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

Second Quarter and Half Year Financial Statement and Dividend Announcement
For the Period Ended 30 September 2016

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 2016. These figures have not been audited.

	Note	Q2 ended 30 Sept 2016 S$'000	Q2 ended 30 Sept 2015 S$'000 Restated	Change %	H1 ended 30 Sept 2016 S$'000	H1 ended 30 Sept 2015 S$'000 Restated	Change %
Revenue		194,028	213,086	(8.9)	371,417	402,492	(7.7)
Cost of sales		(150,304)	(166,145)	(9.5)	(289,768)	(311,644)	(7.0)
Gross profit		43,724	46,941	(6.9)	81,649	90,848	(10.1)
Other operating income & expenses		5,717	14,131	(59.5)	8,633	14,142	(39.0)
Distribution expenses		(16,471)	(21,720)	(24.2)	(30,346)	(37,267)	(18.6)
Administrative expenses		(22,220)	(23,388)	(5.0)	(42,339)	(43,179)	(1.9)
Finance costs		(1,616)	(1,957)	(17.4)	(3,331)	(3,224)	3.3
Profit before share of results of associates		9,134	14,007	(34.8)	14,266	21,320	(33.1)
Share of results of associates		1,268	1,561	(18.8)	2,934	2,364	24.1
Profit before income tax	A	10,402	15,568	(33.2)	17,200	23,684	(27.4)
Income tax	B	(4,406)	(2,922)	50.8	(7,353)	(4,970)	47.9
Profit after income tax		5,996	12,646	(52.6)	9,847	18,714	(47.4)
Attributable to:							
Equity holders of the Company		2,600	9,754	(73.3)	3,835	12,587	(69.5)
Non-controlling interests		3,396	2,892	17.4	6,012	6,127	(1.9)
		5,996	12,646	(52.6)	9,847	18,714	(47.4)
Gross profit margin		22.5%	22.0%		22.0%	22.6%	

Certain comparative figures have been restated

Statement of Comprehensive Income

The Group	Q2 ended 30 Sept 2016 S$'000	Q2 ended 30 Sept 2015 S$'000	H1 ended 30 Sept 2016 S$'000	H1 ended 30 Sept 2015 S$'000
Profit for the period	5,996	12,646	9,847	18,714
Other comprehensive income:				
Items that may be subsequently reclassified to Profit or Loss:				
Translation differences arising from consolidation of foreign operations	1,454	1,154	(6,894)	(6,066)
Fair value gain (loss) on available-for-sale financial assets	(173)	(533)	30	(958)
Other comprehensive income (loss) for the period	1,281	621	(6,864)	(7,024)
Total comprehensive income for the period	7,277	13,267	2,983	11,690
Total comprehensive income for the period attributable to:				
Equity holders of the Company	3,388	7,861	(1,875)	4,777
Non-controlling interests	3,889	5,406	4,858	6,913
	7,277	13,267	2,983	11,690

Notes to the Income Statement	Q2 ended 30 Sept 2016 S$'000	Q2 ended 30 Sept 2015 S$'000	H1 ended 30 Sept 2016 S$'000	H1 ended 30 Sept 2015 S$'000
(A) Profit before taxation is arrived at after crediting (charging) the following:				
Depreciation	(4,213)	(5,475)	(8,532)	(10,870)
Foreign exchange gain[(i)]	1,951	9,159	3,932	8,824
Gain on disposal of property, plant and equipment, net [(i)]	3,039	4,031	3,100	4,051
Government grant [(i)]	274	764	683	1,164
Property, plant and equipment written off [(i)]	(164)	(175)	(281)	(317)
(B) Income tax is inclusive of:				
Over/(under) provision in respect of prior years' taxation	103	(5)	623	1,176

