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

First Quarter Financial Statement For the Period Ended 30 June 2015

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 2015. These figures have not been audited.

	Note	Q1 ended 30 June 2015 S$'000	Q1 ended 30 June 2014 S$'000	Change %
Revenue		189,406	174,367	8.6
Cost of sales		(145,499)	(133,455)	9.0
Gross profit		43,907	40,912	7.3
Other operating income & expenses		11	(7)	n/m
Distribution expenses		(15,547)	(13,538)	14.8
Administrative expenses		(19,791)	(18,243)	8.5
Finance costs		(1,267)	(1,368)	(7.4)
Profit before share of results of associates		7,313	7,756	(5.7)
Share of results of associates		803	149	438.9
Profit before income tax	A	8,116	7,905	2.7
Income tax	B	(2,048)	(2,978)	(31.2)
Profit after income tax		6,068	4,927	23.2
Attributable to:				
Equity holders of the Company		2,833	2,342	21.0
Non-controlling interests		3,235	2,585	25.1
		6,068	4,927	23.2
Gross profit margin		23.2%	23.5%	

n/m denotes "not meaningful"

Statement of Comprehensive Income

The Group	Q1 ended 30 Jun 2015 S$'000	Q1 ended 30 Jun 2014 S$'000
Profit for the period	6,068	4,927
Other comprehensive income:		
Items that may be subsequently reclassified to Profit or Loss:		
Translation differences arising from consolidation of foreign operations	(7,220)	(1,882)
Fair value loss on available-for-sale financial assets	(425)	(572)
Other comprehensive income for the period	(7,645)	(2,454)
Total comprehensive income for the period	(1,577)	2,473
Total comprehensive income for the period attributable to:		
Equity holders of the Company	(3,084)	434
Non-controlling interests	1,507	2,039
	(1,577)	2,473

Notes to the Income Statement

		Q1 ended 30 Jun 2015 S$'000	Q1 ended 30 Jun 2014 S$'000
(A)	Profit before taxation is arrived at after crediting (charging) the following:		
	Depreciation	(5,395)	(4,996)
	Foreign exchange loss [(i)]	(335)	(571)
	Gain (loss) on disposal of property, plant and equipment, net [(i)]	20	(6)
	Government grant [(i)]	400	67
	Property, plant and equipment written off [(i)]	(142)	(25)
(B)	Income tax is inclusive of:		
	Overprovision in respect of prior years' taxation	1,181	195

[(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.

		The Group		The Company	
	Note	30 Jun 2015	31 Mar 2015	30 Jun 2015	31 Mar 2015
		S$'000	S$'000	S$'000	S$'000
Non-current assets					
Investment property		1,709	1,747	0	0
Property, plant & equipment		206,633	211,553	679	787
Interest in subsidiaries		0	0	332,797	332,877
Interest in associates		46,742	46,606	16,382	16,382
Available-for-sales investments		5,153	5,699	0	0
Deferred tax assets		3,689	3,661	0	0
Goodwill on consolidation		14,396	14,709	0	0
Deposits and prepayments		798	705	0	0
Total non-current assets		279,120	284,680	349,858	350,046
Current assets					
Stocks		105,239	101,123	0	0
Debtors	A	140,681	128,782	94,448	105,275
Tax recoverable		1,297	3,615	0	0
Deposits and prepayments	B	13,729	9,747	3,507	1,086
Bank balances and cash		86,708	81,042	6,469	6,987
		347,654	324,309	104,424	113,348
Assets held for sale		70	70	0	0
Total current assets		347,724	324,379	104,424	113,348
Current liabilities					
Creditors and accrued charges	C	161,076	135,922	132,967	139,930
Derivative financial instruments		275	195	0	0
Obligations under finance leases		176	196	0	0
Income tax payable		3,396	1,854	278	269
Bank loans and overdrafts		124,909	124,926	64,625	60,855
Total current liabilities		289,832	263,093	197,870	201,054
Net current assets (liabilities)		57,892	61,286	(93,446)	(87,706)
Non-current liabilities					
Obligations under finance leases		176	120	0	0
Deferred tax liabilities		3,062	3,317	0	0
Total non-current liabilities		3,238	3,437	0	0
Net assets		333,774	342,529	256,412	262,340
Represented by:					
Issued capital		257,400	257,400	257,400	257,400
Treasury shares	D	(654)	0	(654)	0
Reserves		4,873	7,957	(334)	4,940
Attributable to equity holders of the Company		261,619	265,357	256,412	262,340
Non-controlling interests		72,155	77,172	0	0
		333,774	342,529	256,412	262,340

Explanatory Notes to the Statement of Financial Position

(A) Debtors
Decrease in the Company's debtors was mainly due to receipt of dividend receivable from a subsidiary.

