

REVIEW OF OPERATIONS

Global Markets

Asia

Hong Kong and China registered a growth of 26% due to strong recovery in both the OEM and consumer market. The strong distribution network of Zhongyin (Ningbo) Battery Co. Ltd ("Ningbo Batteries") spanning over 80 major cities throughout China has also enhanced the Group's China distribution. Ningbo Batteries' "Pairdeer" brand is a household name in China and was awarded "China Top Brand (battery category)" by China authorities in September 2002.



GP Batteries acquired a 75% interest in Ningbo Batteries, the second largest alkaline battery manufacturer in China.

Sales in Korea decreased by 7% owing to the weak demand from the OEM market while sales in Taiwan went up by 16% due to additional sales from Li-ion batteries.

In ASEAN, sales increased by 6% as a result of strong consumer sales in the rechargeable segment. Unfortunately, OEM sales decreased as electronic assembly industries continued to migrate to China.

Europe

Sales in Europe went up by 22% attributed to robust demands in the consumer and private-label markets. Eastern Europe, including Russia and Poland, registered satisfactory growth. The strengthening of the Euros in the second half of the year has also contributed to the increase in turnover and profit in Europe.

North & South America

Sales in North America rose by 11% as the OEM team strove to provide customers with a total solution in battery applications. Sales in South America improved substantially over the previous year by about 40%.

Acquisition

In November 2002, the Group completed the acquisition of a 75% stake in Ningbo Batteries, the second largest alkaline battery manufacturer in China. Performance of Ningbo Batteries has been satisfactory.

In March 2003, the Group acquired an additional 5% interest in Gold Peak Industries (Taiwan) Limited ("GPIT") from Meiloon Industrial Company Limited, thereby increasing its shareholding in GPIT to about 80%.



1-hour GP PowerBank Smart 2

Corporate Governance

In May 2002, the Company signed an agreement with DBS Bank Ltd to establish a S\$500 million Multi-currency Debt Issuance Programme ("Programme"). The first series of S\$50 million Fixed Rate Notes due 2005 under the Programme has been issued and subsequently listed on the Singapore Exchange Securities Trading Limited on 23 May 2002.

*The new GP PowerBank -
30-minute U-Smart*



*GP PowerBank Specialty
for recharging 9-volt NiMH
or NiCd batteries.*