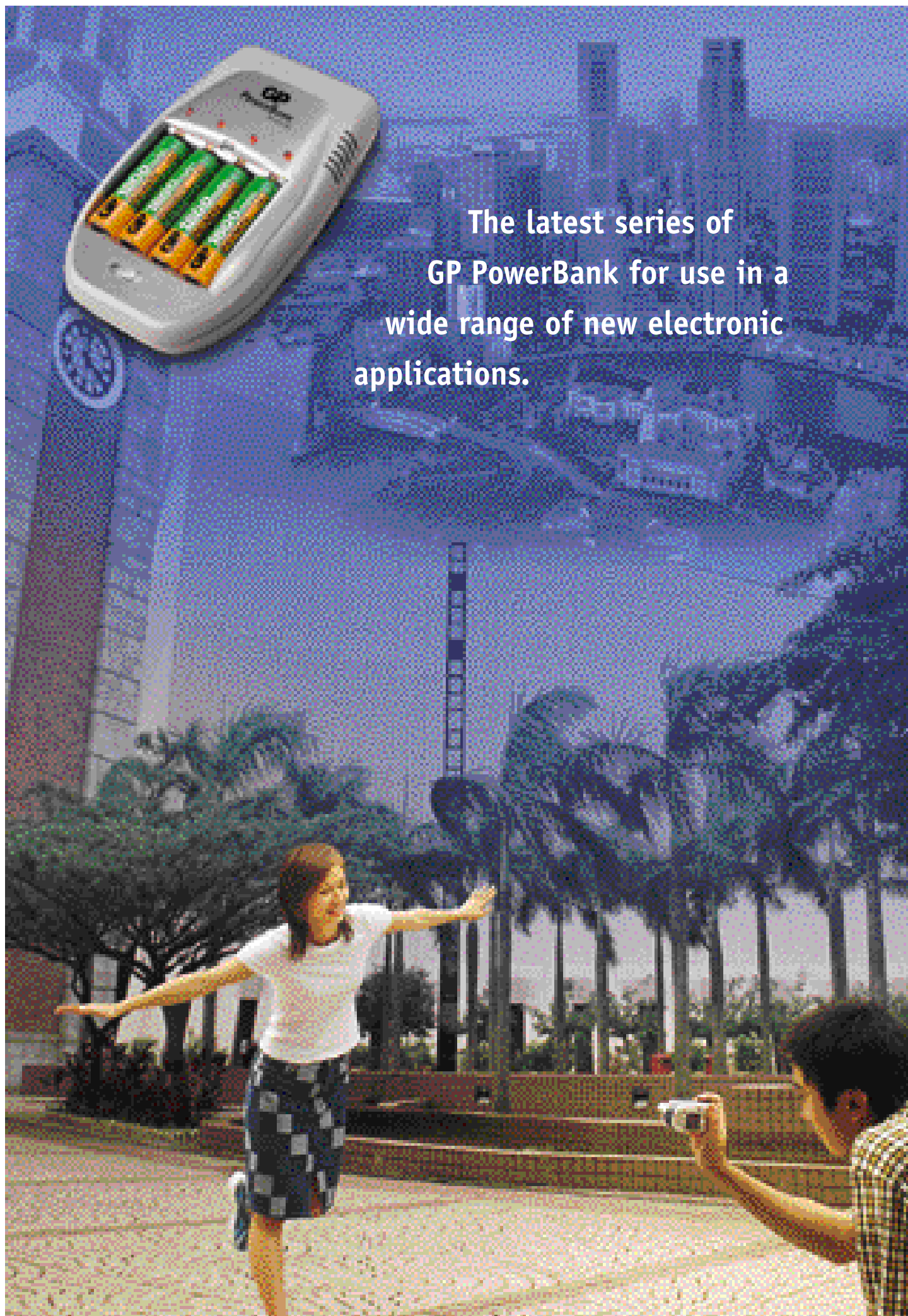


The latest series of
GP PowerBank for use in a
wide range of new electronic
applications.



Review of Operations

Global Markets

Asia

Sales in Asia grew by nearly 20% as compared to the previous year and accounted for 57% of the Group's total turnover.

Sales in Korea was more than double as compared to the previous year while that for Taiwan grew by 14.1%. This was mainly due to the increase in demand from new applications such as wireless local loops and Bluetooth applications.



In China, our distribution network was further strengthened. Supported by five regional offices in Beijing, Shanghai, Guangzhou, Wuhan and Huizhou, the Group managed to have our products listed in most of the major supermarkets, and currently has over 100,000 retail points nation-wide. In addition to the primary cylindrical batteries, GP is the recognized market leader in consumer rechargeable AA and AAA batteries in Nickel Cadmium and Nickel Metal Hydride. Competition was keen in some sectors but our wide range of products has given us an edge over the competitors. During the year, tighter credit and inventory control has resulted in improved cash flow.

In the industrial sector, competition from Chinese manufacturers continued to drive down prices. The Group has adopted a new pricing strategy to protect our margins and not engage in further price competition with low quality small battery producers.

In ASEAN, sales grew by 22% despite the political instability. Growth was achieved through increased share of the consumer market and providing better customer service.

With the successful launch of the GP PowerBank, the Group has followed up with a series of new chargers offering more features and shorter charging time. This has solidified our position as the leading consumer rechargeable battery company in Asia.

GP Batteries in different outlet in major cities of China.



The latest series of GP PowerBa



**45-seater Hybrid Electric
prototype bus in Beijing,
powered by GP Electric Vehicle Batteries.**



In Taiwan, we have started an aggressive marketing campaign to introduce our Lithium Ion cylindrical batteries to the local OEM computer manufacturers. Our efforts were hindered by the slowdown in the PC industry in the last quarter of the fiscal year. Sales are slowly gathering momentum.

Europe

Sales in Europe grew by about 9% as compared to the previous year.

OEM sales to cellular phone manufacturers were strong for the first three quarters but slackened in the last quarter of the financial year. Sales of GP PowerBank and Nickel Metal Hydride consumer rechargeable batteries grew satisfactorily especially in Scandinavia where the population is generally more environmental conscious.

North & South America

Sales decreased marginally by 2.0% as compared to the previous year due to a slackened U.S. demand particularly in the last quarter of the financial year. It is expected to recover gradually as our customers adjust their inventory. With the departure of the local and European battery producers from Nickel Cadmium and Nickel Metal Hydride manufacturing, we expect to increase our market share.

Quality Excellence

As part of our continuous effort to upgrade our factories and modernize our quality systems, we have started to introduce QS9000 in our operation. Two of our factories are now QS9000 certified. More will follow, reflecting the commitment of our Group to continuous improvement.

Change in Majority Shareholder

In June 2000, the Company's majority shareholder, Gold Peak Industries (Holdings) Limited, disposed its entire shareholdings of approximately 42.1% in the Company to its subsidiary, GP Industries Limited. GP Industries Limited is now a majority shareholder of the Company.

Floating Rate Notes

In September 2000, the Company issued Floating Rate Notes of US\$60 million to re-finance the US\$35 million unsecured bonds due November 2000 and for additional working capital.



**Promoting
GP Batteries in
Asia markets.**