Announcement of Unaudited Results & Dividends

For The Year Ended 31 March 2005

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 2005 as set out below:

		The Group					
		Q4 ended 31.3.05 S$'000	**Q4 ended 31.3.04 S$'000**	**Change %**	**YTD 31.3.05 S$'000**	**YTD 31.3.04 S$'000**	**Change %**
1	Revenue	**222,703**	199,044	11.9	**893,860**	827,158	8.1
	Cost of sales	**(191,815)**	(139,931)	37.1	**(719,600)**	(606,341)	18.7
	Gross profit	**30,888**	59,113	(47.7)	**174,260**	220,817	(21.1)
	Other operating income	**2,680**	413	548.9	**7,136**	1,893	277.0
	Distribution expenses	**(8,389)**	(21,510)	(61.0)	**(47,737)**	(61,320)	(22.2)
	Administrative expenses	**(15,880)**	(24,655)	(35.6)	**(83,823)**	(97,824)	(14.3)
	Other operating expenses	**(111)**	(1,374)	(91.9)	**(874)**	(4,268)	(79.5)
	Profit from operations	**9,188**	11,987	(23.4)	**48,962**	59,298	(17.4)
	Finance costs	**(3,386)**	(2,357)	43.7	**(11,775)**	(9,717)	21.2
	Profit before exceptional items	**5,802**	9,630	(39.8)	**37,187**	49,581	(25.0)
	Exceptional items	**4,163**	-	n/m	**(18,756)**	-	n/m
	Profit before share of results of associates	**9,965**	9,630	3.5	**18,431**	49,581	(62.8)
	Share of results of associates	**2,158**	1,130	91.0	**5,414**	8,751	(38.1)
	Profit before income tax	**12,123**	10,760	12.7	**23,845**	58,332	(59.1)
	Income tax expense	**(10,664)**	(2,267)	370.4	**(15,071)**	(9,239)	63.1
	Profit after income tax	**1,459**	8,493	(82.8)	**8,774**	49,093	(82.1)
	Minority interests	**(1,290)**	(734)	75.7	**(6,996)**	(3,851)	81.7
	Profit attributable to shareholders	**169**	7,759	(97.8)	**1,778**	45,242	(96.1)

n/m – not meaningful

2	Revenue	**S$'000**	**S$'000**	**%**
	First half year	**440,348**	403,563	9.1
	Second half year	**453,512**	423,595	7.1
		893,860	827,158	8.1
3	Profit after income tax	**S$'000**	**S$'000**	**%**
	First half year	**23,397**	25,843	(9.5)
	Second half year	**(14,623)**	23,250	(162.9)
		8,774	49,093	(82.1)

4	Earnings per ordinary share of S$0.80 each				
	(a) Basic	**0.15 cents**	7.27 cents	**1.64 cents**	42.93 cents
	(b) Fully diluted	**0.15 cents**	7.05 cents	**1.62 cents**	41.92 cents
	Weighted average number of ordinary shares	**109,454,168**	106,721,266	**108,544,258**	105,391,965
5	Net assets backing per ordinary share of S$0.80 each			**S$2.99**	S$3.13

6. Review of Performance

Fourth quarter ended 31 March

The Group's turnover for the three months ended 31 March 2005 was S$222.7 million, an increase of 11.9% over the corresponding period last year. The consolidated net profit after taxation and minority interests attributable to members of the Company for the fourth quarter was S$0.2 million, against a profit of S$7.8 million for the corresponding quarter last year.

Turnover rose mainly due to sales of Alkaline primary cylindrical batteries which increased by 45% and Nickel Metal Hydride rechargeable batteries which increased by 12% over the same period last year. However, this was negated by the 60% decrease in turnover of 9-volt Alkaline batteries.

Sales to Europe registered strong growth and increased by 34% over the corresponding quarter while sales to other markets remained steady.

Gross profit margin of 14% was lower than the corresponding quarter last year of 29%. This was due to raw material prices remaining at high levels and keen competition in the Lithium Ion market.

Full year ended 31 March

For the year ended 31 March 2005, the Group's turnover was S$893.9 million, an increase of 8.1% over the previous year. The consolidated net profit after taxation and minority interests attributable to members of the Company decreased from S$45.2 million to S$1.8 million. During the year, the Group recorded a net exceptional loss of S$18.8 million.