[(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 2016	31 Mar 2016	30 Sept 2016	31 Mar 2016
		S$'000	S$'000	S$'000	S$'000
Non-current assets					
Investment property		1,669	1,672	0	0
Property, plant & equipment		191,907	194,039	2,105	1,142
Interest in subsidiaries		0	0	327,224	336,614
Interest in associates		47,925	46,329	16,382	16,382
Available-for-sales investments		5,891	5,777	0	0
Deferred tax assets		3,733	3,729	0	0
Goodwill on consolidation		11,716	11,548	0	0
Deposits and prepayments		3,944	3,095	3,944	3,046
Total non-current assets		266,785	266,189	349,655	357,184
Current assets					
Stocks	A	103,578	110,353	0	0
Debtors	B	142,113	123,485	105,123	100,048
Tax recoverable		1,287	754	0	0
Deposits and prepayments		12,815	10,904	2,167	1,985
Bank balances and cash		110,685	110,978	11,797	6,797
Total current assets		370,478	356,474	119,087	108,830
Current liabilities					
Creditors and accrued charges	C	164,987	143,653	105,493	100,410
Derivative financial instruments		200	497	0	0
Obligations under finance leases		121	113	0	0
Income tax payable		3,482	2,108	140	147
Bank loans and overdrafts		125,945	118,142	79,027	69,336
Total current liabilities		294,735	264,513	184,660	169,893
Net current assets (liabilities)		75,743	91,961	(65,573)	(61,063)
Non-current liabilities					
Bank loans		33,330	43,315	33,330	43,315
Obligations under finance leases		53	79	0	0
Deferred tax liabilities		2,448	2,208	0	0
Total non-current liabilities		35,831	45,602	33,330	43,315
Net assets		306,697	312,548	250,752	252,806
Represented by:					
Issued capital		257,400	257,400	257,400	257,400
Treasury shares	D	(6,088)	(6,084)	(6,088)	(6,084)
Reserves		(22,884)	(19,428)	(560)	1,490
Attributable to equity holders of the Company		228,428	231,888	250,752	252,806
Non-controlling interests		78,269	80,660	0	0
		306,697	312,548	250,752	252,806

Explanatory Notes to the Statement of Financial Position

(A) Stocks

Decrease in stocks is mainly due to stepped up effort in inventory control.

(B) Debtors

Increase in debtors is mainly due to higher turnover in this quarter (ie, Q2 2016/17) as compared to the last quarter of last financial year (ie, Q4 2015/16).

(C) Creditors and accrued charges

Increase in creditors and accrued charges is mainly due to increase in trade creditors as a result of higher turnover in this quarter (ie, Q2 2016/17) as compared to the last quarter of last financial year (ie, Q4 2015/16).

(D) Treasury Shares

During the six months ended 30 September 2016, the Company purchased 5,000 issued shares via open market purchase. All such purchased shares were held as treasury shares as at 30 September 2016. There was no utilization of these treasury shares to date.

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

	As at 30 Sept 2016 S$'000	As at 31 Mar 2016 S$'000
Amount repayable in one year or less, or on demand		
Unsecured:		
Long term bank loans		
- scheduled repayments within 12 months	30,476	28,375
- not repayable within 12 months but contain a repayment on demand clause	1,911	2,825
Short term bank loans	71,077	62,060
Import and export loans	22,481	24,882
	125,945	118,142
Secured:		
Obligations under finance leases	121	113
Amount repayable after one year		
Unsecured:		
Long term bank loans	33,330	43,315
Secured:		
Obligations under finance leases	53	79

Details of any collateral

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

As at 30 Sept 2016		As at 31 Mar 2016	
The Group S$'000	**The Company S$'000**	**The Group S$'000**	**The Company S$'000**
226	NIL	234	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 2016 S$'000	Q2 30 Sept 2015 S$'000 Restated	YTD 30 Sept 2016 S$'000	YTD 30 Sept 2015 S$'000 Restated
Operating activities				
Profit before income tax	10,402	15,568	17,200	23,684
Adjustments for:				
Allowance for doubtful debts (trade)	49	3,931	82	3,977
Allowance for stock, net	419	788	864	923
Depreciation of property, plant and equipment	4,213	5,475	8,532	10,870
Finance costs	1,616	1,957	3,331	3,224
Interest income	(156)	(334)	(346)	(633)
Gain on disposal of property, plant and equipment, net	(3,039)	(4,031)	(3,100)	(4,051)
Property, plant and equipment written off	164	175	281	317
Realised (gain) loss on derivative financial instruments	(49)	184	(49)	245
Share of results of associates	(1,268)	(1,561)	(2,934)	(2,364)
Unrealised fair value loss (gain) on derivative financial instruments	34	160	(132)	240
Unrealised foreign exchange loss (gain)	597	(6,319)	(1,527)	(5,984)
Operating profit before working capital changes	12,982	15,993	22,202	30,448
Stocks	763	2,951	7,521	(3,453)
Debtors	(9,585)	(11,222)	(17,052)	(25,844)
Deposits and prepayments	(777)	1,989	(942)	(79)
Creditors and accrued charges	14,949	4,627	19,550	32,891
Cash generated from operations	18,332	14,338	31,279	33,963
Income tax (paid) refund	(2,896)	(1,820)	(5,426)	109
Net cash generated from operating activities	15,436	12,518	25,853	34,072

