GP Batteries International Limited
(Incorporated in the Republic of Singapore)
Co. Reg. No. 199002111N

Second Quarter and Half Year Financial Statements For the Financial Period Ended 30 September 2017

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 2017. These figures have not been audited.

	Note	Q2 ended 30 Sept 2017 S$'000	Q2 ended 30 Sept 2016 S$'000	Change %	H1 ended 30 Sept 2017 S$'000	H1 ended 30 Sept 2016 S$'000	Change %
Revenue		225,966	194,028	16.5	433,213	371,417	16.6
Cost of sales		(179,203)	(150,304)	19.2	(338,039)	(289,768)	16.7
Gross profit		46,763	43,724	7.0	95,174	81,649	16.6
Other operating income & expenses		4,207	5,717	(26.4)	3,482	8,633	(59.7)
Distribution expenses		(15,605)	(16,471)	(5.3)	(31,790)	(30,346)	4.8
Administrative expenses		(21,150)	(22,220)	(4.8)	(43,167)	(42,339)	2.0
Finance costs		(2,117)	(1,616)	31.0	(3,936)	(3,331)	18.2
Profit before share of results of associates		12,098	9,134	32.5	19,763	14,266	38.5
Share of results of associates		401	1,268	(68.4)	1,299	2,934	(55.7)
Profit before income tax	A	12,499	10,402	20.2	21,062	17,200	22.5
Income tax	B	(3,317)	(4,406)	(24.7)	(5,992)	(7,353)	(18.5)
Profit after income tax		9,182	5,996	53.1	15,070	9,847	53.0
Attributable to:							
Equity holders of the Company		6,024	2,600	131.7	9,123	3,835	137.9
Non-controlling interests		3,158	3,396	(7.0)	5,947	6,012	(1.1)
		9,182	5,996	53.1	15,070	9,847	53.0
Gross profit margin		20.7%	22.5%		22.0%	22.0%	

The Group	Q2 ended 30 Sept 2017 S$'000	Q2 ended 30 Sept 2016 S$'000	H1 ended 30 Sept 2017 S$'000	H1 ended 30 Sept 2016 S$'000
Statement of Comprehensive Income				
Profit for the period	9,182	5,996	15,070	9,847
Other comprehensive income:				
Items that may be subsequently reclassified to Profit or Loss:				
Translation differences arising from consolidation of foreign operations	3,619	1,454	4,750	(6,894)
Fair value gain (loss) on available-for-sale financial assets	8	(173)	8	30
Other comprehensive income (loss) for the period	3,627	1,281	4,758	(6,864)
Total comprehensive income for the period	12,809	7,277	19,828	2,983
Total comprehensive income for the period attributable to:				
Equity holders of the Company	9,187	3,388	13,509	(1,875)
Non-controlling interests	3,622	3,889	6,319	4,858
	12,809	7,277	19,828	2,983

Notes to the Income Statement

(A)	Profit before taxation is arrived at after crediting (charging) the following:			
	Depreciation	(4,929)	(4,213)	(9,540)	(8,532)
	Gain (Loss) on foreign exchange[(i)]	(2,646)	1,951	(4,374)	3,932
	Gain on disposal of property, plant and equipment, net [(i)]	5,680	3,039	5,782	3,100
	Government grant [(i)]	1,163	274	1,729	683
	Impairment loss on property, plant and equipment [(i)]	(1,415)	0	(1,415)	0
	Property, plant and equipment written off [(i)]	(5)	(164)	(264)	(281)
(B)	Income tax is inclusive of:				
	Overprovision in respect of prior years' taxation	250	103	273	623

[(i)] Included in other operating income/other operating expenses in the consolidated statement of profit or loss

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.

