

GP BATTERIES INTERNATIONAL LIMITED

Proforma Full Year Financial Statement And Dividend Announcement

Full-year financial statement on consolidated results for the year ended 31 March 2001.
These figures have not been audited.

		Group			Company		
		S\$'000		%	S\$'000		%
		Latest year	Previous year	Change	Latest year	Previous year	Change
1.(a)	Turnover	594,172	531,274	11.8	50,204	33,293	50.8
1.(b)	Investment income	534	0	N/M	0	0	0
1.(c)	Other income including interest income	2,994	2,902	3.2	132	73	80.8
2.(a)	Operating profit before income tax, minority interests, extraordinary items, interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	66,273	56,306	17.7	35,932	28,752	25.0
2.(b)(i)	Interest on borrowings	(21,289)	(12,884)	65.2	(16,307)	(10,553)	54.5
2.(b)(ii)	Depreciation and	(27,579)	(21,008)	31.3	(855)	(609)	40.4

		Latest Previous		Change	Latest Previous		Change
		year	year		year	year	
	amortisation						
2.(b)(iii)	Foreign exchange gain/(loss)	3,076	(3,910)	N/M	(62)	(167)	(62.9)
2.(c)	Exceptional items	71	0	N/M	0	0	0
2.(d)	Operating profit before income tax, minority interests and extraordinary items but after interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	20,552	18,504	11.1	18,708	17,423	7.4
2.(e)	Income derived from associated companies	8,329	6,991	19.1	0	0	0
2.(f)	Less income tax	(3,210)	(2,447)	31.2	(100)	(100)	0
2.(g)(i)	Operating profit after tax before deducting minority interests	25,671	23,048	11.4	18,608	17,323	7.4
2.(g)(ii)	Less minority interests	(633)	(922)	(31.3)	0	0	0

2.(h)	Operating profit after tax attributable to members of the company	25,038	22,126	13.2	18,608	17,323	7.4
2.(i)(i)	Extraordinary items	0	(2,317)	N/M	0	0	0
2.(i)(ii)	Less minority interests	0	0	0	0	0	0
2.(i)(iii)	Extraordinary items attributable to members of the company	0	(2,317)	N/M	0	0	0
2.(i)(iv)	Transfer to/from Exchange Reserve						
2.(i)(v)	Transfer to Capital Reserve						
2.(j)	Operating profit after tax and extraordinary items attributable to members of the company	25,038	19,809	26.4	18,608	17,323	7.4

N/M : Not meaningful.

Note to 2 (c) Exceptional items represented the net gain arising from the dilution of interest in a subsidiary (S\$5,885,000) and the writing off of some related intangible assets (S\$5,814,000).

Note to 2 (i) (i) Extraordinary loss at Group level represented the restructuring costs

incurred by a subsidiary for their discontinued operations of button rechargeable batteries in Hong Kong.

Group Figures		
	Latest year	Previous year
3.(a) Operating profit [2(g)(i) above] as a percentage of turnover [1(a) above]	4.32%	4.34%
3.(b) Operating profit [2(h) above] as a percentage of issued capital and reserves at end of year	8.88%	7.94%
3.(c) Earnings per ordinary share for the year based on 2(h) above after deducting any provision for preference dividends:-		
3.(c)(i) Based on existing issued share capital	24.20 cents	21.38 cents
3.(c)(ii) On a fully diluted basis	24.07 cents	21.38 cents
3.(d) Earnings per share based on 2(j) above:-		
(i) Based on existing issued share capital	24.20 cents	19.15 cents
(ii) On a fully diluted basis	24.07 cents	19.14 cents
3.(e) Net tangible asset backing per ordinary share	S\$2.20	S\$2.13

		Group			Company		
		S\$'000		%	S\$'000		%
		Latest year	Previous year	Change	Latest year	Previous year	Change
4.(a)	Sales reported for first half year	286,459	256,208	11.8	17,170	15,385	11.6
4.(b)	Operating profit [2(g)(i) above] reported for first half year	14,386	9,182	56.7	8,007	6,826	17.3
4.(c)	Sales reported for second half year	307,713	275,066	11.9	33,034	17,908	84.5
4.(d)	Operating profit [2(g)(i) above] reported for second half year	11,285	13,866	(18.6)	10,601	10,497	1.0

5.(a) Amount of any adjustment for under or overprovision of tax in respect of prior years

There were no material adjustments for under or overprovision of taxation in respect of prior years.

