

### Third Quarter Financial Statement For the Period Ended 31 December 2013

#### 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 third quarter (“Q3”) and nine-month (“YTD”) ended 31 December 2013. These figures have not been audited.

	Q3 ended 31 Dec 2013 S\$'000	Q3 ended 31 Dec 2012 S\$'000 Restated	Change %	YTD ended 31 Dec 2013 S\$'000	YTD ended 31 Dec 2012 S\$'000 Restated	Change %
Revenue	175,967	175,308	0.4	529,931	560,303	(5.4)
Cost of sales	(137,103)	(139,985)	(2.1)	(410,770)	(442,360)	(7.1)
Gross profit	38,864	35,323	10.0	119,161	117,943	1.0
Other operating income & expenses	(25,214)	11,584	n/m	(24,258)	15,427	n/m
Distribution expenses	(14,291)	(12,307)	16.1	(37,484)	(37,832)	(0.9)
Administrative expenses	(18,799)	(20,858)	(9.9)	(60,010)	(62,673)	(4.2)
Finance costs	(1,832)	(2,090)	(12.3)	(5,565)	(6,802)	(18.2)
(Loss) Profit before share of results of associates	(21,272)	11,652	n/m	(8,156)	26,063	n/m
Share of results of associates	3	(3,244)	n/m	(3,682)	(6,597)	(44.2)
(Loss) Profit before income tax	(21,269)	8,408	n/m	(11,838)	19,466	n/m
Income tax	(2,884)	(3,623)	(20.4)	(8,453)	(8,585)	(1.5)
(Loss) Profit after income tax	(24,153)	4,785	n/m	(20,291)	10,881	n/m
Attributable to:						
Equity holders of the Company	(26,198)	578	n/m	(25,941)	2,999	n/m
Non-controlling interests	2,045	4,207	(51.4)	5,650	7,882	(28.3)
	(24,153)	4,785	n/m	(20,291)	10,881	n/m
Gross profit margin	22.1%	20.1%		22.5%	21.0%	

Comparative figures have been restated to conform with current period’s presentation  
n/m denotes “not meaningful”

## Statement of Comprehensive Income

The Group	Q3 ended 31 Dec 2013 S\$'000	Q3 ended 31 Dec 2012 S\$'000	YTD ended 31 Dec 2013 S\$'000	YTD ended 31 Dec 2012 S\$'000
(Loss) Profit for the period	(24,153)	4,785	(20,291)	10,881
Other comprehensive income (loss):				
Translation differences arising from consolidation of foreign operations	5,299	1,522	12,760	(6,776)
Fair value loss on available-for-sale financial assets	0	0	0	(614)
Other comprehensive income for the period	<u>5,299</u>	<u>1,522</u>	<u>12,760</u>	<u>(7,390)</u>
Total comprehensive income for the period	<u>(18,854)</u>	<u>6,307</u>	<u>(7,531)</u>	<u>3,491</u>
Attributable to:				
Equity holders of the Company	(22,733)	1,821	(16,282)	(3,367)
Non-controlling interests	3,879	4,486	8,751	6,858
	<u>(18,854)</u>	<u>6,307</u>	<u>(7,531)</u>	<u>3,491</u>

	Q3 ended 31 Dec 2013 S\$'000	Q3 ended 31 Dec 2012 S\$'000	YTD ended 31 Dec 2013 S\$'000	YTD ended 31 Dec 2012 S\$'000
<b>Profit from operations is arrived at after crediting (charging) the following:</b>				
Depreciation and amortisation	(5,995)	(6,646)	(18,096)	(19,497)
Included in other operating income & expenses:				
Compensation income	0	10,142	0	10,353
Foreign exchange loss	(278)	(734)	(910)	(1,622)
Gain (loss) on disposal of property, plant and equipment	17	(3)	490	2,569
Government grant	542	721	848	952
Impairment loss on property, plant and equipment	(97)	0	(263)	(888)
Impairment loss on interest in and receivables from associates	(26,333)	0	(26,333)	0
Property, plant and equipment written off	(145)	(447)	(359)	(1,119)
Technical, marketing development & engineering fee income	24	1,354	66	3,667
(Under) Over provision of prior years' tax	(139)	274	(520)	830

