

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 2002.
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	554,039	594,172	(6.8)	67,772	45,834	47.9
1.(b)	Investment income	186	534	(65.2)	0	0	0
1.(c)	Other income including interest income	2,045	2,994	(31.7)	2,716	132	1957.6
2.(a)	Operating profit before income tax, minority interests, extraordinary items, interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	50,180	66,273	(24.3)	52,053	31,562	64.9
2.(b)(i)	Interest on borrowings	(13,841)	(21,289)	(35.0)	(10,722)	(16,307)	(34.2)
2.(b)(ii)	Depreciation and amortisation	(28,723)	(27,579)	4.1	(1,084)	(855)	26.8
2.(b)(iii)	Foreign exchange gain/(loss)	2,885	3,076	(6.2)	2,577	(62)	N/M
2.(c)	Exceptional items	0	71	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	10,501	20,552	(48.9)	42,824	14,338	198.7

		Group			Company		
		S\$'000		%	S\$'000		%
		Latest year	Previous year	Change	Latest year	Previous year	Change
2.(e)	Income derived from associated companies	8,681	8,329	4.2	0	0	0
2.(f)	Less income tax	(2,623)	(3,620)	(27.5)	(80)	(100)	(20.0)
2.(g)(i)	Operating profit after tax before deducting minority interests	16,559	25,261	(34.4)	42,744	14,238	200.2
2.(g)(ii)	Less minority interests	640	(633)	N/M	0	0	0
2.(h)	Operating profit after tax attributable to members of the company	17,199	24,628	(30.2)	42,744	14,238	200.2
2.(i)(i)	Extraordinary items	0	0	0	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	0	0	0	0	0
2.(j)	Operating profit after tax and extraordinary items attributable to members of the company	17,199	24,628	(30.2)	42,744	14,238	200.2

N/M : Not meaningful.

Note to 2 (c) Exceptional items for previous year 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).

The previous year's figures have been restated to take into the effects of new and revised accounting standards that were being implemented during the year.

		Group Figures	
		Latest year	Previous year
3.(a)	Operating profit [2(g)(i) above] as a percentage of turnover [1(a) above]	2.99%	4.25%
3.(b)	Operating profit [2(h) above] as a percentage of issued capital and reserves at end of year	5.89%	8.64%
3.(c)	Earnings per ordinary share for the year based on 2(h) above after deducting any provision for preference dividends:-		
	(i) Based on existing issued share capital	16.62 cents	23.80 cents
	(ii) On a fully diluted basis	16.57 cents	23.68 cents
3.(d)	Earnings per share based on 2(j) above:-		
	(i) Based on existing issued share capital	16.62 cents	23.80 cents
	(ii) On a fully diluted basis	16.57 cents	23.68 cents
3.(e)	Net tangible asset backing per ordinary share	S\$2.30	S\$2.23

The previous year's calculations are based on restated figures.

		Group			Company		
		S\$'000	%		S\$'000	%	
		Latest year	Previous year	Change	Latest year	Previous year	Change
4.(a)	Sales reported for first half year	282,076	286,459	(1.5)	17,335	17,170	1.0
4.(b)	Operating profit [2(g)(i) above] reported for first half year	10,793	14,386	(25.0)	8,201	8,007	2.4
4.(c)	Sales reported for second half year	271,963	307,713	(11.6)	50,437	28,664	76.0
4.(d)	Operating profit [2(g)(i) above] reported for second half year	5,766	10,875	(47.0)	34,543	6,231	454.4

The previous year's figures have been restated to take into the effects of new and revised accounting standards that were being implemented during the year.

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 13.7% as compared to 12.5% last year.

The tax incentive granted to the Company as regional headquarters ("OHQ status") in Singapore will expire on 30 June 2002. Under this tax incentive, the dividend income received from approved qualifying corporations is tax exempt and certain types of income received from approved qualifying corporations are taxed at a concessionary rate of 10%. The Company had applied for the extension of OHQ status from the Economic Development Board ("EDB") and had received in-principle support for OHQ renewal from EDB, subject to final approval from the Minister (Trade and Industry).