	Note	The Group		The Company	
		30 Sept 2017	31 Mar 2017	30 Sept 2017	31 Mar 2017
		S$'000	S$'000	S$'000	S$'000
Non-current assets					
Investment property	A	0	1,791	0	0
Property, plant & equipment	B	240,945	201,850	4,577	4,566
Interest in subsidiaries		0	0	341,393	341,445
Interest in associates		51,031	52,722	16,382	16,382
Available-for-sales investments		6,133	6,291	0	0
Deferred tax assets		3,027	3,549	0	0
Goodwill on consolidation		11,655	11,970	0	0
Deposits and prepayments		1,626	6,052	923	952
Total non-current assets		314,417	284,225	363,275	363,345
Current assets					
Stocks	C	130,494	107,210	0	0
Debtors	C	162,124	143,299	87,479	95,248
Tax recoverable		3,063	2,356	0	0
Deposits and prepayments		15,471	15,674	2,805	1,798
Bank balances and cash		105,741	115,167	10,750	6,985
		416,893	383,706	101,034	104,031
Assets held for sale	D	9,824	1,057	0	0
Total current assets		426,717	384,763	101,034	104,031
Current liabilities					
Creditors and accrued charges	C	203,576	180,551	117,502	97,177
Obligations under finance leases		50	87	0	0
Income tax payable		2,520	2,628	155	149
Bank loans and overdrafts	E	200,252	152,276	100,207	97,509
Notes	F	5,989	0	5,989	0
Total current liabilities		412,387	335,542	223,853	194,835
Net current assets (liabilities)		14,330	49,221	(122,819)	(90,804)
Non-current liabilities					
Bank loans	E	5,685	23,368	3,263	21,901
Obligations under finance leases		72	94	0	0
Deferred tax liabilities		3,045	2,919	0	0
Total non-current liabilities		8,802	26,381	3,263	21,901
Net assets		319,945	307,065	237,193	250,640
Represented by:					
Issued capital		257,400	257,400	257,400	257,400
Treasury shares		(6,088)	(6,088)	(6,088)	(6,088)
Reserves		(13,979)	(25,116)	(14,119)	(672)
Attributable to equity holders of the Company		237,333	226,196	237,193	250,640
Non-controlling interests		82,612	80,869	0	0
		319,945	307,065	237,193	250,640

Explanatory Notes to the Statement of Financial Position

(A) Investment property

The investment property, a property in Huizhou, People's Republic of China ("PRC"), has been reclassified to Asset Held for Sale.

(B) Property, plant & equipment ("PPE")

Increase in PPE was mainly due to acquisition of land for construction of factory building by Ningbo GP Pairdeer Batteries Co. Ltd. (details are set out in announcement of award of land tender on 17 May 2017) and the acquisition of production facilities by Zhongyin (Ningbo) Battery Co. Ltd. and GP Batteries (Malaysia) Sdn Bhd Ltd. for capacity expansion.

(C) Stocks, Debtors and Creditors

Increase in stocks, debtors and creditors were mainly due to increase in turnover.

(D) Assets Held for Sale

Increase in assets held for sale was due to the reclassification of 3 properties from PPE and investment property. The properties are located in Huizhou, PRC and Hsin-Chu, Taiwan.

(E) Bank loans and overdrafts

Increase in total bank loans was mainly due to the financing of capital expenditure for the land acquisition in Ningbo, PRC as mentioned in note B above, as well as to finance the expansion of the facilities in Malaysia.

(F) Notes

This represents Renminbi 29.3 million fixed rate note ("FRN") due March 2018 issued by the Company. The FRN is unsecured and bears interest at a fixed rate of 4.5% per annum.