(B) Deposits and Prepayment (Current)
In June 2015, the Company entered into a S$85 million three-year term loan facility agreement. As the facility was utilised after 30 June 2015, the related fee of about S$2.1 million paid in June had been treated as prepayment.

(C) Creditors and accrued charges
Increase in the Group's creditors and accrued charges was mainly due to purchase of raw material to meet expected increase in sales in the coming quarter.

(D) Treasury Shares
During the quarter ended 30 June 2015, the Company purchased 699,200 issued shares via open market purchase. All such purchased shares were held as treasury shares as at 30 June 2015.

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

	As at 30 Jun 2015 S$'000	As at 31 Mar 2015 S$'000
Amount repayable in one year or less, or on demand		
Unsecured:		
Long term bank loans		
- scheduled repayments within 12 months	2,111	1,172
- not repayable within 12 months but contain a repayment on demand clause	2,826	-
Short term bank loans	107,250	110,120
Import and export loans	12,722	13,634
	124,909	124,926
Secured:		
Obligations under finance leases	176	196
Amount repayable after one year		
Unsecured:		
Long term bank loans	-	-
Secured:		
Obligations under finance leases	176	120

Details of any collateral

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

As at 30 Jun 2015		As at 31 Mar 2015	
The Group	The Company	The Group	The Company
S$666,000	S$NIL	S$556,000	S$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.

	Q1 30 Jun 2015 S$'000	Q1 30 Jun 2014 S$'000
Operating activities		
Profit before income tax	8,116	7,905
Adjustments for:		
Allowance for doubtful debts (trade)	46	165
Allowance for stock, net	135	855
Depreciation	5,395	4,996
Finance costs	1,267	1,368
Interest income	(299)	(255)
(Gain) Loss on disposal of property, plant and equipment	(20)	6
Property, plant and equipment written off	142	25
Realised loss (gain) on derivative financial instruments	61	(2)
Share of results of associates	(803)	(149)
Unrealised fair value loss of derivative financial instruments	80	124
Unrealised foreign exchange loss	335	1,176
Operating profit before working capital changes	14,455	16,214
Stocks	(6,404)	(3,438)
Debtors	(14,622)	(8,106)
Deposits and prepayments	(2,068)	538
Creditors and accrued charges	28,264	8,585
Cash generated from operations	19,625	13,793
Income tax paid	1,929	(2,718)
Net cash generated from operating activities	21,554	11,075

	Q1 30 Jun 2015 S$'000	Q1 30 Jun 2014 S$'000
Investing activities		
Deposits paid for purchase of property, plant and equipment	(408)	(58)
Dividends received from associates	0	290
Interest received	299	255
Investment in associates	0	(304)
Proceeds on disposal of property, plant and equipment	39	504
Purchase of property, plant and equipment	(4,666)	(2,225)
Net cash used in investing activities	(4,736)	(1,538)
Financing activities		
Drawdown of term loan	4,710	0
Payment of front end fee	(2,125)	0
Repayment of term loans	(919)	(5,356)
Other short term bank loans paid	(2,120)	(13,834)
Interest paid	(1,413)	(1,390)
Dividends paid to minority shareholders	(6,524)	(3,119)
Non trade balances due from associates	(83)	184
Non trade balances due to associates	(88)	17
Purchase of treasury shares	(654)	0
Repayment of obligations under finance leases	(49)	(52)
Net cash used in financing activities	(9,265)	(23,550)
Net increase (decrease) in cash and cash equivalents	7,553	(14,013)
Cash and cash equivalents at beginning of period	81,042	93,979
Effect of exchange rate changes on the balance of cash held in foreign currencies	(1,887)	(1,043)
Cash and cash equivalents at end of period	86,708	78,923

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 2015	257,400	0	(32,963)	22,001	(123,147)	3,358	137,502	1,206	265,357	77,172	342,529
Total comprehensive income:											
Profit for the year	0	0	0	0	0	0	2,833	0	2,833	3,235	6,068
Other comprehensive income for the period	0	0	0	0	(5,492)	0	0	(425)	(5,917)	(1,728)	(7,645)
Total	0	0	0	0	(5,492)	0	2,833	(425)	(3,084)	1,507	(1,577)
Transactions with owners, recognised directly in equity:											
Purchase of treasury shares	0	(654)	0	0	0	0	0	0	(654)	0	(654)
Dividends paid to non-controlling interests	0	0	0	0	0	0	0	0	0	(6,524)	(6,524)
Total	0	(654)	0	0	0	0	0	0	(654)	(6,524)	(7,178)
Balance at 30 Jun 2015	257,400	(654)	(32,963)	22,001	(128,639)	3,358	140,335	781	261,619	72,155	333,774

