



A leader in Asia

in EV batteries development



The green Nickel Metal
Hydride batteries for electric
vehicles developed by
GP Batteries gain wide
recognition as an immediate
solution for zero pollution
transportation.

Review of Operations

Global Markets

Asia

In China, the Government's recent measure to crack down smuggling helped sustain our local sales. The growing OEM market in China is expected to present growth opportunities to the Group.

The Group continued to strengthen its distribution in China while expanding its presence in the ASEAN region. A new sales office was set up in Malaysia in June of last year. The Group will open a new sales office in Thailand by the third quarter of 1999. It is now well-poised to benefit from the market recovery with a broadened regional distribution network.

The Group has enhanced its market share and brand recognition in Asia. The successful launch of the GP PowerBank in selected Asian markets further strengthened our brand name in the consumer market.

North & South America

Sales in North America grew 37% compared to last year, mainly due to robust private label demand for 9-volt batteries and rechargeable battery packs. The Group expects further increase in sales as the trend for U.S. and European OEM customers to increase out-sourcing in Asia continues. Sales in South America declined as a result of poor economy and weak currency.



Joining the annual Electronics Fair in Hong Kong



GP Batteries' latest TV commercials



Promoting GP PowerBank in Singapore



High capacity energy

for racing cars and toys



GP Batteries supplies a broad range of ultra-high capacity primary and rechargeable batteries for powering racing cars and various kinds of electronic toys.

Europe

Sales to cellular phone manufacturers registered strong growth. However, sales to Eastern European countries and Russia contracted due to a slow market. The GP PowerBank launched in selected markets received extremely good response. The mandate of charging disposal fee for batteries in many European countries in future coming years will provide us with a good opportunity to capture greater share in the rechargeable market.

Manufacturing Capabilities

To improve our cost structure and sustain our competitiveness, major restructuring was undertaken in our Hong Kong and Taiwan plants. The Group has started the process of consolidating its plants in Hong Kong, Shenzhen and Malaysia for making micro batteries and shifting all the production to our newly expanded factory in Shanghai, China.

Due to the strong demand for Alkaline 9-volt batteries, production facilities in Malaysia were expanded. Our Nickel Metal Hydride production capacity also increased, in anticipation of the market trend of converting from Nickel Cadmium to Nickel Metal Hydride batteries. The Group is considering to expand our primary cylindrical factories in China in order to meet growing demand.

Product Development

We are continuing to develop batteries for special applications using our extensive expertise in the rechargeable chemistries to broaden our range. We will continue to improve the performance and reliability of electric vehicle and scooter batteries and look for ways to reduce costs.



Showcasing a full range of GP Batteries' products at CEBIT '99 in Hanover, Germany



The highly automatic cell assembly line in the Taiwan Lithium Ion battery plant.



Demo green scooter powered by GP's EV batteries in Italy