

Third Quarter Financial Statement for the Period Ended 31 December 2010

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

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 the third quarter (“Q3”) and the nine-month (“YTD”) ended 31 December 2010. These figures have not been audited.

	Q3 ended 31.12.10 S\$'000	Q3 ended 31.12.09 S\$'000	Change %	YTD ended 31.12.10 S\$'000	YTD ended 31.12.09 S\$'000	Change %
Revenue	192,660	200,388	(3.9)	654,345	603,765	8.4
Cost of sales	(153,927)	(154,288)	(0.2)	(514,445)	(462,887)	11.1
Gross profit	38,733	46,100	(16.0)	139,900	140,878	(0.7)
Other operating income	2,820	2,833	(0.5)	7,188	5,286	36.0
Distribution expenses	(14,180)	(17,681)	(19.8)	(50,227)	(51,203)	(1.9)
Administrative expenses	(22,029)	(20,568)	7.1	(63,480)	(58,313)	8.9
Other operating expenses	(1,137)	(2,549)	(55.4)	(3,453)	(7,828)	(55.9)
Finance costs, net	(1,992)	(2,342)	(14.9)	(6,349)	(7,214)	(12.0)
Exchange (loss) gain, net	(436)	3,038	n/m	(1,586)	9,621	n/m
Profit before share of results of associates	1,779	8,831	(79.9)	21,993	31,227	(29.6)
Share of results of associates	2,486	4,107	(39.5)	6,624	11,530	(42.6)
Profit before income tax	4,265	12,938	(67.0)	28,617	42,757	(33.1)
Income tax	(480)	(3,208)	(85.0)	(5,893)	(9,382)	(37.2)
Profit after income tax	3,785	9,730	(61.1)	22,724	33,375	(31.9)
Attributable to:						
Equity holders of the Company	3,028	8,195	(63.1)	18,614	29,211	(36.3)
Non-controlling interests	757	1,535	(50.7)	4,110	4,164	(1.3)
	3,785	9,730	(61.1)	22,724	33,375	(31.9)

Certain comparative figures have been reclassified.

n/m denotes “not meaningful”

	Q3 ended 31.12.10 S\$'000	Q3 ended 31.12.09 S\$'000	YTD ended 31.12.10 S\$'000	YTD ended 31.12.09 S\$'000
Profit from operations is arrived at after crediting (charging) the following:				
Depreciation and amortisation	(6,977)	(7,725)	(20,948)	(23,568)
Realised (loss) gain on commodity contracts, recognised in cost of sales	955	(32)	(732)	223
Included in other operating income:				
Gain on dilution of interests in associates	0	903	0	903
Subsidy from Government	205	206	1,350	764
Technical and marketing development fee income	1,111	895	3,000	1,935
Included in other operating expenses:				
Allowance for advances to an associate	0	0	0	(1,220)
Impairment loss on property, plant and equipment	(98)	(2,030)	(1,303)	(4,797)
Impairment loss on available-for-sale investments	0	0	0	(630)

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	
	31.12.10 S\$'000	31.3.10 S\$'000	31.12.10 S\$'000	31.3.10 S\$'000
		Restated		
Non-current assets				
Investment properties	1,155	1,263	0	0
Property, plant and equipment	233,969	249,162	3,035	478
Interest in subsidiaries	0	0	372,744	369,437
Interest in associates	77,869	85,067	11,590	11,590
Available-for-sale investments	4,048	3,346	0	0
Deferred tax assets	3,354	3,110	0	0
Intangible assets	2,673	5,581	0	0
Goodwill on consolidation	17,934	19,835	0	0
Deposits and prepayments	0	1,245	0	1,245
Total non-current assets	341,002	368,609	387,369	382,750
Current assets				
Stocks	107,176	130,510	0	0
Debtors	154,649	165,795	74,852	72,625
Tax recoverable	291	1,168	0	0
Deposits and prepayments	13,763	10,019	855	481
Bank balances and cash	102,823	77,614	12,544	4,232
Total current assets	378,702	385,106	88,251	77,338
Current liabilities				
Creditors and accrued charges	169,123	180,270	107,924	77,243
Obligations under finance leases	131	200	24	0
Income tax payable	5,115	7,831	195	225
Bank loans and overdrafts	161,235	150,436	64,322	75,497
Total current liabilities	335,604	338,737	172,465	152,965
Net current assets (liabilities)	43,098	46,369	(84,214)	(75,627)
Non-current liabilities				
Bank loans	44,154	53,005	38,955	46,609
Obligations under finance leases	89	84	87	0
Deferred tax liabilities	3,333	4,334	0	0
Total non-current liabilities	47,576	57,423	39,042	46,609
Net assets	336,524	357,555	264,113	260,514
Represented by				
Share capital	231,257	230,975	231,257	230,975
Reserves	61,202	77,711	32,856	29,539
Attributable to equity holders of the Company	292,459	308,686	264,113	260,514
Non-controlling interests	44,065	48,869	0	0
	336,524	357,555	264,113	260,514

The decrease in debtors and creditors are mainly due to decrease in sales and manufacturing activities. The decrease in stocks is due to tightening and stepping up monitoring of inventory control to reduce stock holding period.

