

SECOND QUARTER RESULTS * FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT

** 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 | 08-Nov-2012 20:17:19 |
| Announcement No. | 00235 |

>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

| | |
|---|------------|
| For the Financial Period Ended * | 30-09-2012 |
| Description | |

**Second Quarter and Half Year Financial Statement and Dividend Announcement
For the Period Ended 30 September 2012**

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

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

Group income statement for the second quarter (“Q2”) and half year (“H1”) ended 30 September 2012. These figures have not been audited.

| | Q2 ended 30.9.12 S\$'000 | Q2 ended 30.9.11 S\$'000 Restated | Change % | H1 ended 30.9.12 S\$'000 | H1 ended 30.9.11 S\$'000 Restated | Change % |
|--|---|--|---------------------|---|--|---------------------|
| Revenue | 199,635 | 201,665 | (1.0) | 384,995 | 396,834 | (3.0) |
| Cost of sales | <u>(157,592)</u> | <u>(158,473)</u> | (0.6) | <u>(302,375)</u> | <u>(312,943)</u> | (3.4) |
| Gross profit | 42,043 | 43,192 | (2.7) | 82,620 | 83,891 | (1.5) |
| Other operating income & expenses | (198) | (79) | 150.6 | 3,843 | 294 | 1,207.1 |
| Distribution expenses | (13,152) | (14,919) | (11.8) | (25,525) | (28,715) | (11.1) |
| Administrative expenses | (21,300) | (20,337) | 4.7 | (41,815) | (39,956) | 4.7 |
| Finance costs | (2,246) | (1,764) | 27.3 | (4,712) | (3,703) | 27.2 |
| Profit before share of results of associates | 5,147 | 6,093 | (15.5) | 14,411 | 11,811 | 22.0 |
| Share of results of associates | (997) | 505 | n/m | (3,433) | 571 | n/m |
| Profit before income tax | 4,150 | 6,598 | (37.1) | 10,978 | 12,382 | (11.3) |
| Income tax | <u>(1,830)</u> | <u>(2,623)</u> | (30.2) | <u>(4,882)</u> | <u>(4,748)</u> | 2.8 |
| Profit after income tax | <u>2,320</u> | <u>3,975</u> | (41.6) | <u>6,096</u> | <u>7,634</u> | (20.1) |
| Attributable to: | | | | | | |
| Equity holders of the Company | 301 | 2,576 | (88.3) | 2,421 | 4,726 | (48.8) |
| Non-controlling interests | 2,019 | 1,399 | 44.3 | 3,675 | 2,908 | 26.4 |
| | <u>2,320</u> | <u>3,975</u> | (41.6) | <u>6,096</u> | <u>7,634</u> | (20.1) |

n/m denotes “not meaningful”

Statement of Comprehensive Income

| | Q2 ended 30.9.12 S\$'000 | Q2 ended 30.9.11 S\$'000 | H1 ended 30.9.12 S\$'000 | H1 ended 30.9.11 S\$'000 |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| The Group | | | | |
| Profit for the period | 2,320 | 3,975 | 6,096 | 7,634 |
| Other comprehensive income (loss): | | | | |
| Translation differences arising from consolidation of foreign operations | (9,032) | 15,859 | (8,298) | 8,713 |
| Fair value loss on available-for-sale financial assets | 0 | (183) | (614) | (712) |
| Other comprehensive income (loss) for the period | <u>(9,032)</u> | <u>15,676</u> | <u>(8,912)</u> | <u>8,001</u> |
| Total comprehensive income (loss) for the period | <u>(6,712)</u> | <u>19,651</u> | <u>(2,816)</u> | <u>15,635</u> |
| Attributable to: | | | | |
| Equity holders of the Company | (7,332) | 15,366 | (5,188) | 10,511 |
| Non-controlling interests | <u>620</u> | <u>4,285</u> | <u>2,372</u> | <u>5,124</u> |
| | <u>(6,712)</u> | <u>19,651</u> | <u>(2,816)</u> | <u>15,635</u> |

| | Q2 ended 30.9.12 S\$'000 | Q2 ended 30.9.11 S\$'000 | H1 ended 30.9.12 S\$'000 | H1 ended 30.9.11 S\$'000 |
|---|---|---|---|---|
| Profit from operations is arrived at after crediting (charging) the following: | | | | |
| Depreciation and amortisation | (6,400) | (6,541) | (12,851) | (13,637) |
| Realised loss on derivative financial instruments, recognised in cost of sales | 0 | (960) | 0 | (1,576) |
| Included in other operating income & expenses: | | | | |
| Foreign exchange gain (loss) | (1,998) | (728) | (888) | (636) |
| Gain (Loss) on disposal of property, plant and equipment | (23) | 6 | 2,572 | (211) |
| Government grant | 135 | 658 | 231 | 977 |
| Impairment loss on property, plant and equipment | (480) | (105) | (888) | 84 |
| Property, plant and equipment written off | (446) | (235) | (672) | (604) |
| Technical, marketing development & engineering fee income | 1,996 | 304 | 2,313 | 619 |