The tax charge for the Group is determined on the basis of tax effect accounting using the liability method and is applied to all significant timing differences and by applying the different corporate tax rates prevailing in the various countries of incorporation of the Group companies. The effective tax rate for the year was 11.1% as compared to 9.6% last year.

5.(b) Amount of any pre-acquisition profits

NIL

5.(c) Amount of profits on any sale of investments and/or properties

Sale of investments/properties

\$Profit/(Loss)

Nil

\$0.00

NIL

5.(d) Any other comments relating to Paragraph 5

NIL

6. Segmental Results

Analysis of the Group's turnover and operating profit before interest and tax by geographical segments based on the locations of the Group's production facilities and other assets in accordance with SAS 23 (revised):

	Turnover		Operating Profit Before Interest and Tax	
	2001	2000	2001	2000
	S\$'000	S\$'000	S\$'000	S\$'000
Geographical Segment				
Asia	520,840	458,425	48,138	35,685
North and South America	26,622	25,727	509	1,040
Europe and others	46,710	47,122	1,523	1,654
	594,172	531,274	50,170	38,379

In previous years, the geographical segments were based on the locations of the Group's customers and other assets. Accordingly, the comparative figures have been reclassified.

The operations of the Group are in the development, manufacture, distribution and trading of batteries and battery related products and accordingly the income and profits of the Group are derived substantially from this business segment.

7.(a) Review of the performance of the company and its principal subsidiaries

The Group's turnover for the year ended 31 March 2001 was S\$594.2 million, an increase of 11.8% over the previous year. The consolidated net profit after taxation and minority interests but before extraordinary items was S\$25.0 million, representing an increase of 13.2% compared with 2000. Earnings per share based on the weighted average of 103,462,331 (2000: 103,461,168) shares in issue during the year amounted to 24.20 Singapore cents, compared with 21.38 Singapore

cents for 2000. The diluted earnings per share, based on the weighted average of 104,022,542 (2000: 103,492,148) after taking into account the dilution adjustment for share options, amounted to 24.07 Singapore cents, compared with 21.38 Singapore cents for 2000.

The strong performance in the first half continued into the third quarter of the financial year. In the fourth quarter, sales slackened substantially due to the sudden and sharp slowdown in the U.S. economy. This situation was particularly serious in the personal computer and cell phone industries where excess inventory was critical. The lackluster results in the last quarter affected the overall performance of the Company.

Gold Peak Industries (Taiwan) Limited has commenced mass production of Lithium Ion cylindrical batteries. We successfully introduced the 2100mAh Lithium Ion 18650 battery, which has the highest capacity for batteries of the same size. A full scale sales effort to introduce ourselves to PC manufacturers worldwide and to promote our product is being undertaken.

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

We have continued to refine our electric vehicle batteries. We have been steadily working with OEM manufacturers in the US, Europe and China. Our batteries have been installed and tested in several hybrid transport systems and have been demonstrated to increase energy efficiency as well as reduce air pollution.

7.(b) A statement by the Directors of the Company on whether "any item or event of a material or unusual nature which would have affected materially the results of operations of the Group and Company has occurred between the date to which the report refers and the date on which the report is issued". If none, to include a negative statement.

In the opinion of the Directors, no items, transaction or event of a material and unusual nature has arisen between the date up to which this report refers and the date on which this report is issued which would substantially affect the results of the Company or the Group.

8. Commentary on current year prospects

The consumer electronics market in general is expected to remain soft due to the slowdown in the U.S. economy. On the other hand, sales in Asia and Europe are expected to be steady.

The Group will continue to benefit from the steady demand for specialty batteries from private label customers and the consumer market under its "GP" brand. New products will be introduced to capitalize on the growing demand worldwide for advanced rechargeable batteries. The Group also expects additional new business opportunities for electric vehicle batteries.

Barring unforeseen circumstances, the Directors expect the Group to achieve another profitable year.

9. Dividend

(a) Present Period

<u>Name of Dividend</u>	<u>Final</u>	<u>Interim</u>
Dividend Type	Cash	Cash
Dividend Rate	7.5%/ 6.0 cents per ordinary share tax exempt	5.125%/ 4.1 cents per ordinary share tax exempt
Par value of shares	S\$0.80	S\$0.80
Tax Rate		

(b) Previous Corresponding Period

<u>Name of Dividend</u>	<u>Final</u>	<u>Interim</u>
Dividend Type	Cash	Cash
Dividend Rate	8.125%/ 6.5 cents per ordinary share tax exempt	3.125%/ 2.5 cents per ordinary share tax exempt
Par value of shares	S\$0.80	S\$0.80
Tax Rate		

(c) Total Annual Dividend

	Latest Year (S\$'000)	Previous Year (S\$'000)
Ordinary	10,450	9,312
Preference	0	0
Total:	10,450	9,312

9(d) Date payable

To be announced at a later date.