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

	As at 31.12.10 S\$'000	As at 31.3.10 S\$'000
Amount repayable in one year or less, or on demand		
Unsecured:		
Current portion of long term bank loans	38,842	31,268
Short term bank loans	102,859	100,959
Bank overdrafts	1,020	2,999
Import and export loans	18,514	15,210
	161,235	150,436
Secured:		
Obligations under finance leases	131	200
Amount repayable after one year		
Unsecured:		
Long term bank loans	44,154	53,005
Secured:		
Obligations under finance leases	89	84

Details of any collateral

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

As at 31.12.10		As at 31.3.10	
The Group	The Company	The Group	The Company
S\$282,000	S\$112,000	S\$303,000	Nil

Other comments to paragraph 1(b)(ii)

Not applicable.

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

	Q3 31.12.10 S\$? 00	Q3 31.12.09 S\$? 00
Operating activities		
Profit before income tax	4,265	12,938
Adjustments for:		
Allowance for doubtful debts (trade)	(572)	102
Allowance for stock obsolescence	588	310
Depreciation and amortisation	6,977	7,725
Dividend income from available-for-sale investments	0	(33)
Finance costs, net	1,992	2,342
Gain on dilution of interests in associates	0	(903)
Gain on disposal of available-for-sale investments	0	(317)
Impairment loss on property, plant and equipment	98	2,030
Interest income	(70)	(488)
Loss on disposal of property, plant and equipment	10	259
Property, plant and equipment written off	139	85
Realised loss (gain) on commodity contracts	(955)	32
Share of results of associates	(2,486)	(4,107)
Unrealised foreign exchange gain	(955)	(4,404)
Operating profit before working capital changes	9,031	15,571
Stocks	12,112	(20,214)
Debtors	25,375	51,721
Deposits and prepayments	(1,452)	439
Creditors and accrued charges	(8,867)	24,078
Cash from operations	36,199	71,595
Interest received	66	471
Interest paid	(2,220)	(2,261)
Income tax paid	(2,935)	(2,533)
Net cash generated from operating activities	31,110	67,272
Investing activities		
Acquisition of available-for-sale investments	(48)	0
Dividends received from associates	8,137	0
Dividends received from available-for-sale investments	215	33
Initial deposit received for disposal of an associate	0	902
Proceeds on disposal of available-for-sale investments	0	467
Proceeds on disposal of associates	0	370
Proceeds on disposal of property, plant and equipment	14	55
Purchase of property, plant and equipment	(6,882)	(3,151)
Net cash generated from (used in) investing activities	1,436	(1,324)

	Q3 31.12.10 S\$'000	Q3 31.12.09 S\$'000
Financing activities		
Drawdown of term loans	16,747	78,333
Repayment of term loans	(8,929)	(136,954)
Other short term bank loans repaid, net	(17,887)	(14,478)
Dividends paid	(2,197)	(2,194)
Dividends paid to minority shareholders	(2,923)	(4,401)
Issue of shares	256	0
Repayment of obligations under finance leases	(5)	(72)
Net cash used in financing activities	(14,938)	(79,766)
Net increase (decrease) in cash and cash equivalents	17,608	(13,818)
Cash and cash equivalents at beginning of period	87,045	125,798
Effect of exchange rate changes on the balance of cash held in foreign currencies	(2,850)	(1,061)
Cash and cash equivalents at end of period	101,803	110,919
Cash and cash equivalents at end of period comprise:		
Bank balances and cash	102,823	112,245
Bank overdrafts	(1,020)	(1,326)
	101,803	110,919