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

	As at 30 Sept 2017 S$'000	As at 31 Mar 2017 S$'000
Amount repayable in one year or less, or on demand		
Unsecured:		
Long term bank loans		
- scheduled repayments within 12 months	34,442	32,226
- not repayable within 12 months but contain a repayment on demand clause	13,877	8,951
Short term bank loans	120,576	89,834
Import and export loans	31,357	21,265
Notes	5,989	0
	206,241	152,276
Secured:		
Obligations under finance leases	50	87
Amount repayable after one year		
Unsecured:		
Long term bank loans	5,685	23,368
Secured:		
Obligations under finance leases	72	94

Details of any collateral

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

As at 30 Sept 2017		As at 31 Mar 2017	
The Group S$'000	**The Company S$'000**	**The Group S$'000**	**The Company S$'000**
201	NIL	216	NIL

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 Sept 2017 S$'000	Q2 30 Sept 2016 S$'000	YTD 30 Sept 2017 S$'000	YTD 30 Sept 2016 S$'000
Operating activities				
Profit before income tax	12,499	10,402	21,062	17,200
Adjustments for:				
Allowance for doubtful debts (trade)	(2,368)	49	(2,343)	82
Allowance for stock, net	327	419	492	864
Depreciation of property, plant and equipment	4,929	4,213	9,540	8,532
Finance costs	2,117	1,616	3,936	3,331
Impairment loss on property, plant and equipment	1,415	0	1,415	0
Interest income	(245)	(156)	(531)	(346)
Gain on disposal of property, plant and equipment, net	(5,680)	(3,039)	(5,782)	(3,100)
Property, plant and equipment written off	5	164	264	281
Realised gain on derivative financial instruments	(68)	(49)	(68)	(49)
Share of results of associates	(401)	(1,268)	(1,299)	(2,934)
Unrealised fair value gain on derivative financial instruments	0	34	0	(132)
Unrealised foreign exchange (gain) loss	(93)	597	665	(1,527)
Operating profit before working capital changes	12,437	12,982	27,351	22,202
Stocks	(11,358)	763	(26,599)	7,521
Debtors	(18,384)	(9,585)	(19,878)	(17,052)
Deposits and prepayments	2,193	(777)	(529)	(942)
Creditors and accrued charges	19,245	14,949	31,439	19,550
Cash generated from operations	4,133	18,332	11,784	31,279
Income tax paid	(2,903)	(2,896)	(5,697)	(5,426)
Net cash generated from operating activities	1,230	15,436	6,087	25,853

	Q2 30 Sept 2017 S$'000	Q2 30 Sept 2016 S$'000	YTD 30 Sept 2017 S$'000	YTD 30 Sept 2016 S$'000
Investing activities				
Deposits paid for purchase of property, plant and equipment	1,031	1,276	(644)	(461)
Dividends received from associates	1,729	1,144	1,729	1,237
Interest received	245	156	531	346
Proceeds on disposal of property, plant and equipment	2,203	4,361	5,448	4,862
Purchase of property, plant and equipment	(18,026)	(6,754)	(52,329)	(11,176)
Net cash (used in) from investing activities	(12,818)	183	(45,265)	(5,192)
Financing activities				
Drawdown of term loans	3,053	4,094	10,811	4,094
Issue of notes	5,989	0	5,989	0
Repayment of term loans	(12,555)	(6,800)	(21,073)	(14,544)
Other short term bank loans obtained	22,128	3,738	43,098	5,572
Interest paid	(2,119)	(1,647)	(3,882)	(3,421)
Capital reductions paid to non-controlling shareholders	0	(885)	0	(885)
Dividends paid	(2,372)	(1,581)	(2,372)	(1,581)
Dividends paid to non-controlling interests	(522)	(15)	(4,576)	(6,364)
Non trade balances due from associates	13	(95)	(6)	(533)
Non trade balances due to associates	(11)	7	65	16
Purchase of treasury shares	0	0	0	(4)
Repayment of obligations under finance leases	(52)	(53)	(112)	(62)
Net cash from (used in) financing activities	13,552	(3,237)	27,942	(17,712)
Net increase (decrease) in cash and cash equivalents	1,964	12,382	(11,236)	2,949
Cash and cash equivalents at beginning of period	102,457	99,890	115,167	110,978
Effect of exchange rate changes on the balance of cash held in foreign currencies	1,320	(1,587)	1,810	(3,242)
Cash and cash equivalents at end of period	105,741	110,685	105,741	110,685

