

FIRST QUARTER RESULTS \* FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT

*\* Asterisks denote mandatory information*

<b>Name of Announcer *</b>	GP BATTERIES INT LTD
<b>Company Registration No.</b>	199002111N
<b>Announcement submitted on behalf of</b>	GP BATTERIES INT LTD
<b>Announcement is submitted with respect to *</b>	GP BATTERIES INT LTD
<b>Announcement is submitted by *</b>	Caroline Yeo
<b>Designation *</b>	Company Secretary
<b>Date &amp; Time of Broadcast</b>	13-Aug-2012 18:39:21
<b>Announcement No.</b>	00170

>> ANNOUNCEMENT DETAILS

*The details of the announcement start here ...*

<b>For the Financial Period Ended *</b>	30-06-2012
<b>Description</b>	



**First Quarter Financial Statement for the Period Ended 30 June 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 first quarter ("Q1") ended 30 June 2012. These figures have not been audited.

	Q1 ended 30.6.12 S\$'000	Q1 ended 30.6.11 S\$'000	Change %
		Restated	
Revenue	185,360	195,169	(5.0)
Cost of sales	(144,783)	(154,470)	(6.3)
Gross profit	40,577	40,699	(0.3)
Other operating income & expenses	4,041	373	983.4
Distribution expenses	(12,373)	(13,796)	(10.3)
Administrative expenses	(20,515)	(19,619)	4.6
Finance costs	(2,466)	(1,939)	27.2
Profit before share of results of associates	9,264	5,718	62.0
Share of results of associates	(2,436)	66	n/m
Profit before income tax	6,828	5,784	18.1
Income tax	(3,052)	(2,125)	43.6
Profit after income tax	3,776	3,659	3.2
Attributable to:			
Equity holders of the Company	2,120	2,150	(1.4)
Non-controlling interests	1,656	1,509	9.7
	3,776	3,659	3.2

n/m denotes "not meaningful"

## Statement of Comprehensive Income

The Group	Q1 ended 30.6.12 S\$'000	Q1 ended 30.6.11 S\$'000
Profit for the period	3,776	3,659
Other comprehensive income (loss):		
Translation differences arising from consolidation of foreign operations	734	(7,146)
Fair value loss on available-for-sale financial assets	(614)	(529)
Other comprehensive income (loss) for the period	120	(7,675)
Total comprehensive income (loss) for the period	3,896	(4,016)
Attributable to:		
Equity holders of the Company	2,144	(4,855)
Non-controlling interests	1,752	839
	3,896	(4,016)

	Q1 ended 30.6.12 S\$'000	Q1 ended 30.6.11 S\$'000
<b>Profit from operations is arrived at after crediting (charging) the following:</b>		
Depreciation and amortisation	(6,451)	(7,096)
Realised loss on derivative financial instruments, recognised in cost of sales	0	(616)
Included in other operating income & expenses:		
Foreign exchange gain	1,110	92
Gain (Loss) on disposal of property, plant and equipment	2,595	(217)
Government grant	96	319
Impairment loss on property, plant and equipment	(408)	189
Property, plant and equipment written off	(226)	(369)
Technical and marketing development fee income	317	315

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.

As at	The Group		The Company	
	30.6.12 S\$'000	31.3.12 S\$'000	30.6.12 S\$'000	31.3.12 S\$'000
<b>Non-current assets</b>				
Investment property	1,147	1,135	0	0
Property, plant and equipment	242,246	241,452	2,712	2,577
Interest in subsidiaries	0	0	360,133	369,088
Interest in associates	83,207	72,391	24,986	16,398
Available-for-sale investments	3,667	4,244	0	0
Deferred tax assets	4,022	3,785	0	0
Intangible assets	329	407	0	0
Goodwill on consolidation	17,120	16,944	0	0
Deposits and prepayments	316	656	149	262
Total non-current assets	352,054	341,014	387,980	388,325
<b>Current assets</b>				
Stocks	115,068	106,737	0	0
Debtors	171,753	189,365	93,161	96,245
Derivative financial instruments	0	0	0	0
Tax recoverable	1,694	1,724	0	0
Deposits and prepayments	10,175	9,079	377	601
Bank balances and cash	77,580	76,013	2,021	1,704
Total current assets	376,270	382,918	95,559	98,550
<b>Current liabilities</b>				
Creditors and accrued charges	167,589	167,074	78,796	85,877
Derivative financial instruments	0	222	0	0
Obligations under finance leases	257	184	122	38
Income tax payable	3,123	2,956	204	204
Bank loans and overdrafts	168,643	166,049	62,146	53,254
Total current liabilities	339,612	336,485	141,268	139,373
<b>Net current assets (liabilities)</b>	36,658	46,433	(45,709)	(40,823)
<b>Non-current liabilities</b>				
Bank loans	42,874	45,445	42,874	45,445
Obligations under finance leases	300	396	25	34
Deferred tax liabilities	3,774	3,533	0	0
Total non-current liabilities	46,948	49,374	42,899	45,479
Net assets	341,764	338,073	299,372	302,023
<b>Represented by</b>				
Share capital	231,257	231,257	231,257	231,257
Reserves	61,993	59,889	68,115	70,766
Attributable to equity holders of the Company	293,250	291,146	299,372	302,023
Non-controlling interests	48,514	46,927	0	0
	341,764	338,073	299,372	302,023