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
Nil

\$Profit/(Loss)
\$0.00

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

NIL

6. Segmental Results

Analysis of the Group's turnover by geographical segments based on location of customers is as follows:

Geographical Segments	2002	Turnover
	S\$'000	2001 S\$'000
Asia	327,808	341,451
North and South America	102,663	106,307
Europe and others	123,568	146,414
	554,039	594,172

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):

Geographical Segments	Turnover		Operating Profit Before Interest and Tax	
	2002 S\$'000	2001 S\$'000	2002 S\$'000	2001 S\$'000
Asia	469,976	520,840	29,097	48,138
North and South America	31,751	26,622	1,369	509
Europe and others	52,312	46,710	2,557	1,523
	554,039	594,172	33,023	50,170

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 2002 was S\$554.0 million, a decrease of 6.8% over the previous year. Other income decreased to S\$2.1 million due to lower interest income earned from deposits. The operating profit before income tax, interest, depreciation and amortisation and exchange amounted to S\$50.2 million, representing a decrease of 24.3% as compared to the previous year. Interest on borrowings decreased by 35.0% to S\$13.8 million as compared to the previous year. The decrease was principally due to lower interest rates on bank loans. Depreciation and amortisation charges for the year amounted to S\$28.7 million, an increase of 4.1% over the previous year. The Company recorded a net exchange gain of S\$2.6 million against a net exchange loss of S\$0.1 million recorded in previous year. The net exchange gain arose mainly due to weakening of the Singapore dollar against the US dollar and the HK dollar during the year. Income from associated companies continued to contribute significantly. Overall, the consolidated net profit after taxation attributable to members of the Company decreased by 30.2% to S\$17.2 million when compared to the previous year.

Earnings per share based on the weighted average of 103,491,023 (2001:103,462,331) shares in issue during the year amounted to 16.62 Singapore cents, compared with 23.80 Singapore cents for 2001. The diluted earnings per share, based on the weighted average of 103,824,457 (2001: 104,022,542) after taking into account the dilution adjustment for share options amounted to 16.57 Singapore cents, compared with 23.68 Singapore cents for 2001.

Worldwide demand for batteries remained sluggish throughout the second half year after the events of September 11. The worst hit segment of our business was in the rechargeable batteries in the OEM market. There was serious margin erosion due to weak demand and oversupply. As a result, the worse than expected second half affected the overall performance for the financial year.

Despite a decline in other world markets, Hong Kong and China still registered a moderate growth of 3.5% in turnover based on location of customers. Alkaline 9-volt batteries also recorded a healthy growth of 24% due to strong private-label demand. Contributions from associates remained strong and steady. We have continued to make progress in the GP rechargeable products in the consumer market. To maintain our superior market position, we have successfully developed the GP2000 series Nickel Metal Hydride ("NiMH") rechargeable batteries, which is amongst the highest capacity in the world.

Gold Peak Industries (Taiwan) Limited has commenced commercial production of cylindrical Lithium Ion ("Li-ion") cells towards the end of the year, and have successfully launched a range of special size cylindrical and prismatic batteries to meet the growing demand for smaller size digital devices.

As we continued in our effort to upgrade our factories and quality systems, our Malaysia factory has received recommendation for QS9000 certification, bringing the total number of our QS9000 certified factories to four. At the same time, two plants in Huizhou have also been accredited the ISO14001 Environmental Management System.

In December 2001, the Group acquired the assets and intellectual properties of Bolder Technology Inc in the United States, and have since moved the production facilities to Singapore. The new Thin Metal Film ("TMF") Lead Acid technology from Bolder will enable the Group to offer a superior emergency starter battery for the automotive industry. In the longer term, the technology holds promise in high-powered applications as well as the emerging hybrid electric vehicles and 36-volt automotive batteries.

In January 2002, the Group acquired a 3% interest in TCL Holdings Corporation Limited of Huizhou, China, as a long-term investment.

- 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 business outlook is cautiously optimistic as there are signs of economic recovery especially in the OEM market. The Group is expected to benefit from the growing demand for Li-ion and high capacity NiMH batteries in digital devices such as digital cameras and personal digital assistants. We will continue to capitalise on the strong growth from private-label customers and develop the Chinese market. The Group's established worldwide distribution network is expected to enhance the "GP" brand name and to make more significant contributions. The Group will continue to explore opportunities in electric vehicle batteries and TMF Lead Acid batteries.

