This format of the financial statements is not exhaustive. Listed companies should include separate disclosure of any items which is material because of its size and/or incidence so as to give a proper understanding of the group's performance.

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 company and its principal subsidiaries".

GP BATTERIES INTERNATIONAL LIMITED

Proforma Half Year Financial Statement And Dividend Announcement

Half-year financial statement on consolidated results for the six months ended 30 September 1999.
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	256,208	234,667	9.2	15,385	14,210	8.3
1.(b)	Investment income	117	204	(42.6)	0	0	0
1.(c)	Other income including interest income	1,108	1,376	(19.5)	25	13	92.3
2.(a)	Operating profit before income tax, minority interests, extraordinary items, interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	28,420	29,170	(2.6)	12,376	11,410	8.5
2.(b)(i)	Interest on borrowings	(6,011)	(3,971)	51.4	(4,943)	(2,942)	68.0
2.(b)(ii)	Depreciation and amortisation	(11,475)	(10,841)	5.8	(406)	(437)	(7.1)
2.(b)(iii)	Foreign exchange gain/(loss)	(3,543)	2,571	N/M	(151)	2,914	N/M
2.(c)	Exceptional items	0	0	0	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	7,391	16,929	(56.3)	6,876	10,945	(37.2)

		Group			Company		
		S$'000		%	S$'000		%
		Latest half year	Previous half year	Change	Latest half year	Previous half year	Change
2.(e)	Income derived from associated companies	2,842	2,157	31.8	0	0	0
2.(f)	Less income tax	(1,051)	(1,593)	(34.0)	(50)	(200)	(75.0)
2.(g)(i)	Operating profit after tax before deducting minority interests	9,182	17,493	(47.5)	6,826	10,745	(36.5)
2.(g)(ii)	Less minority interests	(448)	(277)	61.7	0	0	0
2.(h)	Operating profit after tax attributable to members of the company	8,734	17,216	(49.3)	6,826	10,745	(36.5)
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	8,734	17,216	(49.3)	6,826	10,745	(36.5)

N/M : Not Meaningful

		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 *	8.44 cents	16.64 cents
3.(a)(ii)	On a fully diluted basis	8.44 cents	16.64 cents
3.(b)	Net tangible asset backing per ordinary share **	S$2.09	S$2.25

Notes :

(*) Earnings per ordinary share is computed based on the weighted average of 103,461,168 (1998:103,452,829) 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 1999 of 103,461,168 (1998: 103,461,168).

4.(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 period was 10.3% compared to 8.3% for the last period.

4.(b) Amount of any pre-acquisition profits

NIL

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

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 1999.

5. Review of the performance of the company and its principal subsidiaries

The Group’s turnover for the 6 months ended 30 September 1999 rose by 9.2% to S$256.2 million and the consolidated net profit after taxation and minority interests decreased by 49.3% to S$8.7 million when compared to the previous corresponding period. Earnings per share for the period based on the weighted average of 103,461,168 (1998: 103,452,829) shares in issue amounted to 8.44 Singapore cents, compared with 16.64 Singapore cents for the previous corresponding period.

The improvement in Group turnover was due mainly to the Group's success in increasing its market share in major markets despite strong competition. In particular, sales to the US and European markets increased by 32.6% and 13% respectively. An abnormal rise in material costs especially nickel, volatility in foreign exchange rates especially the Japanese Yen and high interest rates in the Group's operating currencies had a significant impact on net profit.

1999 will be remembered as the year of natural disasters. One of the Group's major factories in China was severely flooded during a rainstorm. However, the asset losses were mostly covered by insurance. The earthquake in Taiwan caused only minimal damage to the Group's factory, but the resultant power supply interruption has caused some delay in the trial production of lithium-ion batteries.

To capitalise on the economic recovery in Thailand, a new sales office has been set up and was operational in October 1999. The "GP" brand was awarded the "Hong Kong Top Ten Brandnames" by the Chinese Manufacturers' Association of Hong Kong in December 1999. This reaffirms the "GP" brand's leading position in the region.

The electric vehicle batteries for electric cars and scooters have continued to receive encouraging response. The Group is actively co-operating with manufacturers in Italy and Taiwan, and has increased the size of its pilot line to cope with demand.

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. <u>Commentary on current year prospects</u>

The Group is cautiously optimistic about the battery market for the remaining period of the year. With the economic recovery, the general business outlook is now more positive. The rechargeable battery market is expected to improve gradually as the market consolidates with the exit of some players. OEM demand for the Group's batteries is expected to remain strong. As the selling price of batteries has gradually stabilised, there would be better opportunities to improve margins. The Group's established position in the nickel metal hydride and lithium-ion batteries would enable it to participate in the highest growth segment of the global battery market. The Group will also continue to rationalise its operations to further reduce costs.

The Group will continue to expand and strengthen its distribution in Asia and to enhance the "GP" brand, preparing itself for the recovery of the Asian economy.

Barring unforeseen circumstances, the Directors expect the Group's second half year performance to be satisfactory relative to those achieved in the first half year.

7. <u>Dividend</u>

(a) Latest 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	

(b) Previous Corresponding Period

Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	6.0%/ 4.8 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

The dividend will be paid in cash.

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 30/9/1999**	**As at 31/3/1999**
Warrants	15 November 2000	US$2.10	12,678,644	12,678,644
Share Option				
No. 3	21 August 1999	US$3.016	0	758,000
No. 4	16 July 2000	US$2.538	736,000	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	0
			18,007,644	16,035,644

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

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

As at 30/09/1999 (DD/MM/YYYY)		As at 31/03/1999 (DD/MM/YYYY)	
Secured	Unsecured	Secured	Unsecured
S$527,000	S$122,633,000	S$490,000	S$90,348,000

(b) Amount repayable after one year

As at 30/09/1999 (DD/MM/YYYY)		As at 31/03/1999 (DD/MM/YYYY)	
Secured	Unsecured	Secured	Unsecured
S$2,891,000	S$123,983,000	S$3,265,000	S$135,572,000

(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 1999 would have been reduced by approximately S$1,414,000 (six months ended 30 September 1998: S$1,329,000) and the net tangible assets of the Group and of the Company as at 30 September 1999 would have been increased by S$3,945,000 (30 September 1998: S$6,758,000).

12. Update of Year 2000 ("Y2K") Statement

The Group defines Y2K compliance as ensuring that the performance and functionality of the Group's hardware, software, products and services will not be adversely affected by dates during and after Y2K. A Steering Committee, supported by in house IT personnel and external consultants has been set up to address the Y2K issue.

The Group's Y2K compliance programme, including modification, upgrading or replacement of critical equipment and software has now been completed. A Y2K contingency plan has been formulated to manage and mitigate the consequence of possible failure and business disruption due to the Y2K issue including equipment malfunction at various operating sites. The Y2K Steering Committee believes that the impact of the Y2K issue on the Group's business, cost and revenues will not be significant.

The Group had incurred approximately S$500,000 to implement the Y2K compliance programme. The new hardware and equipment are capitalised and depreciated according to the Group's accounting policy and other expenditure items are charged to the profit and loss account.

BY ORDER OF THE BOARD

Andrew Ng Sung On
Chairman and Chief Executive
21/12/1999