

Announcement of Unaudited Results and Dividend

for the year ended 31 March 2002

The Board of Directors of GP Batteries International Limited is pleased to announce the unaudited results of the Group for the year ended 31 March 2002 as set out below:

	2002 S\$'000	The Group 2001 S\$'000 Restated	% + / (-)
1. Turnover	<u>554,039</u>	<u>594,172</u>	(6.8)
Other income including interest income	<u>2,045</u>	<u>2,994</u>	(31.7)
Operating profit before taxation, interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	50,180	66,273	(24.3)
Interest on borrowings	13,841	21,289	(35.0)
Depreciation and amortisation	28,723	27,579	4.1
Foreign exchange gain/(loss)	2,885	3,076	(6.2)
Exceptional items	0	71	N/M
Operating profit before taxation	<u>10,501</u>	<u>20,552</u>	(48.9)
Share of results of associated companies	<u>8,681</u>	<u>8,329</u>	4.2
Profit before taxation	19,182	28,881	(33.6)
Taxation	<u>2,623</u>	<u>3,620</u>	(27.5)
Profit after taxation	16,559	25,261	(34.4)
Minority interests	<u>640</u>	<u>(633)</u>	N/M
Profit attributable to shareholders	<u><u>17,199</u></u>	<u><u>24,628</u></u>	(30.2)

* N/M - not meaningful

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).

2 Turnover

First half year	282,076	286,459	(1.5)
Second half year	<u>271,963</u>	<u>307,713</u>	(11.6)
	<u><u>554,039</u></u>	<u><u>594,172</u></u>	(6.8)

3 Profit after taxation

First half year	10,793	14,386	(25.0)
Second half year	5,766	10,875	(47.0)
	<u>16,559</u>	<u>25,261</u>	(34.4)

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.

4 Earnings per ordinary share of S\$0.80 each

(a) Basic	16.62 cents	23.80 cents
(b) Fully diluted	16.57 cents	23.68 cents

5 Net tangible asset backing

per ordinary share of S\$0.80 each	\$2.30	\$2.23
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The previous year's calculations are based on restated figures.

6 Review of Results

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.

7 Business Review

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.

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 Dividend

The Directors are recommending a final dividend of 5.0% or 4.0 (2001: 7.5% or 6.0) Singapore cents per share tax-exempt in respect of the financial year ended 31 March 2002 for approval at the next Annual General Meeting to be convened.

An interim tax-exempt dividend of 3.875% or 3.1 (2001: 5.125% or 4.1) Singapore cents per share was paid on 31 January 2002.

The payment of the interim dividend together with the proposed final dividend will result in a total tax-exempt dividend of 8.875% or 7.1 (2001: 12.625% or 10.1) Singapore cents per share. Total dividend for the year is S\$7,350,663 (2001: S\$10,450,061) based on 103,502,168 shares in issue at the date of this announcement.

9 Closure of the Books

The dividend payment date and the notice of closure of the Register of Members and Transfer Books of the Company for the purpose of determining the entitlement to the dividend will be announced after the forthcoming Annual General Meeting.

10 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.

By Order of the Board
Andrew Ng Sung On
Chairman and Chief Executive
Singapore, 17 June 2002