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$'000	Treasury shares S$'000	Capital reserve S$'000	Legal reserve S$'000	Translation reserve S$'000	Property/ asset revaluation reserve S$'000	Retained profits S$'000	Fair value reserve S$'000	Sub Total S$'000	Non-controlling interests S$'000	Total S$'000
Balance at 1 Apr 2017	257,400	(6,088)	(32,963)	22,504	(151,023)	3,358	131,989	1,019	226,196	80,869	307,065
Total comprehensive income:											
Profit for the year	0	0	0	0	0	0	3,099	0	3,099	2,789	5,888
Other comprehensive income for the period	0	0	0	0	1,223	0	0	0	1,223	(92)	1,131
Total	0	0	0	0	1,223	0	3,099	0	4,322	2,697	7,019
Transactions with owners, recognised directly in equity:											
Dividends paid to non-controlling interests	0	0	0	0	0	0	0	0	0	(4,054)	(4,054)
Total	0	0	0	0	0	0	0	0	0	(4,054)	(4,054)
Balance at 30 Jun 2017	257,400	(6,088)	(32,963)	22,504	(149,800)	3,358	135,088	1,019	230,518	79,512	310,030
Total comprehensive income:											
Profit for the year	0	0	0	0	0	0	6,024	0	6,024	3,158	9,182
Other comprehensive income for the period	0	0	0	0	3,155	0	0	8	3,163	464	3,627
Total	0	0	0	0	3,155	0	6,024	8	9,187	3,622	12,809
Transactions with owners, recognised directly in equity:											
Dividends paid	0	0	0	0	0	0	(2,372)	0	(2,372)	0	(2,372)
Dividends paid to non-controlling interests	0	0	0	0	0	0	0	0	0	(522)	(522)
Total	0	0	0	0	0	0	(2,372)	0	(2,372)	(522)	(2,894)
Balance at 30 Sept 2017	257,400	(6,088)	(32,963)	22,504	(146,645)	3,358	138,740	1,027	237,333	82,612	319,945

The Group	Share capital S$'000	Treasury shares S$'000	Capital reserve S$'000	Legal reserve S$'000	Translation reserve S$'000	Property/ asset revaluation reserve S$'000	Retained profits S$'000	Fair value reserve S$'000	Sub Total S$'000	Non-controlling interests S$'000	Total S$'000
Balance at 1 Apr 2016	257,400	(6,084)	(32,963)	22,174	(143,578)	3,358	130,860	721	231,888	80,660	312,548
Total comprehensive income:											
Profit for the year	0	0	0	0	0	0	1,235	0	1,235	2,616	3,851
Other comprehensive income for the period	0	0	0	0	(6,701)	0	0	203	(6,498)	(1,647)	(8,145)
Total	0	0	0	0	(6,701)	0	1,235	203	(5,263)	969	(4,294)
Transactions with owners, recognised directly in equity:											
Purchase of treasury shares	0	(4)	0	0	0	0	0	0	(4)	0	(4)
Dividends paid to non-controlling interests	0	0	0	0	0	0	0	0	0	(6,349)	(6,349)
Total	0	(4)	0	0	0	0	0	0	(4)	(6,349)	(6,353)
Balance at 30 Jun 2016	257,400	(6,088)	(32,963)	22,254	(150,279)	3,358	132,015	924	226,621	75,280	301,901
Total comprehensive income:											
Profit for the year	0	0	0	0	0	0	2,600	0	2,600	3,396	5,996
Other comprehensive income for the period	0	0	0	0	961	0	0	(173)	788	493	1,281
Total	0	0	0	0	961	0	2,600	(173)	3,388	3,889	7,277
Transactions with owners, recognised directly in equity:											
Dividends paid	0	0	0	0	0	0	(1,581)	0	(1,581)	0	(1,581)
Capital reductions to non-controlling interests	0	0	0	0	0	0	0	0	0	(885)	(885)
Dividends paid to non-controlling interests	0	0	0	0	0	0	0	0	0	(15)	(15)
Total	0	0	0	0	0	0	(1,581)	0	(1,581)	(900)	(2,481)
Balance at 30 Sept 2016	257,400	(6,088)	(32,963)	22,254	(149,318)	3,358	133,034	751	228,428	78,269	306,697