**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 31 Dec 2013	The Group 31 Mar 2013	The Company 31 Dec 2013	The Company 31 Mar 2013
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Investment property	1,165	1,123	0	0
Property, plant & equipment	228,094	228,543	1,053	1,784
Interest in subsidiaries	0	0	367,299	364,739
Interest in associates	55,121	60,410	18,610	18,482
Available-for-sales investments	3,347	3,664	0	0
Deferred tax assets	5,036	4,635	0	0
Intangible assets	0	80	0	0
Goodwill on consolidation	17,066	16,773	0	0
Deposits and prepayments	126	445	16	16
<b>Total non-current assets</b>	<b>309,955</b>	<b>315,673</b>	<b>386,978</b>	<b>385,021</b>
<b>Current assets</b>				
Stocks	114,915	100,175	0	0
Debtors	Note 1 132,374	160,649	109,113	79,060
Derivative financial instruments	61	265	0	0
Tax recoverable	692	1,291	0	0
Deposits and prepayments	7,875	9,117	552	840
Bank balances and cash	Note 2 124,511	64,371	2,047	1,096
	380,428	335,868	111,712	80,996
Assets held for sale	Note 3 1,860	0	0	0
<b>Total current assets</b>	<b>382,288</b>	<b>335,868</b>	<b>111,712</b>	<b>80,996</b>
<b>Current liabilities</b>				
Creditors and accrued charges	162,725	131,208	110,889	58,660
Derivative financial instruments	0	10	0	0
Obligations under finance leases	333	375	86	100
Income tax payable	3,214	3,029	301	266
Bank loans and overdrafts	185,010	158,904	83,203	81,106
<b>Total current liabilities</b>	<b>351,282</b>	<b>293,526</b>	<b>194,479</b>	<b>140,132</b>
<b>Net current assets (liabilities)</b>	<b>31,006</b>	<b>42,342</b>	<b>(82,767)</b>	<b>(59,136)</b>
<b>Non-current liabilities</b>				
Bank loans	Note 4 15,366	31,238	13,204	28,655
Obligations under finance leases	162	423	0	63
Deferred tax liabilities	3,892	4,012	0	0
<b>Total non-current liabilities</b>	<b>19,420</b>	<b>35,673</b>	<b>13,204</b>	<b>28,718</b>
<b>Net assets</b>	<b>321,541</b>	<b>322,342</b>	<b>291,007</b>	<b>297,167</b>
<b>Represented by:</b>				
Share Capital	231,257	231,257	231,257	231,257
Reserves	21,291	37,633	59,750	65,910
Attributable to equity holders of the Company	252,548	268,890	291,007	297,167
Non-controlling interests	68,993	53,452	0	0
	321,541	322,342	291,007	297,167

Note

- 1) Decrease in debtors mainly due to receipts from customer settlement at end of calendar year as well as an impairment of amount due from Vectrix Group of companies.
- 2) Increase in cash mainly due to receipts from customer settlement at end of calendar year.
- 3) Disposal of property at 97 Pioneer Road Singapore is expected to complete in the first half of the next financial year.
- 4) Decrease in bank loans of S\$15.9 million is mainly due to reclassification from non-current liabilities to current liabilities.

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

	As at 31 Dec 2013 S\$'000	As at 31 Mar 2013 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	22,465	21,331
- not repayable within 12 months but contain a repayment on demand clause	1,941	2,957
Short term bank loans	145,930	115,945
Bank overdrafts	904	908
Import and export loans	13,770	17,763
	<u>185,010</u>	<u>158,904</u>
<b>Secured:</b>		
Obligations under finance leases	<u>333</u>	<u>375</u>
<b>Amount repayable after one year</b>		
<b>Unsecured:</b>		
Long term bank loans	<u>15,366</u>	<u>31,238</u>
<b>Secured:</b>		
Obligations under finance leases	<u>162</u>	<u>423</u>

**Details of any collateral**

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

As at 31 Dec 2013		As at 31 Mar 2013	
The Group	The Company	The Group	The Company
S\$744,000	S\$78,000	S\$854,000	S\$113,000