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

| | The Group 30 Sept 2012 | The Group 31 March 2012 | The Company 30 Sept 2012 | The Company 31 March 2012 |
|---|---------------------------|----------------------------|-----------------------------|------------------------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Non-current assets | | | | |
| Investment property | 1,106 | 1,135 | 0 | 0 |
| Property, plant & equipment | 233,095 | 241,452 | 2,300 | 2,577 |
| Interest in subsidiaries | 0 | 0 | 365,121 | 369,088 |
| Interest in associates (Note) | 79,723 | 72,391 | 24,986 | 16,398 |
| Available-for-sales investments | 3,538 | 4,244 | 0 | 0 |
| Deferred tax assets | 4,201 | 3,785 | 0 | 0 |
| Intangible assets | 238 | 407 | 0 | 0 |
| Goodwill on consolidation | 16,519 | 16,944 | 0 | 0 |
| Deposits and prepayments | 380 | 656 | 189 | 262 |
| Total non-current assets | 338,800 | 341,014 | 392,596 | 388,325 |
| Current assets | | | | |
| Stocks | 103,302 | 106,737 | 0 | 0 |
| Debtors | 175,069 | 189,365 | 81,401 | 96,245 |
| Tax recoverable | 988 | 1,724 | 0 | 0 |
| Deposits and prepayments | 11,529 | 9,079 | 705 | 601 |
| Bank balances and cash | 79,102 | 76,013 | 5,902 | 1,704 |
| Total current assets | 369,990 | 382,918 | 88,008 | 98,550 |
| Current liabilities | | | | |
| Creditors and accrued charges | 161,489 | 167,074 | 79,709 | 85,877 |
| Derivative financial instruments | 0 | 222 | 0 | 0 |
| Obligations under finance leases | 230 | 184 | 91 | 38 |
| Income tax payable | 4,070 | 2,956 | 219 | 204 |
| Bank loans and overdrafts | 165,019 | 166,049 | 68,252 | 53,254 |
| Total current liabilities | 330,808 | 336,485 | 148,271 | 139,373 |
| Net current assets (liabilities) | 39,182 | 46,433 | (60,263) | (40,823) |
| Non-current liabilities | | | | |
| Bank loans | 40,731 | 45,445 | 37,947 | 45,445 |
| Obligations under finance leases | 239 | 396 | 14 | 34 |
| Deferred tax liabilities | 3,608 | 3,533 | 0 | 0 |
| Total non-current liabilities | 44,578 | 49,374 | 37,961 | 45,479 |
| Net assets | 333,404 | 338,073 | 294,372 | 302,023 |
| Represented by: | | | | |
| Share Capital | 231,257 | 231,257 | 231,257 | 231,257 |
| Reserves | 53,013 | 59,889 | 63,115 | 70,766 |
| Attributable to equity holders of the Company | 284,270 | 291,146 | 294,372 | 302,023 |
| Non-controlling interests | 49,134 | 46,927 | 0 | 0 |
| | 333,404 | 338,073 | 294,372 | 302,023 |

Note:

As the amounts due from Vectrix group is expected to be of a long term nature, they were reclassified from "Debtors" to "Investment in associates".

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

| | As at 30.9.12 S\$'000 | As at 31.3.12 S\$'000 |
|---|--------------------------------------|--------------------------------------|
| Amount repayable in one year or less, or on demand | | |
| Unsecured: | | |
| Long term bank loans | | |
| - scheduled repayments within 12 months | 19,107 | 16,390 |
| - not repayable within 12 months but contain a repayment on demand clause | 3,845 | 1,135 |
| Short term bank loans | 118,961 | 125,532 |
| Bank overdrafts | 2,561 | 2,696 |
| Import and export loans | 20,545 | 20,296 |
| | <u>165,019</u> | <u>166,049</u> |
| Secured: | | |
| Obligations under finance leases | <u>230</u> | <u>184</u> |
| Amount repayable after one year | | |
| Unsecured: | | |
| Long term bank loans | <u>40,731</u> | <u>45,445</u> |
| Secured: | | |
| Obligations under finance leases | <u>239</u> | <u>396</u> |

Details of any collateral

Carrying amount of fixed assets in respect of certain motor vehicles and equipment held under finance leases:

| As at 30.9.12 | | As at 31.3.12 | |
|----------------------|-------------|----------------------|-------------|
| The Group | The Company | The Group | The Company |
| S\$492,000 | S\$145,000 | S\$662,000 | S\$71,000 |

Other comments to paragraph 1(b)(ii)

Not applicable.