The Company	Share capital S$'000	Treasury shares S$'000	Retained profits S$'000	Translation reserve S$'000	Total S$'000
Balance at 1 Apr 2017	257,400	(6,088)	4,828	(5,500)	250,640
Total comprehensive income					
Loss for the period	0	0	(8,209)	0	(8,209)
Other comprehensive income	0	0	0	1,250	1,250
	0	0	(8,209)	1,250	(6,959)
Balance at 30 Jun 2017	257,400	(6,088)	(3,381)	(4,250)	243,681
Total comprehensive income					
Loss for the period	0	0	(5,633)	0	(5,633)
Other comprehensive loss	0	0	0	1,517	1,517
	0	0	(5,633)	1,517	(4,116)
Transactions with owners, recognised directly in equity:					
Dividends paid	0	0	(2,372)	0	(2,372)
Balance at 30 Sept 2017	257,400	(6,088)	(11,386)	(2,733)	237,193

The Company	Share capital S$'000	Treasury shares S$'000	Retained profits S$'000	Translation reserve S$'000	Total S$'000
Balance at 1 Apr 2016	257,400	(6,084)	3,962	(2,472)	252,806
Total comprehensive income					
Loss for the period	0	0	(5,611)	0	(5,611)
Other comprehensive income	0	0	0	(194)	(194)
	0	0	(5,611)	(194)	(5,805)
Transactions with owners, recognised directly in equity:					
Purchase of treasury shares	0	(4)	0	0	(4)
Balance at 30 Jun 2016	257,400	(6,088)	(1,649)	(2,666)	246,997
Total comprehensive income					
Profit for the period	0	0	6,341	0	6,341
Other comprehensive loss	0	0	0	(1,005)	(1,005)
	0	0	6,341	(1,005)	5,336
Transactions with owners, recognised directly in equity:					
Dividends paid	0	0	(1,581)	0	(1,581)
Balance at 30 Sept 2016	257,400	(6,088)	3,111	(3,671)	250,752

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 was no change in the share capital of the Company from 30 June 2017 to 30 September 2017. There were no shares that may be issued on conversion of any outstanding convertibles as at 30 September 2017 and 30 September 2016.

As at 30 September 2017, the Company held 6,690,200 (30 September 2016: 6,690,200) of its issued shares as treasury shares. The treasury shares held represents 4.23% (30 September 2016: 4.23%) of the total number of issued shares (excluding treasury shares). The Company has no subsidiary holdings or other convertibles as at 30 September 2017 and 30 September 2016.

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 Sept 2017**	**31 Mar 2017**
Total number of issued shares	164,806,752	164,806,752
Less: Number of treasury shares	(6,690,200)	(6,690,200)
Total number of issued shares excluding treasury shares	158,116,552	158,116,552

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

As at 30 September 2017, there were no sales, transfers, cancellation and/or use of treasury shares.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no subsidiary holdings during and as at the end of the financial period ended 30 September 2017.

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 2017, 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 2017.

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 commencing on 1 April 2017 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.

	Q2 ended 30 Sept 2017	Q2 ended 30 Sept 2016	H1 ended 30 Sept 2017	H1 ended 30 Sept 2016
Earnings per share ("EPS") in cents Basic & Diluted	3.81	1.64	5.77	2.43
Number of shares: Weighted average number of ordinary shares used in calculating basic & diluted EPS	158,116,552	158,116,552	158,116,552	158,116,689

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 Sept 2017	**31 Mar 2017**	**30 Sept 2017**	**31 Mar 2017**
Net asset value per ordinary share	S$1.50	S$1.43	S$1.50	S$1.59

Net asset value per ordinary share as at 30 September 2017 and 31 March 2017 were computed based on 158,116,552 and 158,116,552 ordinary shares respectively.

