As restated	85,436	139,388	(28,637)	(36,689)	2,093	11,019	167,163	388	340,161	42,209	382,370
Issue of shares	235	546	0	0	0	0	0	0	781	0	781
Cost of share-based payment	0	0	0	0	0	0	0	129	129	0	129
Capital contribution	0	0	0	0	0	0	0	0	0	81	81
Translation gain	0	0	0	4,030	0	0	0	0	4,030	642	4,672
Transfer to (from) reserves	0	0	15	0	(115)	0	100	0	0	0	0
Profit for the period	0	0	0	0	0	0	12,501	0	12,501	1,485	13,986
Dividends paid	0	0	0	0	0	0	0	0	0	(511)	(511)
Balance at 30.6.04	85,671	139,934	(28,622)	(32,659)	1,978	11,019	179,764	517	357,602	43,906	401,508

<b>Group</b>	<b>Share capital S\$'000</b>	<b>Share premium S\$'000</b>	<b>Capital/ legal reserve S\$'000</b>	<b>Translation reserve S\$'000</b>	<b>Property revaluation reserve S\$'000</b>	<b>Dividend reserve S\$'000</b>	<b>Retained profits S\$'000</b>	<b>Other reserve S\$'000</b>	<b>Sub- total S\$'000</b>	<b>Minority interest S\$'000</b>	<b>Total equity S\$'000</b>
Balance at 31.3.05											
- As previously reported	87,563	143,106	(28,599)	(41,535)	1,978	2,408	162,703	0	327,624	46,923	374,547
- Change in accounting policy FRS102	0	0	0	0	0	0	(904)	904	0	0	0
- As restated	87,563	143,106	(28,599)	(41,535)	1,978	2,408	161,799	904	327,624	46,923	374,547
Effects of adopting FRS39	0	0	0	0	0	0	(194)	(1,560)	(1,754)	0	(1,754)
	87,563	143,106	(28,599)	(41,535)	1,978	2,408	161,605	(656)	325,870	46,923	372,793
Issue of shares	8	5	0	0	0	0	0	0	13	0	13
Cost of share-based payment	0	0	0	0	0	0	0	129	129	0	129
Capital contribution	0	0	0	0	0	0	0	0	0	0	0
Net fair value changes on:											
- cashflow hedges	0	0	0	0	0	0	0	(147)	(147)	0	(147)
- hedges on net investment in foreign entities	0	0	0	(4,215)	0	0	0	0	(4,215)	0	(4,215)
- assets available for sale	0	0	0	0	0	0	0	(622)	(622)	0	(622)
Translation gain	0	0	0	13,666	0	0	0	0	13,666	1,332	14,998
Transfer to (from) reserves	0	0	1,670	0	0	0	(1,670)	0	0	0	0
Profit for the period	0	0	0	0	0	0	3,871	0	3,871	788	4,659
Dividends paid	0	0	0	0	0	0	0	0	0	(45)	(45)
Balance at 30.6.05	87,571	143,111	(26,929)	(32,084)	1,978	2,408	163,806	(1,296)	338,565	48,998	387,563





- 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 31 March 2005, 10,000 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:

	<b>Number of issued shares</b>	<b>Issued share capital S\$'000</b>
As at 31 March 2005	109,454,168	87,563
Issued at S\$1.25 per share	10,000	8
As at 30 June 2005	109,464,168	87,571

#### **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:

<b>Share option</b>	<b>Date of Expiry</b>	<b>Exercise Price per each ordinary share of S\$0.80</b>	<b>As at 30.6.05</b>	<b>As at 30.6.04</b>
<b>1992 Scheme</b> No. 7	5 August 2004	S\$3.08	0	1,615,000
<b>1999 Scheme</b> No. 1	16 March 2010	S\$1.41	375,000	511,000
No. 2	10 October 2010	S\$1.60	517,000	721,000
No. 2	10 October 2005	S\$1.60	30,000	30,000
No. 3	4 August 2012	S\$1.25	1,004,000	1,900,000
No. 3	4 August 2007	S\$1.25	60,000	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
			4,486,000	7,377,000

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 applied the same accounting policies and methods of computation in the presentation of the financial statements for the current reporting period compared with the audited financial statements as at 31 March 2005, except for the adoption of the following new and revised Financial Reporting Standards (FRS) that are mandatory for financial year beginning on 1 April 2005:

FRS 21	The Effect of Changes in Foreign Exchange Rates
FRS 39	Financial Instruments : Recognition and Measurement
FRS 102	Share-based Payment
FRS 103	Business Combinations

The impact of the changes in accounting policies are assessed as follows:

FRS39

In accordance with the transitional provisions of FRS 39, the comparative figures have not been restated for the effect of recognition, derecognition and measurement of financial instruments. On 1 April 2005, the following transitional adjustments were made:

	Fair value Reserve S\$'000	Retained profit S\$'000	Total S\$'000
Fair valuation of:			
- Derivatives	-	(94)	(94)
- Available-for-sale investments	(1,560)	-	(1,560)
Remeasurement of financial liabilities	-	(100)	(100)
Transitional adjustments required under FRS 39	<u>(1,560)</u>	<u>(194)</u>	<u>(1,754)</u>

The adoption of FRS 39 has resulted in a decrease in equity as at 1 April 2005 of S\$1.8 million.

FRS 102

In accordance with the transitional provisions of FRS 102, the comparative information has been restated for the costs of share-based payments. The adoption of FRS 102 resulted in the following:

- The retained profits of the Group and of the Company as at 1 April 2004 were adjusted downwards by S\$0.4 million and other reserve of the Group and of the Company were revised upwards by the same amount. The total equity of the Group and of the Company as at 1 April 2004 remain unchanged;
- Net profit of the Group and of the Company for year ended 31 March 2005 decreased by S\$0.5 million and
- Net profit of the Group and of the Company for Q1 ended 30 June 2004 decreased by S\$0.1 million.