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

| | Q2 30.9.12 S\$'000 | Q2 30.9.11 S\$'000 | YTD 30.9.12 S\$'000 | YTD 30.9.11 S\$'000 |
|---|--------------------------|--------------------------|---------------------------|---------------------------|
| Operating activities | | | | |
| Profit before income tax | 4,150 | 6,598 | 10,978 | 12,382 |
| Adjustments for: | | | | |
| Allowance for doubtful debts - trade | 182 | 58 | 355 | 112 |
| Allowance for stock obsolescence | 365 | 294 | 822 | 1,115 |
| Depreciation and amortisation | 6,400 | 6,541 | 12,851 | 13,637 |
| Finance costs | 2,246 | 1,764 | 4,712 | 3,703 |
| Impairment loss on property, plant and equipment | 480 | 105 | 888 | (84) |
| Interest income | (97) | (40) | (205) | (156) |
| Loss (Gain) on disposal of property, plant and equipment | 23 | (6) | (2,572) | 211 |
| Property, plant and equipment written off | 446 | 235 | 672 | 604 |
| Realised loss on derivative financial instruments | 0 | 960 | 0 | 1,576 |
| Share of results of associates | 997 | (505) | 3,433 | (571) |
| Unrealised fair value (loss) gain of derivative financial instruments | 0 | 432 | (224) | 585 |
| Unrealised foreign exchange loss (gain) | 2,129 | (767) | 1,518 | (1,796) |
| Operating profit before working capital changes | <u>17,321</u> | <u>15,669</u> | <u>33,228</u> | <u>31,318</u> |
| Stocks | 7,619 | (18,094) | (63) | (28,529) |
| Debtors | (9,911) | (26,325) | (2,870) | (41,510) |
| Deposits and prepayments | (1,741) | 752 | (2,741) | 1,537 |
| Creditors and accrued charges | <u>(254)</u> | <u>10,671</u> | <u>(1,353)</u> | <u>33,653</u> |
| Cash generated from (used in) operations | 13,034 | (17,327) | 26,201 | (3,531) |
| Interest received | 90 | 50 | 232 | 165 |
| Interest paid | (2,077) | (2,183) | (4,650) | (3,935) |
| Income tax paid | <u>(586)</u> | <u>(1,671)</u> | <u>(3,363)</u> | <u>(2,774)</u> |
| Net cash generated from (used in) operating activities | <u>10,461</u> | <u>(21,131)</u> | <u>18,420</u> | <u>(10,075)</u> |

| | Q2 30.9.12 S\$'000 | Q2 30.9.11 S\$'000 | YTD 30.9.12 S\$'000 | YTD 30.9.11 S\$'000 |
|--|--------------------------|--------------------------|---------------------------|---------------------------|
| Investing activities | | | | |
| Deposits paid for purchase of property, plant and equipment | 0 | 0 | (522) | 0 |
| Dividends received from associates | 875 | 773 | 875 | 773 |
| Investment in associates (additional capital injection) | (77) | 0 | (77) | 0 |
| Proceeds on disposal of an associate | 0 | 0 | 0 | 2,434 |
| Proceeds on disposal of property, plant and equipment | 410 | 143 | 3,402 | 210 |
| Purchase of available-for-sale investments | 0 | 0 | 0 | (1,068) |
| Purchase of equity interests in a subsidiary | 0 | 0 | (229) | 0 |
| Purchase of property, plant and equipment | (3,737) | (7,475) | (11,043) | (14,345) |
| Net cash used in investing activities | <u>(2,529)</u> | <u>(6,559)</u> | <u>(7,594)</u> | <u>(11,996)</u> |
| Financing activities | | | | |
| Drawdown of term loans | 6,867 | 0 | 10,141 | 0 |
| Repayment of term loans | (4,715) | (9,661) | (9,314) | (19,810) |
| Other short term bank loans obtained (repaid) | (4,633) | 22,735 | (3,320) | 29,615 |
| Dividends paid | (1,648) | (3,296) | (1,648) | (3,296) |
| Dividends paid to minority shareholders | 0 | 0 | 0 | (951) |
| Repayment of obligations under finance leases | (129) | (33) | (229) | (73) |
| Net cash used in financing activities | <u>(4,258)</u> | <u>9,745</u> | <u>(4,370)</u> | <u>5,485</u> |
| Net increase (decrease) in cash and cash equivalents | 3,674 | (17,945) | 6,456 | (16,586) |
| Cash and cash equivalents at beginning of period | 75,634 | 74,618 | 73,317 | 74,480 |
| Effect of exchange rate changes on the balance of cash held in foreign currencies | (2,767) | 3,395 | (3,232) | 2,174 |
| Cash and cash equivalents at end of period | <u>76,541</u> | <u>60,068</u> | <u>76,541</u> | <u>60,068</u> |
| Cash and cash equivalents at end of period comprise: | | | | |
| Bank balances and cash | 79,102 | 61,345 | 79,102 | 61,345 |
| Bank overdrafts | (2,561) | (1,277) | (2,561) | (1,277) |
| | <u>76,541</u> | <u>60,068</u> | <u>76,541</u> | <u>60,068</u> |