	Q2 30 Sept 2016 S$'000	Q2 30 Sept 2015 S$'000 Restated	YTD 30 Sept 2016 S$'000	YTD 30 Sept 2015 S$'000 Restated
Investing activities				
Deposits paid for purchase of property, plant and equipment	1,276	200	(461)	(208)
Dividends received from associates	1,144	1,041	1,237	1,041
Interest received	156	334	346	633
Proceeds on disposal of property, plant and equipment	4,361	3,402	4,862	3,441
Purchase of property, plant and equipment	(6,754)	(5,507)	(11,176)	(10,173)
Net cash from (used in) investing activities	183	(530)	(5,192)	(5,266)
Financing activities				
Drawdown of term loan	4,094	85,000	4,094	89,710
Payment of front end fee	0	0	0	(2,125)
Repayment of term loans	(6,800)	(120)	(14,544)	(1,039)
Other short term bank loans obtained (paid)	3,738	(49,104)	5,572	(51,224)
Interest paid	(1,647)	(966)	(3,421)	(2,379)
Capital reductions paid to non-controlling shareholders	(885)	0	(885)	0
Dividends paid	(1,581)	(4,073)	(1,581)	(4,073)
Dividends paid to non-controlling interests	(15)	0	(6,364)	(6,524)
Non trade balances due from associates	(95)	(33)	(533)	(116)
Non trade balances due to associates	7	466	16	378
Purchase of treasury shares	0	(3,187)	(4)	(3,841)
Repayment of obligations under finance leases	(53)	(46)	(62)	(95)
Net cash (used in) from financing activities	(3,237)	27,937	(17,712)	18,672
Net increase in cash and cash equivalents	12,382	39,925	2,949	47,478
Cash and cash equivalents at beginning of period	99,890	86,708	110,978	81,042
Effect of exchange rate changes on the balance of cash held in foreign currencies	(1,587)	728	(3,242)	(1,159)
Cash and cash equivalents at end of period	110,685	127,361	110,685	127,361

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 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)
Transfer to (from) reserves	0	0	0	80	0	0	(80)	0	0	0	0
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 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
Total comprehensive income:											
Profit for the year	0	0	0	0	0	0	9,754	0	9,754	2,892	12,646
Other comprehensive income for the period	0	0	0	0	(1,360)	0	0	(533)	(1,893)	2,514	621
Total	0	0	0	0	(1,360)	0	9,754	(533)	7,861	5,406	13,267
Transactions with owners, recognised directly in equity:											
Purchase of treasury shares	0	(3,187)	0	0	0	0	0	0	(3,187)	0	(3,187)
Dividends paid	0	0	0	0	0	0	(4,073)	0	(4,073)	0	(4,073)
Total	0	(3,187)	0	0	0	0	(4,073)	0	(7,260)	0	(7,260)
Transfer to (from) reserves	0	0	0	173	0	0	(173)	0	0	0	0
Balance at 30 Sept 2015	257,400	(3,841)	(32,963)	22,174	(129,999)	3,358	145,843	248	262,220	77,561	339,781

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

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 income	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
Total comprehensive income					
Profit for the period	0	0	7,394	0	7,394
Other comprehensive loss	0	0	0	(3,623)	(3,623)
	0	0	7,394	(3,623)	3,771
Transactions with owners, recognised directly in equity:					
Purchase of treasury shares	0	(3,187)	0	0	(3,187)
Dividends paid	0	0	(4,073)	0	(4,073)
Balance at 30 Sept 2015	257,400	(3,841)	6,182	(6,818)	252,923

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 2016 to 30 September 2016. There were no shares that may be issued on conversion of any outstanding convertibles as at 30 September 2016 and 30 September 2015.

As at 30 September 2016, the Company held 6,690,200 (30 September 2015: 4,232,200) 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 Sept 2016**	**31 Mar 2016**
Total number of issued shares	164,806,752	164,806,752
Less: Number of treasury shares	(6,690,200)	(6,685,200)
Total number of issued shares excluding treasury shares	158,116,552	158,121,552

During the six months ended 30 September 2016, the Company purchased 5,000 (30 September 2015: 4,232,200) issued shares via open market purchase and all these shares were held as treasury shares as at 30 September 2016.

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 September 2016, 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 2016, 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 2016.