FRS 103

The goodwill arising from consolidation was, until 31 March 2005, amortised on a straight line basis over a period of 10 years.

In accordance with the provisions of FRS 103, the Group will cease amortisation of goodwill from 1 April 2005 onwards. Goodwill will be assessed annually for impairment at the end of each financial year or when there are indications of impairment.

Other revised FRSs,

The adoption of the various revised FRSs, applicable from 1 April 2005, does not have a material financial impact on the Group and the Company except for the adoption of FRS 21: The Effect of Changes in Foreign Exchange Rates.

In accordance with the provisions of the revised FRS 21, exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation, are recognised in the profit and loss account, instead of currency translation reserve as previously allowed. Upon consolidation, such exchanges differences are taken to the translation reserve.

The adoption of the revised FRS 21 resulted in the following:

- Accumulated profit as at 1 April 2004 for the Company decreased by S\$21.3 million and the translation reserve increased by the same amount;
- Net profit of the Company for year ended 31 March 2005 decreased by S\$10.3 million; and
- Net profit of the Company for Q1 ended 30 June 2004 increased by S\$3.5 million.

The adoption of the revised FRS 21 does not have an impact on the results of the Group.

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.**

Please refer to paragraph 4.

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.**

	<b>Q1 ended 30.6.05</b>	<b>Q1 ended 30.6.04 (restated)</b>
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	3.54 cents	11.69 cents
(b) On a fully diluted basis	3.44 cents	11.38 cents
Weighted average number of ordinary shares	109,457,684	106,958,234

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.**

	<b>Group</b>		<b>Company</b>	
	<b>30.6.05 S\$</b>	<b>31.3.05 S\$</b>	<b>30.6.05 S\$</b>	<b>31.3.05 S\$</b>
Net asset value per ordinary share based on issued share capital at the end of the period	3.09	2.99	2.76	2.69

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 June 2005 decreased marginally by 1.1% to S\$217.1 million over the corresponding period last year. The consolidated profit before exceptional items decreased from S\$14.5 million to S\$6.0 million. The Group recorded an exceptional loss of S\$2.2 million for the current quarter. The profit after tax attributable to the equity holders of the Company for the first quarter was S\$3.9 million, against a profit of S\$12.5 million for the corresponding quarter last year.

The profit before exceptional items for the current quarter exceeded that of the Q4 ended 31 March 2005 by over S\$0.2 million or 3%.

Sales of 9-Volt Alkaline batteries and Nickel Cadmium rechargeable batteries decreased by 39% and 48% respectively. However, the decrease was offset by the strong demand for Alkaline primary cylindrical batteries and Nickel Metal Hydride rechargeable batteries, the sales of which increased by 31% and 18% respectively.

Gross profit margin continued to be affected by the high raw material commodity prices, especially those of nickel, cobalt and zinc, and keen competition in the battery market.

Total administrative expenses for the quarter were lower as compared to the previous corresponding quarter due to tighter cost controls and lower payroll cost.

As part of the Group's efforts to streamline operating costs our manufacturing operations in Denmark, Malaysia and Hong Kong were consolidated with the other factories and an exceptional loss of S\$2.2 million was incurred in the current quarter. The closing of our 9V Alkaline batteries plant in Denmark, the relocation of operations into the Malaysian factory, and the shifting of the Nickel Metal Hydride rechargeable batteries operations in Malaysia to China are progressing steadily and are expected to be completed on schedule by the second quarter of current financial year. The relocation of part of the Lithium Ion batteries production facilities from Taiwan and Hong Kong to China is in progress.

The Group is currently in close discussion with our Danish partner, Danionics A/S, on the future of the joint venture company, Danionics Asia Limited.

The court of first instance in Huizhou Municipality, Guangdong, China ruled that the cadmium exposure claims brought by the 65 ex-workers had no legal basis. Another group of 244 ex-workers recently filed similar claims against the Company, and the cases are scheduled to be heard in early September 2005.

In our constant efforts to ensure the well-being of our workers, the Group has established a "GP Batteries Industrial Safety Trust Fund" of HK\$10 million or S\$2.2 million to provide financial assistance and support beyond statutory requirements to employees in Hong Kong and China who might have suffered from cadmium over-exposure or other occupational diseases related to battery production. HK\$4 million or S\$0.9 million have already been distributed in 2004 to the employees as immediate assistance through the provisional trust fund with another HK\$2 million or S\$0.4 million made upon the formation of the trust fund in August. The balance of HK\$4 million or S\$0.9 million will be injected at a rate of not more than HK\$1 million or S\$0.2 million per year. This trust fund will be monitored and managed by an independent committee.

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 24 May 2005 for the financial year ended 31 March 2005.

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.**

Demand for our products is expected to remain steady. Price increases initiated in the last quarter have had mixed results. Operating profit for the current quarter has seen slight recovery as compared to Q4 last year. However, the business outlook continues to be uncertain as rising interest rates and keen competition is expected to keep margins under pressure. The un-pegging of Renminbi and Malaysian Ringgit will have some adverse impact on the Group. On the other hand, the recent easing of prices for raw materials, if persists, will have a positive effect on cost from the third quarter onwards.

The Group will continue to streamline its operations and actively manage costs. Meanwhile, it will continue to promote its GP brand name and to put in efforts to maintain its market share and position itself for growth in the future.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? None

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? None

**(c) Date payable**

Not applicable

**(d) Books closure date**

Not applicable

**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  
10/08/2005