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.

| The Group | Share capital S\$'000 | Capital reserve S\$'000 | Legal reserve S\$'000 | Translation reserve S\$'000 | Property/ asset revaluation reserve S\$'000 | Retained profits S\$'000 | Share option reserve S\$'000 | Fair value reserve S\$'000 | Sub Total S\$'000 | Non-controlling interests S\$'000 | Total S\$'000 |
|---|--------------------------|----------------------------|--------------------------|--------------------------------|---|-----------------------------|------------------------------------|----------------------------------|----------------------|--------------------------------------|------------------|
| Balance at 1 April 2012 | 231,257 | (33,872) | 18,435 | (132,426) | 3,358 | 202,647 | 1,133 | 614 | 291,146 | 46,927 | 338,073 |
| Total comprehensive income | 0 | 0 | 0 | 638 | 0 | 2,120 | 0 | (614) | 2,144 | 1,752 | 3,896 |
| Transfer to (from) reserves | 0 | 0 | 998 | 0 | 0 | (998) | 0 | 0 | 0 | 0 | 0 |
| Effect of changes in shareholdings on non-controlling interest, net | 0 | (40) | 0 | 0 | 0 | 0 | 0 | 0 | (40) | (165) | (205) |
| Balance at 30 June 2012 | 231,257 | (33,912) | 19,433 | (131,788) | 3,358 | 203,769 | 1,133 | 0 | 293,250 | 48,514 | 341,764 |
| Total comprehensive income | 0 | 0 | 0 | (7,633) | 0 | 301 | 0 | 0 | (7,332) | 620 | (6,712) |
| Transfer to (from) reserves | 0 | 0 | 564 | 0 | 0 | (564) | 0 | 0 | 0 | 0 | 0 |
| Dividends paid | 0 | 0 | 0 | 0 | 0 | (1,648) | 0 | 0 | (1,648) | 0 | (1,648) |
| Balance at 30 September 2012 | 231,257 | (33,912) | 19,997 | (139,421) | 3,358 | 201,858 | 1,133 | 0 | 284,270 | 49,134 | 333,404 |
| Balance at 1 April 2011 | 231,257 | (34,433) | 13,117 | (134,293) | 3,358 | 205,902 | 1,133 | 892 | 286,933 | 44,487 | 331,420 |
| Total comprehensive income | 0 | 0 | 0 | (6,476) | 0 | 2,150 | 0 | (529) | (4,855) | 839 | (4,016) |
| Transfer to (from) reserves | 0 | 0 | 1,182 | 0 | 0 | (1,182) | 0 | 0 | 0 | 0 | 0 |
| Dividends paid to non-controlling interests | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (951) | (951) |
| Balance at 30 June 2011 | 231,257 | (34,433) | 14,299 | (140,769) | 3,358 | 206,870 | 1,133 | 363 | 282,078 | 44,375 | 326,453 |
| Total comprehensive income | 0 | 0 | 0 | 12,973 | 0 | 2,576 | 0 | (183) | 15,366 | 4,285 | 19,651 |
| Transfer to (from) reserves | 0 | 0 | 1,287 | 0 | 0 | (1,287) | 0 | 0 | 0 | 0 | 0 |
| Dividends paid | 0 | 0 | 0 | 0 | 0 | (3,296) | 0 | 0 | (3,296) | 0 | (3,296) |
| Balance at 30 September 2011 | 231,257 | (34,433) | 15,586 | (127,796) | 3,358 | 204,863 | 1,133 | 180 | 294,148 | 48,660 | 342,808 |

