

MISCELLANEOUS

* Asterisks denote mandatory information

Name of Announcer *	GP BATTERIES INT LTD
Company Registration No.	199002111N
Announcement submitted on behalf of	GP BATTERIES INT LTD
Announcement is submitted with respect to *	GP BATTERIES INT LTD
Announcement is submitted by *	Caroline Yeo
Designation *	Company Secretary
Date & Time of Broadcast	03-Jul-2009 17:12:08
Announcement No.	00057

>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

Announcement Title *	INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009
Description	<p>The Board of Directors (the "Board") of GP BATTERIES INTERNATIONAL LIMITED (the "Company") wishes to draw the attention of members of the Company that the Company's auditors, Messrs Deloitte & Touche LLP, have issued an audit opinion on the Company's consolidated financial statements for the financial year ended 31 March 2009 ("FY2009") which contains an emphasis of matter paragraph.</p> <p>A copy of the Independent Auditor's Report together with an extract of Note 1 to the financial statements as referred to in the Independent Auditor's Report for FY2009, are attached for shareholders' information.</p> <p>The Company's Annual Report for FY2009 containing the Independent Auditor's Report and the Company's consolidated financial statements for FY2009 is expected to be despatched to shareholders and to the Singapore Exchange Securities Trading Limited on 13 July 2009.</p> <p>BY ORDER OF THE BOARD</p> <p>Caroline Yeo Company Secretary 3 July 2009</p>

Independent Auditors' Report

To the Members of GP Batteries International Limited

We have audited the accompanying financial statements of GP Batteries International Limited (the Company) and its subsidiaries (the Group) which comprise the balance sheets of the Group and the Company as at 31 March 2009, the profit and loss statement, statement of changes in equity and cash flow statement of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 24 to 86.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes: devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheets and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion,

- a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2009, and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Independent Auditors' Report

To the Members of GP Batteries International Limited

Emphasis of Matter

We draw attention to Note 1 of the financial statements wherein the management has disclosed the material uncertainties relating to the Group's and the Company's ability to continue as going concerns in the face of the severe credit crunch and volatility in the global financial and capital markets, including the challenges in negotiating additional banking facilities and management's plans and actions to address those challenges and uncertainties. As at 31 March 2009, the Group and the Company are in negative working capital deficiency positions of S\$35,564,000 (2008 : S\$Nil) and S\$187,969,000 (2008 : S\$46,469,000) respectively. The outlook presents significant challenges in terms of sales volume and pricing as well as input costs. The Group and the Company are dependent on continuous support from their banks to meet their financial obligations particularly in the refinancing of certain term loan facilities when they fall due. In this regard, management has commenced discussions with their bankers. These discussions are ongoing and have not been concluded as at the date of this report. The combination of these circumstances represents a material uncertainty that casts a significant doubt on the Group's and the Company's abilities to continue as going concerns. The financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the satisfaction of the liabilities in the normal course of business. The ability of the Group and the Company to continue as going concerns for the next twelve months depends on the success of the measures mentioned above as well as the availability of financial support from a major shareholder of the Company. These financial statements do not include any adjustment relating to the recoverability and the classification of the recorded assets amounts and the amount and classification of liability that might be necessary should the Group and the Company be unable to continue as going concerns. Our opinion is not qualified in respect of this matter.

Deloitte & Touche LLP

Public Accountants and
Certified Public Accountants
Singapore

Ho Kok Yong

Partner
Appointed since 1 December 2005

18 June 2009

Notes to the Financial Statements

31 March 2009

I GENERAL

The Company (Registration No. 199002111N) is incorporated in the Republic of Singapore and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited with its registered office and principal place of business at 97 Pioneer Road, Singapore 639579. The financial statements are expressed in Singapore dollars (“S\$”).

The principal activities of the Company are those of investment holding and the carrying out of functions as the regional headquarters of the Group.

The principal activities of its key subsidiaries are as disclosed in Note 33 to the financial statements.

The financial statements of the Group and balance sheet and statement of changes in equity of the Company for the year ended 31 March 2009 were authorised for issue by the Board of Directors on 18 June 2009.

As at 31 March 2009, the Group’s and the Company’s current liabilities exceeded its current assets by S\$35,564,000 (2008: S\$Nil) and S\$187,969,000 (2008: S\$46,469,000) respectively. The global financial and capital markets, once experienced severe credit crunch and volatility, have started to show signs of easing. The outlook presents significant challenges in terms of sales volume and pricing as well as input costs. While the Group and the Company have been able to build up significant amount of cash reserve through management’s intensified measures to preserve cash and to improve profitability, the Group and the Company are dependent on continuous support from their banks to meet their financial obligations particularly in the refinancing of certain term loan facilities when they fall due. In this regard, management has commenced discussions with their bankers. These discussions are ongoing and have not been concluded as at the date of this report. The combination of these circumstances represents a material uncertainty that casts a significant doubt on the Group’s and the Company’s abilities to continue as going concerns.

After considering the measures taken and the uncertainty described above as well as the fact that a major shareholder of the Company has given an undertaking to provide continuing financial support, at least for twelve months from the date of this report, to enable the Group and the Company to operate as going concerns, management believes that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. For these reasons, management continue to adopt the going concern basis in preparing the financial statements. The financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the satisfaction of the liabilities in the normal course of business. The ability of the Group and the Company to continue as going concerns for the next twelve months depends on the success of the measures mentioned above as well as the availability of financial support from a major shareholder of the Company. These financial statements do not include any adjustment relating to the recoverability and the classification of the recorded assets amounts and the amount and classification of liability that might be necessary should the Group and the Company be unable to continue as going concerns.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards (“FRS”).