**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.**

	Q3 31 Dec 2013 S\$'000	Q3 31 Dec 2012 S\$'000	YTD 31 Dec 2013 S\$'000	YTD 31 Dec 2012 S\$'000
<b>Operating activities</b>				
(Loss) Profit before income tax	(21,269)	8,408	(11,838)	19,466
Adjustments for:				
Allowance for doubtful debts - trade	480	170	533	525
Allowance for stock obsolescence	680	(294)	3,119	528
Compensation income accrued	0	(10,142)	0	(10,142)
Depreciation and amortisation	5,995	6,646	18,096	19,497
Dividend income from available-for-sale investments	0	(19)	0	(19)
Finance costs	1,832	2,090	5,565	6,802
Loss on disposal of available-for-sale investments	0	0	5	0
Impairment loss on property, plant and equipment	97	0	263	888
Impairment loss on interest in and receivables from associates	26,333	0	26,333	0
Interest income	(183)	(131)	(437)	(336)
Gain on disposal of property, plant and equipment	(17)	3	(490)	(2,569)
Property, plant and equipment written off	145	447	359	1,119
Realised gain on derivative financial instruments	(373)	0	(648)	(224)
Share of results of associates	(3)	3,244	3,682	6,597
Unrealised foreign exchange loss (gain)	(925)	(691)	(1,276)	827
Operating profit before working capital changes	<u>12,792</u>	<u>9,731</u>	<u>43,266</u>	<u>42,959</u>
Stocks	(6,536)	2,058	(15,999)	1,995
Debtors	27,959	20,919	4,941	18,049
Deposits and prepayments	3,383	2,729	1,391	(12)
Creditors and accrued charges	4,411	(9,950)	29,829	(11,303)
Cash generated from operations	<u>42,009</u>	<u>25,487</u>	<u>63,428</u>	<u>51,688</u>
Interest received	189	136	441	368
Interest paid	(1,837)	(2,201)	(5,521)	(6,851)
Income tax paid	(2,816)	(2,249)	(6,556)	(5,612)
Net cash generated from operating activities	<u>37,545</u>	<u>21,173</u>	<u>51,792</u>	<u>39,593</u>

	Q3 31 Dec 2013 S\$'000	Q3 31 Dec 2012 S\$'000	YTD 31 Dec 2013 S\$'000	YTD 31 Dec 2012 S\$'000
<b>Investing activities</b>				
Deposits paid for purchase of property, plant and equipment	0	0	(132)	(522)
Dividends received from associates	0	0	2,051	875
Dividends received from available-for-sale investments	0	19	0	19
Investment in associates (additional capital injection)	0	0	(165)	(77)
Proceeds on disposal of available-for-sale investments	0	0	371	0
Proceeds received from a proposed disposal of equity interest in a subsidiary	0	0	9,709	0
Proceeds on disposal of property, plant and equipment	138	644	174	4,046
Purchase of available-for-sale investments	0	(981)	0	(981)
Purchase of equity interests in a subsidiary	0	0	0	(229)
Purchase of property, plant and equipment	(5,500)	(3,924)	(13,640)	(14,967)
Net cash from (used in) investing activities	<u>(5,362)</u>	<u>(4,242)</u>	<u>(1,632)</u>	<u>(11,836)</u>
<b>Financing activities</b>				
Drawdown of term loans	0	0	0	10,141
Repayment of term loans	(4,773)	(4,136)	(15,644)	(13,450)
Other short term bank loans obtained (paid)	12,665	(4,795)	23,808	(8,115)
Dividends paid	0	(1,099)	(1,099)	(2,747)
Dividends paid to minority shareholders	0	0	(1,880)	0
Repayment of obligations under finance leases	(55)	(169)	(287)	(398)
Net cash from (used in) financing activities	<u>7,837</u>	<u>(10,199)</u>	<u>4,898</u>	<u>(14,569)</u>
Net increase in cash and cash equivalents	40,020	6,732	55,058	13,188
Cash and cash equivalents at beginning of period	80,661	76,541	63,463	73,317
Effect of exchange rate changes on the balance of cash held in foreign currencies	2,926	1,384	5,086	(1,848)
Cash and cash equivalents at end of period	<u>123,607</u>	<u>84,657</u>	<u>123,607</u>	<u>84,657</u>
<b>Cash and cash equivalents at end of period comprise:</b>				
Bank balances and cash	124,511	87,037	124,511	87,037
Bank overdrafts	(904)	(2,380)	(904)	(2,380)
	<u>123,607</u>	<u>84,657</u>	<u>123,607</u>	<u>84,657</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.**