| The Company | Share capital S\$'000 | Retained profits S\$'000 | Share option reserve S\$'000 | Translation reserve S\$'000 | Total S\$'000 |
|------------------------------|-----------------------------|--------------------------------|---------------------------------------|-----------------------------------|------------------|
| Balance at 1 April 2012 | 231,257 | 69,462 | 1,133 | 171 | 302,023 |
| Total comprehensive income | 0 | (2,583) | 0 | (68) | (2,651) |
| Balance at 30 June 2012 | 231,257 | 66,879 | 1,133 | 103 | 299,372 |
| Total comprehensive income | 0 | (3,913) | 0 | 561 | (3,352) |
| Dividends paid | 0 | (1,648) | 0 | 0 | (1,648) |
| Balance at 30 September 2012 | 231,257 | 61,318 | 1,133 | 664 | 294,372 |
| Balance at 1 April 2011 | 231,257 | 26,691 | 1,133 | 192 | 259,273 |
| Total comprehensive income | 0 | (1,241) | 0 | 86 | (1,155) |
| Balance at 30 June 2011 | 231,257 | 25,450 | 1,133 | 278 | 258,118 |
| Total comprehensive income | 0 | 53,126 | 0 | (253) | 52,873 |
| Dividends paid | 0 | (3,296) | 0 | 0 | (3,296) |
| Balance at 30 September 2011 | 231,257 | 75,280 | 1,133 | 25 | 307,695 |

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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.

There were no movements in the share capital of the Company from 30 June 2012 to 30 September 2012.

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 is as follows:

| Date of Expiry | Exercise Price per each ordinary share | As at 30.9.12 | As at 30.9.11 |
|-----------------------|---|----------------------|----------------------|
| 4 August 2012 | S\$1.25 | - | 697,000 |
| 24 June 2013 | S\$2.50 | 1,981,000 | 1,981,000 |
| | | <u>1,981,000</u> | <u>2,678,000</u> |

As at 30 September 2012, the Company did not hold any of its issued shares as treasury shares (30 September 2011 : Nil).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

| As at | 30.9.12 | 31.3.12 |
|---|--------------------|--------------------|
| Total number of issued shares | 109,871,168 | 109,871,168 |
| Less: Treasury shares | <u>-</u> | <u>-</u> |
| Total number of issued shares excluding treasury shares | <u>109,871,168</u> | <u>109,871,168</u> |

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

As at 30 September 2012, there were no sales, transfers, disposals, cancellation and/or use of treasury shares.

2. **Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

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

Other than the adoption of certain revisions to various existing Financial Reporting Standards ("FRS"), the new FRS and Interpretations of FRS ("INT FRS") that are mandatory on the Group for its financial year commenced on 1 April 2012, the Group has adopted the same accounting policies and methods of computation for the current financial period as those adopted for the audited financial statements for the financial year ended 31 March 2012.

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.**

The adoption of the various revised FRS, new FRS and INT FRS effective for the Company's financial year commenced on 1 April 2012 does not have a material financial effect on the Group and the Company.

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

| Earnings per share ("EPS") | Q2 ended 30.9.12 | Q2 ended 30.9.11 | H1 ended 30.9.12 | H1 ended 30.9.11 |
|-----------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| (a) Basic | Cents 0.27 | Cents 2.34 | Cents 2.20 | Cents 4.30 |
| (b) Diluted | 0.27 ⁽¹⁾ | 2.34 ⁽¹⁾ | 2.20 ⁽¹⁾ | 4.30 ⁽¹⁾ |

Basic EPS is computed based on the weighted average number of shares in issue during the financial period. The weighted average number of shares 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 EPS, 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.

| Number of shares | Q2 ended 30.9.12 | Q2 ended 30.9.11 | H1 ended 30.9.12 | H1 ended 30.9.11 |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Weighted average number of ordinary shares used in calculating basic EPS | 109,871,168 | 109,871,168 | 109,871,168 | 109,871,168 |
| Adjustments for potentially dilutive ordinary shares | - (1) | - (1) | - (1) | - (1) |
| Weighted average number of ordinary shares used in calculating diluted EPS | 109,871,168 | 109,871,168 | 109,871,168 | 109,871,168 |