1(d) Statement of Comprehensive Income

The Group	Q3 ended 31.12.10 S\$'000	Q3 ended 31.12.09 S\$'000	YTD ended 31.12.10 S\$'000	YTD ended 31.12.09 S\$'000
Profit for the period	3,785	9,730	22,724	33,375
Other comprehensive income (loss):				
Translation differences arising from consolidation of foreign operations	(5,768)	(9,784)	(27,020)	(42,496)
Fair value gain (loss) on available-for-sale financial assets	62	1,029	(153)	2,071
Reclassification to profit and loss from equity on disposal of available-for-sale investments	0	(350)	0	(350)
Fair value gain (loss) on cash-flow hedges	(795)	324	0	447
Other comprehensive loss for the period, net of tax	(6,501)	(8,781)	(27,173)	(40,328)
Total comprehensive income (loss) for the period	(2,716)	949	(4,449)	(6,953)
Attributable to:				
Equity holders of the Company	(2,895)	(492)	(5,536)	(7,556)
Non-controlling interests	179	1,441	1,087	603
	(2,716)	949	(4,449)	(6,953)

1(e)(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	Hedging reserve S\$'000	Sub Total S\$'000	Non- controlling interests S\$'000	Total S\$'000
Balance at 1 April 2010	230,975	(34,983)	12,836	(103,141)	3,358	198,508	1,133	0	0	308,686	48,869	357,555
Total comprehensive income	0	0	0	(1,723)	0	8,060	0	0	(2,552)	3,785	1,761	5,546
Issue of shares	8	0	0	0	0	0	0	0	0	8	0	8
Transfer to (from) reserves	0	554	0	0	0	(554)	0	0	0	0	0	0
Dividends paid to non-controlling interests	0	0	0	0	0	0	0	0	0	0	(1,021)	(1,021)
Effects of changes in shareholdings on non-controlling interests	0	0	0	0	0	0	0	0	0	0	39	39
Balance at 30 June 2010	230,983	(34,429)	12,836	(104,864)	3,358	206,014	1,133	0	(2,552)	312,479	49,648	362,127
Total comprehensive income	0	0	0	(17,084)	0	7,526	0	(215)	3,347	(6,426)	(853)	(7,279)
Issue of shares	18	0	0	0	0	0	0	0	0	18	0	18
Transfer to (from) reserves	0	0	281	0	0	(281)	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	(8,776)	0	0	0	(8,776)	0	(8,776)
Dividends paid to non-controlling interests	0	0	0	0	0	0	0	0	0	0	(1,986)	(1,986)
Balance at 30 September 2010	231,001	(34,429)	13,117	(121,948)	3,358	204,483	1,133	(215)	795	297,295	46,809	344,104
Total comprehensive income	0	0	0	(5,190)	0	3,028	0	62	(795)	(2,895)	179	(2,716)
Issue of shares	256	0	0	0	0	0	0	0	0	256	0	256
Dividends paid	0	0	0	0	0	(2,197)	0	0	0	(2,197)	0	(2,197)
Dividends paid to non-controlling interests	0	0	0	0	0	0	0	0	0	0	(2,923)	(2,923)
Balance at 31 December 2010	231,257	(34,429)	13,117	(127,138)	3,358	205,314	1,133	(153)	0	292,459	44,065	336,524

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	Hedging reserve S\$'000	Sub Total S\$'000	Non- controlling interests S\$'000	Total S\$'000
Balance at 1 April 2009	230,971	(34,983)	10,600	(69,781)	3,358	167,484	1,133	(448)	0	308,334	52,862	361,196
Total comprehensive income	0	0	0	(19,377)	0	10,667	0	930	90	(7,690)	(1,703)	(9,393)
Transfer to (from) reserves	0	0	348	0	0	(348)	0	0	0	0	0	0
Dividends paid to non-controlling interests	0	0	0	0	0	0	0	0	0	0	(1,755)	(1,755)
Effects of changes in shareholdings on non-controlling interests	0	0	0	0	0	0	0	0	0	0	(236)	(236)
Balance at 30 June 2009	230,971	(34,983)	10,948	(89,158)	3,358	177,803	1,133	482	90	300,644	49,168	349,812
Total comprehensive income	0	0	0	(9,868)	0	10,349	0	112	33	626	865	1,491
Transfer to (from) reserves	0	0	340	0	0	(340)	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	(1,645)	0	0	0	(1,645)	0	(1,645)
Balance at 30 September 2009	230,971	(34,983)	11,288	(99,026)	3,358	186,167	1,133	594	123	299,625	50,033	349,658
Total comprehensive income	0	0	0	(9,690)	0	8,195	0	679	324	(492)	1,441	949
Transfer to (from) reserves	0	0	330	0	0	(330)	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	(2,194)	0	0	0	(2,194)	0	(2,194)
Dividends paid to non-controlling interests	0	0	0	0	0	0	0	0	0	0	(4,401)	(4,401)
Balance at 31 December 2009	230,971	(34,983)	11,618	(108,716)	3,358	191,838	1,133	1,273	447	296,939	47,073	344,012

