

Listed companies must provide the information required by Appendix 7.2 of the Listing Manual. Adequate disclosure should be given to explain any material extraordinary item either as a footnote of the material extraordinary item or in the "Review of the performance of the group".

GP BATTERIES INTERNATIONAL LIMITED

Second Quarter Financial Statement And Dividend Announcement

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Group Income Statement for second quarter ended 30 September 2003. These figures have not been audited.

	2Q 2003 S\$'000	2Q 2002 S\$'000	% Change	1H 2003 S\$'000	1H 2002 S\$'000	% Change
Revenue	214,005	170,885	25.2	403,563	327,370	23.3
Cost of sales	(157,957)	(134,701)	17.3	(301,334)	(258,559)	16.5
Gross profit	56,048	36,184	54.9	102,229	68,811	48.6
Other operating income	293	191	53.4	1,145	594	92.8
Distribution expenses	(14,909)	(8,164)	82.6	(24,440)	(15,543)	57.2
Administrative expenses	(25,412)	(17,393)	46.1	(46,580)	(33,321)	39.8
Other operating expenses	(652)	(671)	(2.8)	(2,152)	(1,883)	14.3
Profit from operations	15,368	10,147	51.5	30,202	18,658	61.9
Finance costs	(2,212)	(3,024)	(26.9)	(4,900)	(5,827)	(15.9)
Profit before share of results of associates	13,156	7,123	84.7	25,302	12,831	97.2
Share of results of associates	2,459	2,408	2.1	4,901	4,380	11.9
Profit before income tax	15,615	9,531	63.8	30,203	17,211	75.5
Income tax expense	(2,214)	(1,243)	78.1	(4,360)	(2,246)	94.1
Profit after income tax	13,401	8,288	61.7	25,843	14,965	72.7
Minority interests	(839)	60	N/M	(1,916)	438	N/M
Profit attributable to shareholders	12,562	8,348	50.5	23,927	15,403	55.3

N/M: not meaningful

	2Q 2003 S\$'000	2Q 2002 S\$'000	1H 2003 S\$'000	1H 2002 S\$'000
Interest income included in other operating income	42	204	96	269
Foreign exchange adjustment gain included in other operating income	0	0	498	0
Foreign exchange adjustment loss included in other operating expenses	(1,494)	(450)	(1,494)	(1,406)
Depreciation and amortisation	(11,335)	(8,629)	(22,394)	(18,070)
Allowances for doubtful debts on trade receivables	(619)	(170)	(706)	(287)
Allowances for stock obsolescence	(2,002)	(1,592)	(3,723)	(3,286)
Bad trade receivables written off	(12)	0	(12)	(24)
Gain/(Loss) on disposal/written off of fixed assets (net)	554	(429)	(327)	(544)
Adjustment for underprovision of tax in respect of prior years	0	0	0	(9)

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

Balance Sheet

	30/09/03	The Group	30/09/03	The Company
	S\$'000	31/03/03	S\$'000	31/03/03
		S\$'000		S\$'000
Non-current assets				
Property, plant and equipment	301,462	298,602	7,688	7,806
Interest in subsidiaries	0	0	465,864	454,655
Interest in associates	28,313	27,564	11,453	11,453
Other investments	23,054	24,068	0	0
Goodwill arising on consolidation	14,866	15,663	0	0
Deferred expenditure	40,201	43,319	2,193	2,350
Total non-current assets	407,896	409,216	487,198	476,264
Current assets				
Stocks	165,368	148,426	3,495	4,066
Debtors	206,283	190,257	65,743	58,087
Short-term investments, at market value	55	52	0	0
Deposits and prepayments	22,865	16,332	730	622
Bank balances, deposits and cash	47,631	33,618	1,353	1,669
Total current assets	442,202	388,685	71,321	64,444
Current liabilities				
Creditors and accrued charges	(159,739)	(142,503)	(29,972)	(28,015)
Obligations under finance leases	(2,386)	(65)	(22)	(22)
Income tax payable	(4,429)	(2,864)	(856)	(806)
Bank loans and overdrafts	(204,323)	(86,414)	(127,293)	(12,994)
Floating rate notes	0	(105,882)	0	(105,882)
Total current liabilities	(370,877)	(337,728)	(158,143)	(147,719)
Non-current liabilities				
Bank loans	(53,221)	(57,034)	(26,081)	(26,471)
Obligations under finance leases	(5,917)	(133)	(37)	(48)
Fixed rate notes	(50,000)	(50,000)	(50,000)	(50,000)
Deferred tax liabilities	(3,543)	(3,455)	(475)	(475)
Total non-current liabilities	(112,681)	(110,622)	(76,593)	(76,994)
	366,540	349,551	323,783	315,995
Represented by:				
Share capital	84,575	82,832	84,575	82,832
Reserves	238,482	223,286	239,208	233,163
Shareholders' funds	323,057	306,118	323,783	315,995
Minority interests	43,483	43,433	0	0
	366,540	349,551	323,783	315,995