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

9. Dividend

(a) Present Period

Name of Dividend	Final	Interim
Dividend Type	Cash	Cash
Dividend Rate	5.0%/4.0 cents per ordinary share tax exempt	3.875%/3.1 cents per ordinary share tax exempt
Par value of shares	S\$0.80	S\$0.80
Tax Rate		

(b) Previous Corresponding Period

Name of Dividend	Final	Interim
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		

(c) Total Annual Dividend

	Latest Year (S\$'000)	Previous Year (S\$'000)
Ordinary	7,351	10,450
Preference	0	0
Total:	7,351	10,450

(d) Date payable

To be announced at a later date.

(e) Books closing date

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

(f) Any other comments relating to Paragraph 9

NIL

10. Balance sheet

	2002	Group	2002	Company
	S\$'000	2001	S\$'000	2001
		S\$'000	S\$'000	S\$'000
		Restated		Restated
Fixed Assets	267,143	251,875	8,313	8,589
Interest in subsidiaries	0	0	409,863	403,283
Interest in Associated Companies	27,766	29,655	11,453	11,453
Investment	25,132	13,954	0	0
Intangible Assets	54,246	54,661	2,663	2,976
Current Assets	289,565	338,593	63,067	79,451
Current Liabilities	(189,926)	(231,831)	(59,059)	(123,080)
Non-current Liabilities	(144,320)	(132,670)	(138,512)	(119,722)
	329,606	324,237	297,788	262,950
Represented by:				
Share Capital	82,801	82,771	82,801	82,771
Reserves	209,271	202,345	214,987	180,179
Shareholders' funds	292,072	285,116	297,788	262,950
Minority interests	37,534	39,121	0	0
	329,606	324,237	297,788	262,950

The Group adopted all the new and revised Statements of Accounting Standards ("SAS") which become effective during the financial year ended 31 March 2002.

The adoption of the new and revised SAS does not affect the results of the current or prior periods except for the adoption of SAS 10 (Revised 2000) on Events after Balance Sheet Date and SAS 12 (Revised 2001) on Income Taxes.

The effects of adopting SAS 10 and SAS 12 are summarised as follows:

The Group

	2002	Restated	Reported
	S\$'000	2001	2001
		S\$'000	S\$'000
Operating profit after tax attributable to members of the Company	17,199	24,628	25,038
Earnings per share (S\$ cents)			
- basic	16.62	23.80	24.20
- diluted	16.57	23.68	24.07
Net tangible assets	237,826	230,455	227,412

The Company

	2002 S\$'000	Restated 2001 S\$'000	Reported 2001 S\$'000
Operating profit after tax attributable to members of the Company	42,744	14,238	18,608
Net tangible assets	295,125	259,974	268,489

The changes in the above accounting policies have been applied retrospectively by adjusting the opening retained earnings at 1 April 2000 and comparatives for 2001 have been restated.

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

Since the end of the previous half year up to 31 March 2002, there was no movement in the issued share capital of the Company.

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:

	Date of Expiry	Exercise price per each ordinary share of \$0.80	As at 31/3/2002	As at 30/9/2001
Share Option				
1992 scheme				
No. 5	15 January 2002	US\$3.312	0	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	1,734,000	1,734,000
No. 2	10 October 2010	S\$1.60	2,000,000	2,000,000
			7,399,000	8,327,000

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

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

As at 31/03/2002 (DD/MM/YYYY)

As at 30/09/2001 (DD/MM/YYYY)

Secured	Unsecured	Secured	Unsecured
S\$702,000	S\$107,272,000	S\$645,000	S\$150,909,000

(b) Amount repayable after one year

As at 31/03/2002 (DD/MM/YYYY)

As at 30/09/2001 (DD/MM/YYYY)

Secured	Unsecured	Secured	Unsecured
S\$1,611,000	S\$138,167,000	S\$1,914,000	S\$113,730,000

(c) Any other comments relating to Paragraph 12

NIL

BY ORDER OF THE BOARD

Andrew Ng Sung On
Chairman and Chief Executive
17/06/2002