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 September 2017 was S$226.0 million, an increase of 16.5% over the corresponding period last year. Turnover for the six months ended 30 September 2017 was S$433.2 million, an increase of 16.6% over the corresponding period last year.

Sales of primary batteries increased by 15.8% and 17.1% for the three months and six months ended 30 September 2017 respectively over the corresponding periods last year. Sales of rechargeable batteries increased by 23.2% and 17.1% for the three months and six months ended 30 September 2017 respectively over the corresponding periods last year.

Sales increased across all regions. Sales in the Americas, Asia and Europe increased by 37.8%, 15.8% and 5.3% respectively for the three months ended 30 September 2017 as compared to the corresponding period last year. For the six months ended 30 September 2017, sales in the Americas, Asia and Europe increased by 41.0%, 8.1% and 23.5% respectively as compared to the corresponding period last year.

Profit before income tax for the three months and six months ended 30 September 2017 were S$12.5 million and S$21.1 million respectively as compared to S$10.4 million and S$17.2 million over the respective corresponding periods last year. Gross profit margins for the three months and six months ended 30 September 2017 were 20.7% and 22.0% respectively as compared to 22.5% and 22.0% in the respective corresponding periods last year. The decrease in gross profit margins in this quarter was mainly due to increase in material costs.

Distribution expenses for the three months and six months ended 30 September 2017 were S$15.6 million and S$31.8 million respectively as compared to S$16.5 million and S$30.3 million over the respective corresponding periods last year. The decrease was mainly due to the reduction in provision for doubtful debt of about S$2.3 million as a result of continuous improvement in the payment performance and ageing profile from the PRC distribution network.

Finance costs for the three months and six months ended 30 September 2017 were S$2.1 million and S$3.9 million respectively as compared to S$1.6 million and S$3.3 million over the respective corresponding periods last year. The increase was mainly due to increase in borrowings for the land acquisition in Ningbo, PRC as well as financing the new production facilities in Malaysia and Vietnam.

Net other operating income for the three months ended 30 September 2017 was S$4.2 million as compared to S$5.7 million over the corresponding period last year mainly due to (i) a foreign exchange loss of S$2.6 million was recorded this year as compared to a foreign exchange gain of S$2.0 million last year; (ii) a gain on disposal of property, plant and equipment of S$5.7 million was recorded this year as compared to S$3.0 million last year; (iii) an impairment loss for property, plant and equipment of S$1.4 million recorded in this year arising from the Group's plan to upgrade existing machines and to automate manufacturing processes; and (iv) a government grant of S$1.2 million was recorded this year as compared to S$0.3 million last year. For the six months ended 30 September 2017, net other operating income was S$3.5 million as compared to S$8.6 million over the corresponding period last year. Besides the aforementioned gain on property disposal, impairment loss for property, plant and equipment and government grant, the decrease was mainly due to a foreign exchange loss of S$4.4 million recorded this year as compared to a foreign exchange gain of S$3.9 million last year.

Share of profits of associates for the three months and six months ended 30 September 2017 were S$0.4 million and S$1.3 million respectively as compared to S$1.3 million and S$2.9 million over the respective corresponding periods last year mainly due to lower profit contributions from STL Group and T.G. Battery.

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

Not applicable.

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.

Competition is keen and there is pressure from increasing commodity prices and the RMB appreciation. The new production capacity in Malaysia is contributing to the business growth, and the operations in Vietnam are in the process of obtaining major customers' approval for volume production.

The Group's strategy of consolidating smaller factories in China and Taiwan into larger ones for future competitiveness is on schedule. The Group will also continue to invest in building the "GP" brand and expanding the global network.

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?

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

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/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, Victor Lo Chung Wing 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 2017 to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720 (1)

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Victor Lo Chung Wing
Chairman and Chief Executive Officer

Richard Ku Yuk Hing
Vice Chairman

10 November 2017