9(e) Books closing date

Notice of books closure for determining shareholders' entitlement of the proposed dividend will be announced at a later date.

9(f) Any other comments relating to Paragraph 9

NIL

10. Balance sheet

	Group		Company	
	2001	2000	2001	2000
	S\$'000	S\$'000	S\$'000	S\$'000
Fixed Assets	251,875	234,790	8,589	8,435
Interest in subsidiaries	0	0	418,006	393,664
Interest in Associated Companies	29,655	25,549	11,453	11,453
Investment	13,954	11,791	0	0
Intangible Assets	54,661	58,020	2,976	3,133
Current Assets	338,594	324,326	79,451	56,680
Current Liabilities	(238,039)	(288,494)	(129,288)	(162,421)
Non-current Liabilities	(129,506)	(63,579)	(119,722)	(47,741)
	321,194	302,403	271,465	263,203
Represented by:				
Share Capital	82,771	82,769	82,771	82,769
Reserves	199,302	195,774	188,694	180,434
Shareholders' funds	282,073	278,543	271,465	263,203
Minority interests	39,121	23,860	0	0
	321,194	302,403	271,465	263,203

11. Details of any changes in the company's issued share capital

Since the end of the previous half year up to 31 March 2001, the issued share capital of the Company was increased from S\$82,769,000 to S\$82,771,000 arising from the issue of 3,000

ordinary shares of S\$0.80 each at US\$2.10 pursuant to the exercise of warrants by warrant holders.

The total number of shares that may be issued on exercise of all warrants and outstanding share options granted under the Company's Executives' Share Option Scheme are as follows:

	Date of Expiry	Exercise price per each ordinary share of \$0.80	As at 31/3/2001	As at 30/9/2000
Warrants	15 November 2000	US\$2.10	0	12,678,644
Share Option				
1992 scheme				
No. 5	15 January 2002	US\$3.312	928,000	928,000
No. 6	28 July 2002	S\$4.448	935,000	935,000
No. 7	5 August 2004	S\$3.08	2,730,000	2,730,000
1999 scheme				
No. 1	16 March 2010	S\$1.41	1,771,000	1,771,000
No. 2	10 October 2010	S\$1.60	2,000,000	0
			8,364,000	19,042,644

12. Comparative figures of the group's borrowings and debt securities

(a) Amount repayable in one year or less, or on demand

As at 31/03/2001		As at 30/09/2000	
Secured	Unsecured	Secured	Unsecured
S\$606,000	S\$152,071,000	S\$576,000	S\$173,175,000

(b) Amount repayable after one year

As at 31/03/2001		As at 30/09/2000	
Secured	Unsecured	Secured	Unsecured
S\$2,181,000	S\$123,961,000	S\$2,412,000	S\$127,307,000

(c) Any other comments relating to Paragraph 12

NIL

13. Financial Instruments

In October 1995, the Company raised funds of approximately US\$36.4 million through the issue of US\$35,000,000 unsecured bonds due 2000 with detachable warrants. The Company has adopted the accounting practice of recording the bond at its face value with no value attributed to the warrants.

In June 1995, the International Accounting Standards Committee issued International Accounting Standard 32 ("IAS32") which specifies the preferred accounting presentation and disclosure on the above financial instrument.

Under the preferred accounting treatment in IAS32 a value would be ascribed to the discount implicit in the terms of such an issue. This discount would be deemed to be a deferred cost and the value attributed to the warrants would be credited to a capital reserve account. The IAS32 has not yet been adopted in

Singapore. If it has been adopted, the profit before taxation for the year ended 31 March 2001 would have been reduced by approximately S\$1,756,000 (2000: S\$2,904,000) and the net tangible assets of the Group and of the Company as at 31 March 2001 would have been increased by S\$699,000 (2000: S\$2,455,000).

The above unsecured bonds were repaid on 15 November 2000. The repayment was financed by a US\$60,000,000 Floating Rate Notes due 2003 that were issued by the Company on 8 September 2000. The financial instrument is unsecured, carries an interest rate at 1.1875% above US\$ SIBOR (Singapore Inter-bank US\$ Dollar Offered Rates).

BY ORDER OF THE BOARD

Andrew Ng Sung On
Chairman & Chief Executive
12/06/2001