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 2014	257,400	0	(32,963)	21,778	(131,161)	3,358	128,452	1,382	248,246	61,802	310,048
Total comprehensive income:											
Profit for the year	0	0	0	0	0	0	2,342	0	2,342	2,585	4,927
Other comprehensive income for the period	0	0	0	0	(1,336)	0	0	(572)	(1,908)	(546)	(2,454)
Total	0	0	0	0	(1,336)	0	2,342	(572)	434	2,039	2,473
Transactions with owners, recognised directly in equity:											
Dividends paid to non-controlling interests	0	0	0	0	0	0	0	0	0	(3,119)	(3,119)
Total	0	0	0	0	0	0	0	0	0	(3,119)	(3,119)
Balance at 30 Jun 2014	257,400	0	(32,963)	21,778	(132,497)	3,358	130,794	810	248,680	60,722	309,402

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 2015	257,400	0	9,372	(4,432)	262,340
Total comprehensive income					
Loss for the period	0	0	(6,511)	0	(6,511)
Other comprehensive loss	0	0	0	1,237	1,237
	0	0	(6,511)	1,237	(5,274)
Transactions with owners, recognised directly in equity:					
Purchase of treasury shares	0	(654)	0	0	(654)
Balance at 30 Jun 2015	257,400	(654)	2,861	(3,195)	256,412

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 2014	257,400	0	20,405	(20)	277,785
Total comprehensive income					
Loss for the period	0	0	(3,329)	0	(3,329)
Other comprehensive loss	0	0	0	(491)	(491)
	0	0	(3,329)	(491)	(3,820)
Balance at 30 Jun 2014	257,400	0	17,076	(511)	273,965

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 was no change in the share capital of the Company from 31 March 2015 to 30 June 2015. There were no shares that may be issued on conversion of any outstanding convertibles as at 30 June 2015 and 30 June 2014.

As at 30 June 2015, the Company held 699,200 (30 June 2014: Nil) of its issued shares as treasury shares.

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 June 2015**	**31 March 2015**
Total number of issued shares	164,806,752	164,806,752
Less: Number of treasury shares	(699,200)	-
Total number of issued shares excluding treasury shares	164,107,552	164,806,752

During the quarter ended 30 June 2015, the Company purchased 699,200 issued shares via open market purchase and all these shares were held as treasury shares at at 30 June 2015.

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 2015, 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 2015, 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 2015.

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 2015 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.

	Q1 ended 30 Jun 2015	Q1 ended 30 Jun 2014
Earnings per share ("EPS") in cents		
Basic & Diluted	1.72	1.42
Number of shares		
Weighted average number of ordinary shares used in calculating basic & diluted EPS	164,708,784	164,806,752

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 Jun 2015	**31 Mar 2015**	**30 Jun 2015**	**31 Mar 2015**
Net asset value per ordinary share	S$1.59	S$1.61	S$1.56	S$1.59

Net asset value per ordinary share as at 30 June 2015 and 31 March 2015 were computed based on 164,107,552 and 164,806,752 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 June 2015 was S$189.4 million, an increase of 8.6% over the corresponding period last year. Sales of rechargeable batteries increased by 20.8% and sales of primary batteries increased by 5.5% as compared to the corresponding period last year.

Sales in the Americas and Asia increased by 11.0% and 12.7% respectively while sales in Europe decreased by 6.9% for the three months ended 30 June 2015 over the corresponding period last year.

Profit before income tax for the three months ended 30 June 2015 was S$8.1 million as compared to S$7.9 million over the corresponding period last year. Gross profit margin was 23.2% as compared to 23.5% over the corresponding period last year.

Distribution expenses for the three months ended 30 June 2015 were S$15.5 million, an increase of 14.8% over the corresponding period last year mainly due to increase in turnover and additional expenditure in advertising and promotion globally for brand building.

Share of profit of associates for the three months ended 30 June 2015 was S$0.8 million as compared to S$0.1 million over the corresponding period last year mainly due to improved performance of STL Group.

During the quarter, the Group entered into a S$85 million three-year term loan facility agreement with six banks. The facility was drawn down on 6 July 2015. Proceeds will be used to repay existing short term borrowings as well as for general corporate and working capital purposes.

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.

Sales in European region have slowed down in this quarter and similar challenges are expected in the next quarter. However, the Group is seeing encouraging results from the Asian region and in the rechargeable battery business.

Net bank borrowings have reduced further. The Group's balance sheet and cashflow are expected to remain healthy. The Group will continue to explore opportunities to invest for future growth.

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 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 first quarter ended 30 June 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Victor Lo Chung Wing
Chairman and Chief Executive Officer

Richard Ku Yuk Hing
Vice Chairman

5 August 2015