The increase in current assets of S\$53.5 million was mainly due to :

- Increase in stocks and debtors of S\$16.9 million and S\$16.0 million respectively as a result of increase in turnover for the period.
- Increase in bank balances by S\$14.0 million.

The increase in current liabilities of S\$33.1 million was mainly due to:

- Increase in creditors and accrued charges by S\$17.2 million as a result of increase in manufacturing activities.
- Increase in short term bank loans and overdrafts by S\$117.9 million of which S\$105.9 million was used to redeem the floating rate notes in September 2003.

The increase in obligations under finance leases of non-current liabilities was due to the lease financing of the Group's machinery.

1(b)(ii) **Aggregate amount of group's borrowings and debt securities**

Amount repayable in one year or less, or on demand

As at 30/09/2003		As at 31/03/2003	
Secured	Unsecured	Secured	Unsecured
S\$3,110,000	S\$203,599,000	S\$768,000	S\$191,593,000

Amount repayable after one year

As at 30/09/2003		As at 31/03/2003	
Secured	Unsecured	Secured	Unsecured
S\$6,307,000	S\$102,831,000	S\$907,000	S\$106,260,000

Details of any collateral

The net book value of fixed assets includes an amount of S\$9,959,000 (as at 31/03/03: S\$408,000) for the Group and S\$89,000 (as at 31 March 2003: S\$102,000) for the Company in respect of certain machinery, moulds and equipment held under finance leases.

Land and buildings with a total net book value of S\$4,063,000 (as at 31/03/03: S\$4,123,000) for the Group have been pledged to banks as securities for banking facilities granted.

1(c) **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

Cash flow statement

The Group

	2Q 2003	2Q 2002
	S\$'000	S\$'000
Cash flows from operating activities:		
Profit before income tax and share of results of associates	13,156	7,123

Adjustments for:		
Depreciation and amortisation	11,335	8,629
Interest expense	2,212	3,024
Interest income	(42)	(204)
Impairment loss of short-term investments	0	313
(Gain)/Loss on disposal of property, plant and equipment	(554)	429
Write off of product development expenditure	0	348
Others	659	0
Operating profit before working capital changes	26,766	19,662
Stocks	4,182	6,458
Debtors	(18,310)	(22,660)
Deposits and prepayments	(3,695)	3,830
Creditors and accrued charges	4,289	16,185
Cash generated from operations	13,232	23,475
Interest received	48	208
Interest paid	(2,724)	(3,779)
Income tax refund (paid)	104	(551)
Net cash from operating activities	10,660	19,353
Cash flows from investing activities:		
Dividends received from associates	3,661	2,832
Proceeds from disposal of property, plant and equipment	1,184	0
Purchase of property, plant and equipment	(7,571)	(12,136)
Purchase of additional investment in subsidiaries	(533)	0
Net cash used in investing activities	(3,259)	(9,304)
Cash flows from financing activities:		
Increase in bank loans	98,776	6,646
Repayment of floating rate notes	(104,325)	0
Dividends paid	(8,410)	(4,140)
Issue of share, net of expenses	2,586	0
Dividends paid to minority shareholders/Obligations under finance leases	(1,030)	(404)
Net cash (used in) from financing activities	(12,403)	2,102
Net effect of exchange rate changes in consolidating subsidiaries	921	(433)
Net (decrease) increase in cash and cash equivalents	(4,081)	11,718
Cash and cash equivalents at beginning of period	50,681	32,574
Cash and cash equivalents at end of period (Note A)	46,600	44,292
Note A:		
Cash and cash equivalents at end of period comprise :		
Bank balances, deposits and cash	47,631	45,620
Bank overdrafts	(1,031)	(1,328)
	46,600	44,292

