GP BATTERIES INTERNATIONAL LIMITED

Half Year Financial Statement And Dividend Announcement

Half-year financial statement on consolidated results for the six months ended 30 September 2000. These figures have not been audited.

		Group			Company		
		S$'000		%	S$'000		%
		Latest half year	Previous half year	Change	Latest half year	Previous half year	Change
1.(a)	Turnover	286,459	256,208	11.8	17,170	15,385	11.6
1.(b)	Investment income	245	117	109.4	0	0	0
1.(c)	Other income including interest income	1,065	1,108	(3.9)	57	25	128.0
2.(a)	Operating profit before income tax, minority interests, extraordinary items, interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	32,831	28,420	15.5	15,614	12,376	26.2
2.(b)(i)	Interest on borrowings	(8,920)	(6,011)	48.4	(7,196)	(4,943)	45.6
2.(b)(ii)	Depreciation and amortisation	(11,003)	(11,475)	(4.1)	(339)	(406)	(16.5)

2.(b)(iii)	Foreign exchange gain/(loss)	(821)	(3,543)	(76.8)	(22)	(151)	(85.4)
2.(c)	Exceptional items	68	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	12,155	7,391	64.5	8,057	6,876	17.2
2.(e)	Income derived from associated companies	3,881	2,842	36.6	0	0	0
2.(f)	Less income tax	(1,650)	(1,051)	57.0	(50)	(50)	0
2.(g)(i)	Operating profit after tax before deducting minority interests	14,386	9,182	56.7	8,007	6,826	17.3
2.(g)(ii)	Less minority interests	(109)	(448)	(75.7)	0	0	0
2.(h)	Operating profit after tax attributable to members of the	14,277	8,734	63.5	8,007	6,826	17.3

	company						
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	14,277	8,734	63.5	8,007	6,826	17.3

Note to 2 (c) : Exceptional items represented the net gain arising from the dilution of interest in a subsidiary and the writing off of some related intangible assets.

Group Figures			
		Latest half year	**Previous half year**
3.(a)	Earnings per share based on 2(h) above after deducting any provision for preference dividends:-		
3.(a)(i)	Based on existing issued share capital *	13.80 cents	8.44 cents
3.(a)(ii)	On a fully diluted basis	13.75 cents	8.44 cents
3.(b)	Earnings per share based on 2(j) above:-		
	(i) Based on existing issued share capital *	13.80 cents	8.44 cents

	(ii) On a fully diluted basis	13.75 cents	8.44 cents
3.(c)	Net tangible asset backing per ordinary share **	S$2.27	S$2.09

Notes:

(*) Earnings per ordinary share is computed based on the weighted average of 103,461,168 (1999:103,461,168) shares in issue during the period.

(**) Net tangible asset backing per ordinary share is computed based on actual number of shares in issue as at 30 September 2000 of 103,461,168 (1999:103,461,168).

4.(a) <u>Amount of any adjustment for under or overprovision of tax in respect of prior years</u>

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 period was 10.3% compared to 10.3% for the last period.

4.(b) <u>Amount of any pre-acquisition profits</u>

NIL

4.(c) <u>Amount of profits on any sale of investments and/or properties</u>

Sale of investments/properties	$Profit/(Loss)
NIL	

4.(d) Any other comments relating to Paragraph 4

There was no sale of investments during the six months ended 30 September 2000.

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

The Group's turnover for the six months ended 30 September 2000 rose by 11.8% to S$286.5 million and the consolidated net profit after taxation and minority interests increased by 63.5% to S$14.3 million when compared to the previous corresponding period. Earnings per share for the period based on the weighted average of 103,461,168 (1999: 103,461,168) shares in issue amounted to 13.80 Singapore cents, compared with 8.44 Singapore cents for the previous corresponding period.