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 2010	230,975	28,408	1,133	(2)	260,514
Total comprehensive income	0	6,253	0	(3)	6,250
Issue of shares	8	0	0	0	8
Balance at 30 June 2010	230,983	34,661	1,133	(5)	266,772
Total comprehensive income	0	2,758	0	46	2,804
Issue of shares	18	0	0	0	18
Dividends paid	0	(8,776)	0	0	(8,776)
Balance at 30 September 2010	231,001	28,643	1,133	41	260,818
Total comprehensive income	0	5,152	0	84	5,236
Issue of shares	256	0	0	0	256
Dividends paid	0	(2,197)	0	0	(2,197)
Balance at 31 December 2010	231,257	31,598	1,133	125	264,113
Balance at 1 April 2009	230,971	42,614	1,133	0	274,718
Total comprehensive income	0	1,735	0	(1)	1,734
Balance at 30 June 2009	230,971	44,349	1,133	(1)	276,452
Total comprehensive income	0	3,276	0	(9)	3,267
Dividends paid	0	(1,645)	0	0	(1,645)
Balance at 30 September 2009	230,971	45,980	1,133	(10)	278,074
Total comprehensive income	0	5,025	0	3	5,028
Dividends paid	0	(2,194)	0	0	(2,194)
Balance at 31 December 2009	230,971	48,811	1,133	(7)	280,908

1(e)(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.

Since 30 September 2010, 160,000 ordinary shares of the Company have been issued pursuant to an 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 September 2010	109,711,168	231,001
Issued at S\$1.60 per share	160,000	256
As at 31 December 2010	109,871,168	231,257

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 31.12.10	As at 31.12.09
16 March 2010	S\$1.41	-	375,000
10 October 2010	S\$1.60	-	517,000
4 August 2012	S\$1.25	697,000	721,000
24 June 2013	S\$2.50	1,981,000	1,981,000
		<u>2,678,000</u>	<u>3,594,000</u>

As at 31 December 2010, the Company did not hold any of its issued shares as treasury shares (31 December 2009:Nil).

1(e)(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	31.12.10	31.3.10
Total number of issued shares	109,871,168	109,690,168
Less: Treasury shares	-	-
Total number of issued shares excluding treasury shares	<u>109,871,168</u>	<u>109,690,168</u>

1(e)(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 31 December 2010, 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 2010, 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 2010.

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.

(i) Adoption of new and revised Financial Reporting Standards ("FRS")

The adoption of the various revised FRS, new FRS and INT FRS effective for the Company's financial year commenced on 1 April 2010 does not have a material financial effect on the Group and the Company, except as discussed below:

The principal amendments to FRS 27 (Revised) have an impact on the Group's accounting treatment for transactions that result in changes in a parent's interest in a subsidiary. It is likely that these amendments will significantly affect the accounting for such transactions by the Group effective 1 April 2010, but the extent of such impact will depend on the detail of the transactions, which cannot be anticipated.

The principle adopted under FRS 27 (Revised) that a loss of control is recognised as a disposal and re-acquisition of any retained interest at fair value is extended by consequential amendment to FRS 28 (Revised); therefore, when significant influence is lost, the investor measures any investment retained in the former associate at fair value, with any consequential gain or loss recognised in profit or loss.

Similarly, FRS 103 (Revised) is on accounting for business combination transactions. The changes to the FRS are significant, but their impact can only be determined once the detail of future business combination transactions is known.

FRS 27 (Revised), FRS 28 (Revised) and FRS 103 (Revised) are adopted prospectively and therefore no restatements are required in respect of the Group's transactions prior to 1 April 2010.

- (ii) Adjustments to initial accounting for a business combination that was determined provisionally in the financial year ended 31 March 2010

The purchase price allocation of the acquisition of Vectrix Corporation (“Vectrix”) in the financial year ended 31 March 2010 was provisional due to the complexity involved in identifying and valuing the underlying assets. An independent valuer was engaged to perform the valuation. The purchase price allocation had been completed and the following comparative information as at 31 March 2010 has been adjusted as a result of above.