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of changes in equity

	Share capital	Share premium	Capital/ legal reserve	Translation reserve	Property revaluation reserve	Dividend reserve	Retained profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group								
Balance at 30/6/2002	82,802	135,648	(29,615)	(24,553)	2,093	4,140	122,281	292,796
Issue of shares	0	0	0	0	0	0	0	0
Premium arising from issue of shares, net of expenses	0	0	0	0	0	0	0	0
Translation loss	0	0	0	(2,147)	0	0	0	(2,147)
Transfer to (from) reserves	0	0	0	0	0	0	0	0
Profit attributable to shareholders	0	0	0	0	0	0	8,348	8,348
Dividends								
- paid	0	0	0	0	0	(4,140)	0	(4,140)
- proposed	0	0	0	0	0	4,347	(4,347)	0
Balance at 30/9/2002	82,802	135,648	(29,615)	(26,700)	2,093	4,347	126,282	294,857
Balance at 30/6/2003	83,470	136,222	(28,922)	(32,420)	2,093	8,308	145,634	314,385
Issue of shares	1,105	0	0	0	0	0	0	1,105
Premium arising from issue of shares, net of expenses	0	1,481	0	0	0	0	0	1,481
Translation gain	0	0	0	2,022	0	0	0	2,022
Transfer to (from) reserves	0	0	246	0	0	0	(334)	(88)
Profit attributable to shareholders	0	0	0	0	0	0	12,562	12,562
- paid	0	0	0	0	0	(8,308)	(102)	(8,410)
- proposed	0	0	0	0	0	6,048	(6,048)	0
Balance at 30/9/2003	84,575	137,703	(28,676)	(30,398)	2,093	6,048	151,712	323,057

	Share capital	Share premium	Translation reserve	Dividend reserve	Retained profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Company						
Balance at 30/6/2002	82,802	135,648	(13,037)	4,140	81,955	291,508
Issue of shares	0	0	0	0	0	0
Premium arising from issue of shares, net of expenses	0	0	0	0	0	0
Translation gain	0	0	717	0	0	717
Profit attributable to shareholders	0	0	0	0	14,099	14,099
Dividends						
- paid	0	0	0	(4,140)	0	(4,140)
- proposed	0	0	0	4,347	(4,347)	0
Balance at 30/9/2002	82,802	135,648	(12,320)	4,347	91,707	302,184
Balance at 30/6/2003	83,470	136,222	(17,843)	8,308	104,798	314,955
Issue of shares	1,105	0	0	0	0	1,105
Premium arising from issue of shares, net of expenses	0	1,481	0	0	0	1,481
Translation gain	0	0	1,008	0	0	1,008
Profit attributable to shareholders	0	0	0	0	13,644	13,644
Dividends						
- paid	0	0	0	(8,308)	(102)	(8,410)
- proposed	0	0	0	6,048	(6,048)	0
Balance at 30/9/2003	84,575	137,703	(16,835)	6,048	112,292	323,783

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Since 30 June 2003, 1,381,000 ordinary shares of S\$0.80 each of the Company were issued pursuant to the exercise of options granted under the Company's Executives' Share Option Scheme, as follows:

	Number of issued shares	Issued share capital (S\$'000)
As at 30/6/2003	104,337,168	83,470
- Issued at S\$3.08 per share	311,000	249
- Issued at S\$1.41 per share	604,000	483
- Issued at S\$1.60 per share	466,000	373
As at 30/9/2003	105,718,168	84,575

Status of outstanding Share Options

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 S\$0.80	As at 30/9/2003	As at 30/9/2002
Share Option 1992 Scheme				
No. 7	5 August 2004	S\$3.08	2,419,000	2,730,000
1999 Scheme				
No. 1	16 March 2010	S\$1.41	631,000	1,733,000
No. 2	10 October 2010	S\$1.60	1,197,000	2,000,000
No. 3	4 August 2012	S\$1.25	2,000,000	2,000,000
No. 4	24 June 2013	S\$2.50	2,500,000	0
			8,747,000	8,463,000

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has adopted the same accounting policies and methods of computation for the current financial year as those adopted for the audited financial statements for the financial year ended 31 March 2003.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	2Q 2003	2Q 2002	1H 2003	Group 1H 2002
Earnings per ordinary share for the year after deducting any provision for preference dividends:				
(a) Based on weighted average number of ordinary shares in issue	11.97 cents	8.07 cents	22.93 cents	14.88 cents
(b) On a fully diluted basis	11.64 cents	8.04 cents	22.50 cents	14.83 cents
Weighted average number of ordinary shares	104,955,513	103,502,168	104,349,620	103,501,971