⁽¹⁾ No dilutive effects as the share options are out-of-money

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

(a) current financial period reported on; and

(b) immediately preceding financial year.

| | The Group | | The Company | |
|---|------------------------|------------------------|------------------------|------------------------|
| | 30.9.12 S\$ | 31.3.12 S\$ | 30.9.12 S\$ | 31.3.12 S\$ |
| Net asset value per ordinary share based on issued share capital at the end of the period | 2.59 | 2.65 | 2.68 | 2.75 |

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) 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; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Turnover for the three months and six months ended 30 September 2012 was S\$199.6 million and S\$385.0 million respectively, a decrease of 1% and 3% over the corresponding period last year. Sales of rechargeable batteries decreased by 13% and 17%, while sales of primary batteries increased by 8% and 5% for the three months and six months ended 30 September 2012 respectively over the corresponding period last year.

Sales in the Americas and Greater China increased by 33% and 3% respectively while sales in Europe decreased by about 13% for the three months ended 30 September 2012 over the corresponding period last year. For the six months ended 30 September 2012, sales in the Americas and Greater China increased by 18% and 1% respectively while sales in Europe decreased by 9% over the corresponding six months period last year.

Profit before income tax for the three months and six months ended 30 September 2012 was S\$4.2 million and S\$11.0 million respectively as compared to S\$6.6 million and S\$12.4 million over the corresponding period last year. Gross profit margins for the three months and six months ended 30 September 2012 were 21.1% and 21.5% respectively, comparable to those of last year .

Distribution expenses for the three months and six months ended 30 September 2012 were S\$13.2 million and S\$25.5 million respectively, a decrease of 12% and 11% over the corresponding period last year mainly due to reduction of promotional expenses in mainland China and rationalization of sales operations in Europe.

Finance costs for the three months and six months ended 30 September 2012 were S\$2.2 million and S\$4.7 million respectively, an increase of about 27% over the corresponding period last year due to higher costs of borrowing despite the fact that total bank borrowings decreased to S\$206 million as at 30 September 2012 from S\$218 million as at 30 September 2011.

Share of loss of associates for the three months and six months ended 30 September 2012 was S\$1.0 million and S\$3.4 million respectively as compared to a gain of S\$0.5 million and S\$0.6 million last year mainly due to the inclusion of losses incurred by the Vectrix group of companies that had become associated companies of the Group following the restructure of Vectrix in March 2012.

As US dollar weakened in the 3 months ended 30 September 2012, translation of US dollar denominated monetary assets into local currencies and Renminbi denominated monetary liabilities into US dollar/HK dollar gave rise to an exchange loss of about S\$2 million.

The Group has launched an internet shop (<http://store.gpbatteries.com>) to capture sales via the internet.

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

These results are in line with the statement made by the Company in the announcement of results for the financial period ended 30 June 2012 released on 13 August 2012.

10. A commentary at the date of the announcement of the significant trends and 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.

Business outlook is mixed. Consumer and Industrial sectors will continue to be impacted by slower worldwide economy. Demand in the US appears to be picking up, but Europe is still sluggish after the Euro crisis. Outsourcing opportunities from other battery companies remain strong. The Group will continue to rationalize its operations to contain the rising cost in China due to mandatory wage increase and strengthening Renminbi. The Group will focus on enhancing the GP brand in selected markets and capitalize on e-transportation opportunities. A new EV battery is being prepared for the next generation of electric motorcycles that will be introduced next year. The new battery is cheaper, lighter and more powerful than our present product.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

| Name of Dividend | Interim |
|--------------------------------------|-----------------------|
| Dividend type | Cash |
| Dividend amount per share (in cents) | 1.0 cent |
| Tax rate | Tax-exempt (one-tier) |

(b) Corresponding Period of the Immediately Preceding Financial Year

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

| Name of Dividend | Interim |
|--------------------------------------|-----------------------|
| Dividend type | Cash |
| Dividend amount per share (in cents) | 1.0 cent |
| Tax rate | Tax-exempt (one-tier) |

(c) Date payable

To announce later.

(d) Books closure date

To announce later.

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

Not applicable.

13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.,

The Company does not have a shareholders’ mandate for IPT.

14. Confirmation by the Board Pursuant to Rule 705(5)

We, Andrew Ng Sung On and Richard Ku Yuk Hing, being two directors of GP Batteries International Limited (the “Company”), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial statements for second quarter ended 30 September 2012 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Andrew Ng Sung On
Chairman and Chief Executive

Richard Ku Yuk Hing
Vice Chairman

8 November 2012