	31 March 2010 as restated S\$’000	31 March 2010 as previously stated S\$’000
Property, plant and equipment	249,162	247,702
Stocks	130,510	131,970

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”)	Q3 ended 31.12.10	Q3 ended 31.12.09	YTD 31.12.10	YTD 31.12.09
	Cents	Cents	Cents	Cents
(a) Basic	2.76	7.47	16.96	26.63
(b) Diluted	2.75	7.47 ⁽¹⁾	16.93	26.63 ⁽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	Q3 ended 31.12.10	Q3 ended 31.12.09	YTD 31.12.10	YTD 31.12.09
Weighted average number of ordinary shares used in calculating basic EPS	109,862,472	109,687,168	109,752,782	109,687,168
Adjustments for potentially dilutive ordinary shares	223,495	- ⁽¹⁾	215,646	- ⁽¹⁾
Weighted average number of ordinary shares used in calculating diluted EPS	110,085,967	109,687,168	109,968,428	109,687,168

⁽¹⁾ No dilutive effect 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	
	31.12.10 S\$	31.3.10 S\$	31.12.10 S\$	31.3.10 S\$
Net asset value per ordinary share based on issued share capital at the end of the period	2.66	2.81	2.40	2.37

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 nine months ended 31 December 2010 was S\$192.7 million and S\$654.3 million respectively. Sales of primary cylindrical Alkaline batteries recorded a decline of 11% for the three months ended 31 December 2010 over the corresponding period last year. Despite a difficult third quarter, the Group achieved an 8.4% increase in turnover for the nine months ended 31 December 2010 as compared to the corresponding period of the previous year.

Profit before income tax for the three months and nine months ended 31 December 2010 was S\$4.3 million and S\$28.6 million respectively, as compared to S\$12.9 million and S\$42.8 million respectively in the corresponding periods of the previous year. Gross profit margins for the three months and nine months ended 31 December 2010 were 20.1% and 21.4% respectively, as compared to 23.0% and 23.3% in the corresponding periods of the previous year. Margins were lower due to higher labour costs in China, appreciation of Renminbi and higher material prices. In addition, the lower reported profit was partly due to the exchange loss recorded in the current year as a result of the depreciation of the foreign denominated monetary balances, as compared with an exchange gain recognized in the corresponding periods of previous year.

Distribution expenses for the three months and nine months ended 31 December 2010 were S\$14.2 million and S\$50.2 million respectively, a decrease of 19.8% and 1.9% over the corresponding periods of the previous year. The decrease was mainly due to reduction in promotional expenses.

Administrative expenses for the three months and nine months ended 31 December 2010 were S\$22.0 million and S\$63.5 million respectively, an increase of 7.1% and 8.9% over the corresponding periods of the previous year. The increase was mainly due to running costs and maintenance expenses incurred in relation to the implementation of SAP system.

Finance costs for the three months and nine months ended 31 December 2010 were S\$2.0 million and S\$6.3 million respectively, a decrease of 14.9% and 12.0% over the corresponding periods of

the previous year because the positive operating cash flow of the Group necessitated lower bank borrowings.

Share of results of associates for the three months and nine months ended 31 December 2010 was S\$2.5 million and S\$6.6 million respectively, a decrease of 39.5% and 42.6% over the corresponding periods of the previous year mainly due to slowdown in demand for notebook computer battery packs.

The Group has intensified its worldwide marketing efforts for Vectrix electric scooters. The first order of VX-1 scooters for Malaysia was received and scheduled for delivery in March 2011. Performance of the Vectrix electric scooters has also been greatly improved with the introduction of Lithium-ion batteries manufactured by the Group.

During the quarter, the Group restructured the shareholding of a US marketing subsidiary, Gold Peak Industries (North America) Inc ("GPINA"), such that GPINA became a wholly-owned subsidiary of the Group. The Group also acquired a 30% equity interest in Hanoi Battery Joint Stock Co ("Habaco"), a major battery maker in Vietnam. The investment in Habaco will enable the Group to tap on its marketing channels in gaining access to the local markets in the region.

During the quarter, the Group disposed of its entire interest in Hunan CoPower EV Battery Co Ltd ("HCEB") of China for a consideration of RMB12.5 million.

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 September 2010 released on 10 November 2010.

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 business outlook is uncertain. Competition is keen. Margins are squeezed due to the rising wage in China, appreciation of Renminbi and surging commodity prices. The Group has implemented measures to improve cost effectiveness. It will take time to readjust and realign selling prices with costs.

The Group will focus its efforts on its core products and electric transportation to emphasize the competitiveness of its products. It will also direct its resources on priority markets to expand market reach.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

Not applicable.

13. Confirmation by the Board

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 their knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial statements for third quarter ended 31 December 2010 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

9 February 2011