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 2016 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 2016	**Q2 ended 30 Sept 2015**	**H1 ended 30 Sept 2016**	**H1 ended 30 Sept 2015**
Earnings per share ("EPS") in cents Basic & Diluted	1.64	6.00	2.43	7.69
Number of shares: Weighted average number of ordinary shares used in calculating basic & diluted EPS	158,116,552	162,514,214	158,116,689	163,605,504

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 2016	**31 Mar 2016**	**30 Sept 2016**	**31 Mar 2016**
Net asset value per ordinary share	S$1.44	S$1.47	S$1.59	S$1.60

Net asset value per ordinary share as at 30 September 2016 and 31 March 2016 were computed based on 158,116,552 and 158,121,552 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 2016 was S$194.0 million, a decrease of 8.9% over the corresponding period last year. Turnover for the six months ended 30 September 2016 was S$371.4 million, a decrease of 7.7% over the corresponding period last year.

Global demands for primary batteries and Nickel Metal Hydride batteries were very slow growing and price competition was very keen. Sales of primary batteries decreased by 6.8% and 5.4% for the three months and six months ended 30 September 2016 respectively over the corresponding periods last year. Sales of rechargeable batteries decreased by 20.6% and 17.5% for the three months and six months ended 30 September 2016 respectively over the corresponding periods last year. The drop in the revenue of rechargeable batteries was mainly due to the discontinuation of a contract with a major customer of the Taiwan plant.

Sales in the Americas and Asia decreased by 34.0% and 12.8% respectively while sales in Europe increased by 33.5% for the three months ended 30 September 2016 over the corresponding period last year. For the six months ended 30 September 2016, sales in the Americas and Asia decreased by 38.0% and 8.5% respectively while sales in Europe increased by 31.6% as compared to the corresponding period last year. The decrease in sales in the Americas and increase in sales in Europe were largely due to the relocation of the procurement office of a major customer from the USA to Europe.

Profit before income tax for the three months and six months ended 30 September 2016 was S$10.4 million and S$17.2 million respectively as compared to S$15.6 million and S$23.7 million over the respective corresponding periods last year. Gross profit margins for the three months and six months ended 30 September 2016 were 22.5% and 22.0% respectively as compared to 22.0% and 22.6% in the respective corresponding periods last year.

Distribution expenses for the three months and six months ended 30 September 2016 were S$16.5 million and S$30.3 million respectively as compared to S$21.7 million and S$37.3 million over the respective corresponding periods last year. The decrease is mainly due to the lower advertising and promotion expenses during the period and the provision for doubtful debt of S$4.0 million made in the second quarter last year.

Finance costs for the three months and six months ended 30 September 2016 were S$1.6 million and S$3.3 million respectively as compared to S$2.0 million and S$3.2 million over the respective corresponding periods last year. The reduction in the quarter is mainly due to lower interest rates for the S$85 million three-year term loan facility as a result of the improvement in one of the key financial ratios that determines the interest margin applicable.

Net other operating income for the three months and six months ended 30 September 2016 was S$5.7 million and S$8.6 million respectively as compared to S$14.1 million and S$14.1 million over the respective corresponding periods last year mainly due to a smaller foreign exchange gain of S$2.0 million recorded this year as compared to a foreign exchange gain of S$9.2 million last year.

Share of profits of associates for the three months and six months ended 30 September 2016 was S$1.3 million and S$2.9 million respectively as compared to S$1.6 million and S$2.4 million over the respective corresponding periods last year. The performance of AZ Limited, the Group's 40%-owned associate in Russia, has recovered significantly whilst the performance of STL Group has decreased compared to the same period last year.

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.

The market for primary batteries and Nickel Metal Hydride batteries is expected to continue with slow growth, and price competition is expected to remain very keen. There are apparently quite a bit of unsold capacity among competitors in Asia.

The rechargeable Lithium battery business, while representing less than 5 percent of the Group's business currently, will require some time to develop new applications and new key customers to replace the contract lost by the Taiwan plant. Development of the new factories in Malaysia and Vietnam is on schedule and is expected to bring in additional revenue during the coming six to twelve months. At the same time, the Group is downsizing some of the smaller plants, such as the ones in Taiwan and Shanghai, consolidating those production facilities with the bigger plants in Ningbo, Guangdong and Malaysia. Some of the more labour intensive manufacturing may be moved to Vietnam. This is incurring closure cost during the current financial year. However, overall cost competitiveness is expected to improve when the consolidation is completed.

The Group will continue to invest on building the "GP" brand and expanding the distribution network globally.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

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

(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)	3.0 cents
Tax rate	Tax-exempt (one-tier)

(c) Date payable

To be announced later.

(d) Books closure date

To be announced later

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 2016 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 2016