Turnover grew mainly due to improved sales of Alkaline primary cylindrical batteries by 34% and Nickel Metal Hydride rechargeable batteries by 22% over the previous year. However, this was partially offset by the 34% decrease in sales of 9-volt Alkaline batteries.

Sales to Europe for the year in review rose by 20% due to strong demand and the appreciation of the Euro.

Gross profit margin decreased mainly due to high raw material prices and keen competition in the Lithium Ion market as a result of the over supply situation.

Other operating income for the year were S$7.1 million, an increase of S$5.2 million over the previous year. This was mainly due to dividend income from investments.

Total distribution costs and administrative expenses for the year were lower as compared to the previous year. This was mainly attributed to the decrease in advertising and promotion expenses as well as lower payroll costs incurred during the year.

The increase in finance expenses for the year was mainly due to the increase in interest rates and bank borrowings.

Exceptional items of S$18.8 million consist of losses provided for the Danionics project of S$19.0 million, compensation, medical and hospital expenses of workers affected in our two plants in Huizhou, China of S$6.1 million and net gain of S$6.3 million from the revaluation of investment properties and investments.

The share of results of associates for the year ended 31 March 2005 decreased by 38.1% compared to the previous year, mainly due to the loss of the 50%-owned associate, Danionics Asia Limited and decrease in contribution from T.G. Battery Co (China) Ltd due to increase in raw material prices.

The taxation charge for the year was substantially higher as a result of provisions made in respect of assessments raised for prior years for a subsidiary company in Hong Kong.

The joint venture factory with Sanyo, Ningbo GP Sanyo Energy Co., Ltd., had commenced production of primary Lithium batteries since the beginning of 2005.

The Group has continued on the follow-up work of the Cadmium issue in its factories. It has also made arrangements to distribute a special one-time subsidy to provide affected employees with immediate assistance beyond statutory requirements. All the factories under the Group have undergone an extensive Environmental Health and Safety Review to ensure compliance with the latest government and industry standards.

7. Dividend

The Directors are recommending a final dividend of 2.75% or 2.2 (2004: 12.875% or 10.3) Singapore cents per share tax exempt in respect of the financial year ended 31 March 2005 for approval at the next Annual General Meeting to be convened.

An interim tax-exempt dividend of 4.75% or 3.8 (2004: 7.125% or 5.7) Singapore cents per share was paid on 8 December 2004.

The payment of the interim dividend together with the proposed final dividend will result in a total tax-exempt dividend of 7.5% or 6.0 (2004: 20.0% or 16.0) Singapore cents per share. Total dividend for the year is S$6,703,212 (2004: S$17,199,696) based on 109,454,168 shares in issue at the date of this announcement.

8. 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 entitlement to the proposed dividend will be announced after the forthcoming Annual General Meeting.

9. Prospects

The general business outlook remains difficult in view of rising interest rate and as raw material prices remained at high levels. The Group has already started price revisions to selected markets in its attempt to improve margins. In addition, effective cost-cutting measures adopted across the Group will start to show its effect over time.

Expenses in relation to the Cadmium issue are expected to be contained.

In its effort to reduce costs, the Group is closing its 9V Danish plant and consolidation of the manufacturing of 9-volt Alkaline batteries into the Malaysian factory will be completed by the second quarter of 2005/06. The Nickel Metal Hydride rechargeable batteries operations in Malaysia will henceforth shift to China.

As more electronic equipment manufacturers are setting-up their factories in China, the Group will continue to relocate its Li-Ion batteries production facilities to be closer to the customers. In March 2005, the Group announced the 40% acquisition of Jetview Limited, which is primarily engaged in the design and assembly of Lithium Ion and Lithium Polymer battery packs for notebook computers and other electronic devices in Taiwan and China for sale to the OEM market worldwide. The Group expects this new acquisition to contribute positively in 2005/06.

The Group is still reassessing the prospect of the entire joint venture in Danionics Asia Limited, while the wholly-owned subsidiary in Denmark, Danionics International A/S went into bankruptcy proceedings in early May 2005.

The Group will continue to streamline its operations to further reduce cost and and to maintain market share so that when business conditions improve, it will be in good stead to reap the benefits.

By Order of the Board
Andrew Ng Sung On
Chairman and Chief Executive
Singapore, 24 May 2005