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 30.6.12 S\$'000	As at 31.3.12 S\$'000
<b>Amount repayable in one year or less, or on demand</b>		
<b>Unsecured:</b>		
Long term bank loans		
- scheduled repayments within 12 months	17,779	16,390
- not repayable within 12 months but contain a repayment on demand clause	1,038	1,135
Short term bank loans	123,792	125,532
Bank overdrafts	1,946	2,696
Import and export loans	24,088	20,296
	168,643	166,049
<b>Secured:</b>		
Obligations under finance leases	257	184
<b>Amount repayable after one year</b>		
<b>Unsecured:</b>		
Long term bank loans	42,874	45,445
<b>Secured:</b>		
Obligations under finance leases	300	396

**Details of any collateral**

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

As at 30.6.12		As at 31.3.12	
The Group	The Company	The Group	The Company
S\$568,000	S\$171,000	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.

	Q1 30.6.12 S\$'000	Q1 30.6.11 S\$'000
<b>Operating activities</b>		
Profit before income tax	6,828	5,784
Adjustments for:		
Allowance for doubtful debts - trade	173	54
Allowance for stock obsolescence	457	821
Depreciation and amortisation	6,451	7,096
Finance costs	2,466	1,939
Impairment loss on property, plant and equipment	408	(189)
Interest income	(108)	(116)
(Gain) Loss on disposal of property, plant and equipment	(2,595)	217
Property, plant and equipment written off	226	369
Realised loss on derivative financial instruments	0	616
Share of results of associates	2,436	(66)
Unrealised fair value (loss) gain of derivative financial instruments	(224)	153
Unrealised foreign exchange gain	(611)	(1,029)
Operating profit before working capital changes	15,907	15,649
Stocks	(7,682)	(10,435)
Debtors	7,041	(15,185)
Deposits and prepayments	(1,000)	785
Creditors and accrued charges	(1,099)	22,982
Cash generated from operations	13,167	13,796
Interest received	142	115
Interest paid	(2,573)	(1,752)
Income tax paid	(2,777)	(1,103)
Net cash generated from operating activities	7,959	11,056

	Q1 30.6.12 S\$'000	Q1 30.6.11 S\$'000
<b>Investing activities</b>		
Deposits paid for purchase of property, plant and equipment	(522)	0
Proceeds on disposal of an associate	0	2,434
Proceeds on disposal of property, plant and equipment	2,992	67
Purchase of available-for-sale investments	0	(1,068)
Purchase of equity interests in a subsidiary	(229)	0
Purchase of property, plant and equipment	(7,306)	(6,870)
Net cash used in investing activities	(5,065)	(5,437)
<b>Financing activities</b>		
Drawdown of a term loan	3,274	0
Repayment of term loans	(4,599)	(10,149)
Other short term bank loans obtained	1,313	6,880
Dividends paid to minority shareholders	0	(951)
Repayment of obligations under finance leases	(234)	(40)
Net cash used in financing activities	(246)	(4,260)
Net increase in cash and cash equivalents	2,648	1,359
Cash and cash equivalents at beginning of period	73,317	74,480
Effect of exchange rate changes on the balance of cash held in foreign currencies	(331)	(1,221)
Cash and cash equivalents at end of period	75,634	74,618
<b>Cash and cash equivalents at end of period comprise:</b>		
Bank balances and cash	77,580	76,128
Bank overdrafts	(1,946)	(1,510)
	75,634	74,618



**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)
<b>Balance at 30 June 2012</b>	<b>231,257</b>	<b>(33,912)</b>	<b>19,433</b>	<b>(131,788)</b>	<b>3,358</b>	<b>203,769</b>	<b>1,133</b>	<b>0</b>	<b>293,250</b>	<b>48,514</b>	<b>341,764</b>
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)
<b>Balance at 30 June 2011</b>	<b>231,257</b>	<b>(34,433)</b>	<b>14,299</b>	<b>(140,769)</b>	<b>3,358</b>	<b>206,870</b>	<b>1,133</b>	<b>363</b>	<b>282,078</b>	<b>44,375</b>	<b>326,453</b>