For earnings per ordinary share calculation, the weighted average number of ordinary shares for the period represents the number of ordinary shares in issue at the beginning of the period adjusted for shares issued upon exercise of options, multiplied by a time-weighted factor. For the purpose of calculating the diluted earnings per ordinary shares, the weighted average number of ordinary shares in issue had been adjusted to reflect the effect of all potentially dilutive ordinary shares from the exercise of all outstanding share options.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	30/9/03	Group 31/3/03	30/9/03	Company 31/3/03
	S\$	S\$	S\$	S\$
Net tangible asset value per ordinary share based on issued share capital at the end of the period	2.53	2.39	3.04	3.03

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

The Group's turnover for the three months ended 30 September 2003 was S\$214.0 million. This represented an increase of 25.2% over the corresponding period last year and an increase of 12.9% over the previous quarter. The consolidated net profit after taxation and minority interests attributable to members of the Company for the second quarter was S\$12.6 million. This represented an increase of 50.5% over the second quarter of last year and an increase of 10.5% over the previous quarter.

For the six months ended 30 September 2003, the Group's turnover was S\$403.6 million, an increase of 23.3% over that of the same period last year. The consolidated net profit after taxation and minority interests attributable to members of the Company was S\$23.9 million, an increase of 55.3%.

The increase in turnover was attributable to the continued increase in sales of Nickel Metal Hydride and Lithium Ion rechargeable batteries and the consolidation of sales of Zhongyin Ningbo Battery Co. Ltd ("Ningbo Batteries"), a 75%-owned subsidiary acquired by the Group in November 2002. Sales of Lithium Ion batteries continued to increase. However, its volume was still behind expectation because of the outbreak of SARS earlier in the year.

Gross profit increased, mainly due to increased turnover, steady selling price and continued cost reduction through operational rationalization. Overall operating margin improved from around 5% to about 6%.

Distribution expenses increased as the Group invested aggressively in advertising and promotional activities, especially in China, to further strengthen its market position.

The Group continued to work closely with OEM manufacturers in the USA, Europe and China on their electric vehicle ("EV") and hybrid electric vehicle ("HEV") projects.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The results are in line with the statement made in the Company's first quarter results announcement.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The business outlook for the remainder of the year remains steady. The Group will continue to expand the distribution of its GP branded products. The Group will increase its production of Lithium Ion and Nickel Metal Hydride batteries to meet the growing demands of the electronic industry.

During the past six months, prices of raw materials especially nickel and cobalt, have been on an upward trend. If this persists, there will be pressure to raise battery prices.

With the global acceptance of electric transportation, we expect additional business opportunities for EV and HEV batteries.

The Group continues to aggressively defend itself against the International Trade Commission action initiated by Energizer on patent infringement in the USA. At the same time, the Group has also initiated an action against the validity of Energizer's patent in the USA. Both the investigations and the action against Energizer will take some time to be resolved.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	7.125%/5.7 cents per ordinary share (tax exempt)
Par value of shares	S\$0.80
Tax Rate	

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	5.25%/4.2 cents per ordinary share (tax exempt)
Par value of shares	S\$0.80
Tax Rate	

(c) Date payable

The Company's interim tax-exempt dividend of 5.7 Singapore cents per share will be paid on 5 January 2004.

(d) Books closure date

Notice is hereby given that the Register of Members and Transfer Books of the Company will be closed on 15 December 2003 for the preparation of dividend warrants.

Registrable Transfers received by the Company's Registrar, Lim Associates (Pte) Ltd of 10 Collyer Quay #19-08, Ocean Building, Singapore 049315 up to 5.00 pm on 12 December 2003 will be registered before entitlements to the dividend are determined.

12. If no dividend has been declared/recommended, a statement to that effect

Not applicable.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Not applicable.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Not applicable.

15. A breakdown of sales

Not applicable.

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Total Annual Dividend (*Refer to Para 16 of Appendix 7.2 for the required details*)

	Latest Full Year ()	Previous Full Year ()
Ordinary Preference Total:	0	0

BY ORDER OF THE BOARD

Andrew Ng Sung On
Chairman and Chief Executive
26/11/2003