The business environment continued to improve from the previous year. Market conditions for rechargeable batteries have improved as consolidation takes place. The Group achieved another record sales for the period through internal growth. Shipments to our major overseas markets reached new highs. Sales in Asia remained strong as we gained market share from weaker competitors. The weak Euro has handicapped our sales efforts in Europe, but we have managed to achieve our budgeted growth. The continuous efforts of the Group to reduce costs and improve efficiency resulted in the long awaited improvement.

The Group has started to market its own Lithium Ion battery and the product has been well received by portable computer manufacturers. Mass production of these batteries is expected to commence in next fiscal year. In November, the Group's Lithium Ion battery plant in Taiwan, Gold Peak Industries (Taiwan) Limited ("GPIT"), entered into an agreement with Taisec Securities Inc. ("Taisec") whereby Taisec will provide advisory and listing application services to GPIT for listing on the Taiwan Stock Exchange. GPIT is expected to be able to list in Taiwan in 2002.

The Group has increased the production capacity of our alkaline 9-Volt battery factory in Malaysia as well as several of our rechargeable battery factories in China to meet increased demand.

In September 2000, the Group entered into a subscription agreement with a syndicate of banks and financial institutions for the issue of US$60,000,000 Floating Rate Notes due September 2003. The proceeds from the issue of the Floating Rate Notes will be used to refinance its existing US$35,000,000 Unsecured Bonds due November 2000 and its short-term bank borrowings.

5.(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 of the Group.

6. Commentary on current year prospects

The outlook for the second half year remains optimistic. Market prices for batteries have generally stabilized and raw material prices have not risen even as world oil prices remained high. Our position in advanced rechargeable batteries - Lithium Ion and Nickel Metal Hydride - will continue to enable us to participate in the development of the rapidly growing communications industry. Lithium Ion batteries will become an important element of the Group's business in the next financial year.

The Group has set up a separate business unit to commercialize our efforts in large Prismatic Nickel Metal Hydride Batteries. Small-scale production will commence early 2001. The Group is pursuing various business opportunities in electric transportation.

Barring unforeseen circumstances, the Directors expect the Group to achieve satisfactory results in the second half of the current financial year.

7. Dividend

(a) Latest Period

Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	5.125%/4.1 cents per ordinary share tax exempt
Par value of shares	S$0.80
Tax Rate	

(b) Previous Corresponding Period

Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	3.125%/2.5 cents

per ordinary share

tax exempt

Par value of shares S$0.80

Tax Rate

(c) Date payable

To be announced later.

(d) Books closing date

To be announced later.

(e) Any other comments relating to Paragraph 7

NIL

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

Since the end of the last financial year, there was no movement in the issued share capital of the Company.

Status of outstanding warrants and share options

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 S$0.80**	**As at 30/9/2000**	**As at 31/3/2000**
Warrants	15 November 2000	US$2.10	12,678,644	12,678,644
Share Option				
1992 Scheme				
No. 4	16 July 2000	US$2.538	0	736,000
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
			19,042,644	19,778,644

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

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

As at 30/09/2000		As at 31/03/2000	
Secured	Unsecured	Secured	Unsecured
S$576,000	S$173,175,000	S$551,000	S$188,356,000

(b) Amount repayable after one year

As at 30/09/2000		As at 31/03/2000	
Secured	Unsecured	Secured	Unsecured
S$2,412,000	S$127,307,000	S$2,678,000	S$57,219,000

(c) Any other comments relating to Paragraph 9

NIL

10. Balance sheet

NIL

11. Bonds Cum Detachable Warrants

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 ("IAS 32") which specifies the preferred accounting presentation and disclosure on the above financial instrument.

Under the preferred accounting treatment in IAS 32 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 IAS 32 has not yet been adopted in Singapore. If it has been adopted, the profit before taxation for the six months ended 30 September 2000 would have been reduced by approximately S$1,505,000 (six months ended 30 September 1999: S$1,414,000) and the net tangible assets of the Group and of the Company as at 30 September 2000 would have been increased by S$949,000 (30 September 1999: S$3,945,000).

BY ORDER OF THE BOARD

Andrew Ng Sung On
Chairman and Chief Executive
19/12/2000