<b>The Company</b>	<b>Share capital S\$'000</b>	<b>Retained profits S\$'000</b>	<b>Share option reserve S\$'000</b>	<b>Translation reserve S\$'000</b>	<b>Total S\$'000</b>
<b>Balance at 1 April 2012</b>	<b>231,257</b>	<b>69,462</b>	<b>1,133</b>	<b>171</b>	<b>302,023</b>
Total comprehensive income	0	(2,583)	0	(68)	(2,651)
<b>Balance at 30 June 2012</b>	<b>231,257</b>	<b>66,879</b>	<b>1,133</b>	<b>103</b>	<b>299,372</b>
<b>Balance at 1 April 2011</b>	<b>231,257</b>	<b>26,691</b>	<b>1,133</b>	<b>192</b>	<b>259,273</b>
Total comprehensive income	0	(1,241)	0	86	(1,155)
<b>Balance at 30 June 2011</b>	<b>231,257</b>	<b>25,450</b>	<b>1,133</b>	<b>278</b>	<b>258,118</b>

**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 31 March 2012 to 30 June 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:

<b>Date of Expiry</b>	<b>Exercise Price per each ordinary share</b>	<b>As at 30.6.12</b>	<b>As at 30.6.11</b>
4 August 2012	S\$1.25	697,000	697,000
24 June 2013	S\$2.50	1,981,000	1,981,000
		<u>2,678,000</u>	<u>2,678,000</u>

As at 30 June 2012, the Company did not hold any of its issued shares as treasury shares (31 March 2012: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.**

<b>As at</b>	<b>30.6.12</b>	<b>31.3.12</b>
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 June 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.**

<b>Earnings per share ("EPS")</b>	<b>Q1 ended 30.6.12</b>	<b>Q1 ended 30.6.11</b>
	Cents	Cents
(a) Basic	1.93	1.96
(b) Diluted	1.93 (1)	1.96

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.

<b>Number of shares</b>	<b>Q1 ended 30.6.12</b>	<b>Q1 ended 30.6.11</b>
Weighted average number of ordinary shares used in calculating basic EPS	109,871,168	109,871,168
Adjustments for potentially dilutive ordinary shares	- (1)	835
Weighted average number of ordinary shares used in calculating diluted EPS	109,871,168	109,872,003

(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.**

	<b>The Group</b>		<b>The Company</b>	
	<b>30.6.12 S\$</b>	<b>31.3.12 S\$</b>	<b>30.6.12 S\$</b>	<b>31.3.12 S\$</b>
Net asset value per ordinary share based on issued share capital at the end of the period	2.67	2.65	2.72	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 ended 30 June 2012 was S\$185.4 million, a decrease of 5% over the corresponding period last year. Sales of rechargeable batteries decreased by about 20% while sales of primary batteries increased by about 3% compared to the corresponding period last year.

Sales in the Americas increased by about 3% for the three months ended 30 June 2012 over the corresponding period last year while sales in Europe and Asia decreased by about 3% and 7% respectively.

Profit before income tax for the three months ended 30 June 2012 was S\$9.3 million as compared to S\$5.7 million over the corresponding period last year. Gross profit margins were 21.9% as compared to 20.9% over the corresponding period last year.

Distribution expenses were S\$12.4 million for the three months ended 30 June 2012, a reduction of about 10% as compared to S\$13.8 million over the same period last year mainly due to lower sales.

Finance costs for the three months ended 30 June 2012 were S\$2.5 million as compared to S\$1.9 million over the same period last year mainly due to higher costs of borrowing.

Net other operating income for the three months ended 30 June 2012 was S\$4.0 million as compared to S\$0.4 million over the same period last year mainly due to a gain arising from the disposal of a staff quarters in Shanghai following the relocation of Shanghai BiBa plant.

Share of loss of associates for the three months ended 30 June 2012 was S\$2.4 million as compared to a gain of S\$0.1 million over the same period 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.

The Group has launched a new range of Portable PowerBank in May with encouraging market response. As Europe is one of the main target markets for electric scooters, the intensified economic unrest has dampened the demand for these consumer goods.

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 year ended 31 March 2012 released on 28 May 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.**

The economic outlook remains uncertain with the Eurozone debt crisis unresolved, coupled with a worldwide economy slowdown. While commodity prices seem to be stabilised, volatility in currencies has increased. The Group will continue its efforts to reduce costs, streamline distribution for GP brand as well as capitalise on worldwide e-transport opportunities.

11. **Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

No

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

No

**(c) Date payable**

NA

**(d) Books closure date**

NA

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

NA

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 first quarter ended 30 June 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

**13 August 2012**