	Share capital	Capital reserve	Legal reserve	Translation reserve	Property/ asset revaluation reserve	Retained profits	Share option reserve	Fair value reserve	Sub Total	Non-controlling interests	Total
The Group	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000
Balance at 1 April 2013	231,257	(34,002)	21,407	(135,009)	3,358	180,746	1,133	0	268,890	53,452	322,342
Total comprehensive income	0	0	0	7,034	0	107	0	0	7,141	3,192	10,333
Transfer to (from) reserves	0	0	57	0	0	(57)	0	0	0	0	0
Dividends paid to non-controlling interests	0	0	0	0	0	0	0	0	0	(1,880)	(1,880)
Balance at 30 June 2013	231,257	(34,002)	21,464	(127,975)	3,358	180,796	1,133	0	276,031	54,764	330,795
Total comprehensive income	0	0	0	(840)	0	150	0	0	(690)	1,680	990
Transfer to (from) reserves	0	0	314	0	0	(314)	0	0	0	0	0
Dividends paid	0	0	0	0	0	(1,099)	0	0	(1,099)	0	(1,099)
Balance at 30 September 2013	231,257	(34,002)	21,778	(128,815)	3,358	179,533	1,133	0	274,242	56,444	330,686
Total comprehensive income	0	0	0	3,465	0	(26,198)	0	0	(22,733)	3,879	(18,854)
Effects of changes in shareholdings on non-controlling interests	0	1,039	0	0	0	0	0	0	1,039	8,670	9,709
Balance at 31 December 2013	231,257	(32,963)	21,778	(125,350)	3,358	153,335	1,133	0	252,548	68,993	321,541
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
Effects of changes in shareholdings on non-controlling interests	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
Total comprehensive income	0	0	0	1,243	0	578	0	0	1,821	4,486	6,307
Transfer to (from) reserves	0	0	34	0	0	(34)	0	0	0	0	0
Dividends paid	0	0	0	0	0	(1,099)	0	0	(1,099)	0	(1,099)
Balance at 31 December 2012	231,257	(33,912)	20,031	(138,178)	3,358	201,303	1,133	0	284,992	53,620	338,612



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 2013	231,257	64,564	1,133	213	297,167
Total comprehensive income	0	(2,920)	0	(235)	(3,155)
Balance at 30 June 2013	231,257	61,644	1,133	(22)	294,012
Total comprehensive income	0	(2,686)	0	87	(2,599)
Dividends paid	0	(1,099)	0	0	(1,099)
Balance at 30 September 2013	231,257	57,859	1,133	65	290,314
Total comprehensive income	0	857	0	(164)	693
Balance at 31 December 2013	231,257	58,716	1,133	(99)	291,007
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
Total comprehensive income	0	(2,411)	0	23	(2,388)
Dividends paid	0	(1,099)	0	0	(1,099)
Balance at 31 December 2012	231,257	57,808	1,133	687	290,885

**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 September 2013 to 31 December 2013.

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 31 Dec 2013</b>	<b>As at 31 Dec 2012</b>
24 June 2013	S\$2.50	-	1,981,000

As at 31 December 2013, the Company did not hold any of its issued shares as treasury shares (31 December 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>31 Dec 2013</b>	<b>31 Mar 2013</b>
Total number of issued shares	109,871,168	109,871,168
Less: Treasury shares	-	-
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 31 December 2013, 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 2013, 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 2013.

**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 2013 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.**

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>Q3 ended 31 Dec 2013</b>	<b>Q3 ended 31 Dec 2012</b>	<b>YTD ended 31 Dec 2013</b>	<b>YTD ended 31 Dec 2012</b>
<b>Earnings per share ("EPS")</b>	Cents	Cents	Cents	Cents
(a) Basic	(23.84)	0.53	(23.61)	2.73
(b) Diluted	(23.84) <sup>(1)</sup>	0.53 <sup>(2)</sup>	(23.61) <sup>(1)</sup>	2.73 <sup>(2)</sup>
<b>Number of shares</b>				
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	- <sup>(1)</sup>	- <sup>(2)</sup>	- <sup>(1)</sup>	- <sup>(2)</sup>
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 have lapsed/expired

(2) 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	
	31 Dec 2013 S\$	31 Mar 2013 S\$	31 Dec 2013 S\$	31 Mar 2013 S\$
Net asset value per ordinary share based on issued share capital at the end of the period	2.30	2.45	2.65	2.70

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 31 December 2013 was comparable to the same period last year at S\$176.0 million; while turnover for the nine months ended 31 December 2013 was S\$529.9 million, a decrease of 5.4% over the corresponding period last year.

Sales of rechargeable batteries decreased by 9.1% and 11.7% for the three months and nine months ended 31 December 2013 respectively over the corresponding period last year. While sales of primary batteries for the nine months ended 31 December 2013 were comparable to the same period last year, sales for the three months ended 31 December 2013 increased by 6.1% over the corresponding period last year.

Sales in Europe and Asia decreased by 9.8% and 2.7% respectively while sales in the Americas increased by 20.3% for the three months ended 31 December 2013 over the corresponding period last year. For the nine months ended 31 December 2013, sales in Europe and Asia decreased by about 9.8% and 8.7% respectively while sales in the Americas increased by 9.4%.

Loss before income tax for the three months and nine months ended 31 December 2013 was S\$21.3 million and S\$11.8 million respectively as compared to profit before income tax of S\$8.4 million and S\$19.5 million over the corresponding period last year. The loss this year was mainly due to a non-cash charge of S\$26.3 million on Vectrix. Gross profit margins for the three months and nine months ended 31 December 2013 were 22.1% and 22.5% as compared to 20.1% and 21.0% over the corresponding period last year due to reduced factory overheads and lower material costs as a result of lower commodity prices.

Distribution expenses for the three months ended 31 December 2013 were S\$14.3 million, an increase of 16.1% as compared to S\$12.3 million over the corresponding period last year mainly due to A&P expenses incurred in mainland China for brand building, although for the nine months ended 31 December 2013, the amount was comparable to last year at S\$37.5 million.

Administrative expenses for the three months and nine months ended 31 December 2013 were S\$18.8 million and S\$60.0 million respectively, a decrease of 9.9% and 4.2% over the corresponding period last year due to the Group's continuous effort to streamline and rationalize its operations.

Finance costs for the three months and nine months ended 31 December 2013 were S\$1.8 million and S\$5.6 million as compared to S\$2.1 million and S\$6.8 million over the corresponding period last year. This was mainly due to reduced bank borrowings as well as lower costs of borrowing. Net bank borrowings decreased by 40% to S\$75.9 million as at 31 December 2013 from S\$125.8 million as at 31 March 2013 as a result of the Group's positive cash flow. For the nine months ended 31 December 2013, the Group generated positive cash flow of about S\$50 million before net cash from financing activities.

Net other operating expenses for the three months and nine months ended 31 December 2013 were S\$25.2 million and S\$24.3 million, as compared to a net other operating income of S\$11.6 million and S\$15.4 million over the same period last year mainly due to (i) there was a compensation income last year of US\$8 million (S\$10.1 million) from Boston Power in consideration for termination of the Minimum Purchase Requirement under the Manufacturing Agreement with the Group's subsidiary in Taiwan; and (ii) an impairment loss of S\$26.3 million was provided this year for our investment in and receivables from Vectrix Group.

The Vectrix Group failed to raise additional capital. The other shareholders of Vectrix decided not to fund the projects further because of significant cost overrun and their commercial viability. The Group did not have the required resources to continue the projects alone. Accordingly, Vectrix's management team was in the process of discussing with concerned parties to wind down its operations. As a result, the Group fully provided for its investment in and receivables from Vectrix Group of companies.

Share of result of associates for the three months ended 31 December 2013 has improved from a loss of S\$3.2 million last year to a small profit this year; although for the nine months period ended 31 December 2013, it was still a loss of S\$3.7 million as compared to S\$6.6 million last year. The reduction in loss was mainly due to impairment provisions on the plants and machinery and inventories of STL Group that took place last year.

We were able to reap the benefits from SAP implementation with significant improvement in an overall On Time Delivery performance to our customers. The factory rationalization programs set out in the previous quarters are showing promising results with significant productivity improvement in selected factories.

**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 profit guidance announcement released on 6 December 2013.

**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.**

Whilst there are signs of an economic upturn, the recovery remains fragile. The Group will continue reshuffling its sales resources to focus on key strategic market segments and customers, and we are complemented by other channel partners to improve our market coverage. As we see relatively stronger backlog on the book, we are cautiously optimistic on the sales in the coming quarter.

The Group will continue to rationalize its Lithium factories, which have been loss making, to improve cost efficiency. Since we have embarked on the next stage of automation involving alignment of processes, we expect to bring even more benefits to the Group's cost competitiveness.

With the on-going proposed Rights Issue and the disposal of its property at 97 Pioneer Road, Singapore as announced on 23 December 2013 and 20 January 2014 respectively, net bank borrowings are expected to decrease further. The disposal of property is expected to complete in the first half of the next financial year and will bring in a gain of approximately S\$9 million.

**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**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared/recommendeded for the financial period ended 31 December 2013.

- 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 third quarter ended 31 December 2013 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

27 January 2014