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

First Quarter Financial Statements For the Financial Period Ended 30 June 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 first quarter ("Q1") ended 30 June 2017. These figures have not been audited.

	Note	Q1 ended 30 June 2017 S$'000	Q1 ended 30 June 2016 S$'000	Change %
Revenue		207,247	177,389	16.8
Cost of sales		(158,836)	(139,464)	13.9
Gross profit		48,411	37,925	27.6
Other operating income & expenses		(725)	2,916	n/m
Distribution expenses		(16,185)	(13,875)	16.6
Administrative expenses		(22,017)	(20,119)	9.4
Finance costs		(1,819)	(1,715)	6.1
Profit before share of results of associates		7,665	5,132	49.4
Share of results of associates		898	1,666	(46.1)
Profit before income tax	A	8,563	6,798	26.0
Income tax	B	(2,675)	(2,947)	(9.2)
Profit after income tax		5,888	3,851	52.9
Attributable to:				
Equity holders of the Company		3,099	1,235	150.9
Non-controlling interests		2,789	2,616	6.6
		5,888	3,851	52.9
Gross profit margin		23.4%	21.4%	

n/m denotes "not meaningful"

The Group	Q1 ended 30 Jun 2017 S$'000	Q1 ended 30 Jun 2016 S$'000
Statement of Comprehensive Income		
Profit for the period	5,888	3,851
Other comprehensive income:		
Items that may be subsequently reclassified to Profit or Loss:		
Translation differences arising from consolidation of foreign operations	1,131	(8,348)
Fair value gain (loss) on available-for-sale financial assets	0	203
Other comprehensive income (loss) for the period	1,131	(8,145)
Total comprehensive income for the period	7,019	(4,294)
Total comprehensive income for the period attributable to:		
Equity holders of the Company	4,322	(5,263)
Non-controlling interests	2,697	969
	7,019	(4,294)

Notes to the Income Statement

(A)	Profit before taxation is arrived at after crediting (charging) the following:		
	Depreciation	(4,611)	(4,319)
	Gain (Loss) on foreign exchange[(i)]	(1,728)	1,981
	Gain on disposal of property, plant and equipment, net [(i)]	102	61
	Government grant [(i)]	566	409
	Property, plant and equipment written off [(i)]	(259)	(117)
(B)	Income tax is inclusive of:		
	Overprovision in respect of prior years' taxation	23	520

[(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 Jun 2017	31 Mar 2017	30 Jun 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	226,900	201,850	4,728	4,566
Interest in subsidiaries		0	0	341,420	341,445
Interest in associates		52,392	52,722	16,382	16,382
Available-for-sales investments		6,214	6,291	0	0
Deferred tax assets		3,646	3,549	0	0
Goodwill on consolidation		11,823	11,970	0	0
Deposits and prepayments		3,533	6,052	951	952
Total non-current assets		304,508	284,225	363,481	363,345
Current assets					
Stocks	C	120,969	107,210	0	0
Debtors		144,326	143,299	85,956	95,248
Tax recoverable		2,615	2,356	0	0
Deposits and prepayments		15,907	15,674	1,676	1,798
Bank balances and cash		102,457	115,167	10,512	6,985
		386,274	383,706	98,144	104,031
Assets held for sale	D	10,091	1,057	0	0
Total current assets		396,365	384,763	98,144	104,031
Current liabilities					
Creditors and accrued charges		190,461	180,551	107,369	97,177
Obligations under finance leases		67	87	0	0
Income tax payable		2,259	2,628	152	149
Bank loans and overdrafts	E	178,260	152,276	96,145	97,509
Total current liabilities		371,047	335,542	203,666	194,835
Net current assets (liabilities)		25,318	49,221	(105,522)	(90,804)
Non-current liabilities					
Bank loans	E	16,735	23,368	14,278	21,901
Obligations under finance leases		84	94	0	0
Deferred tax liabilities		2,977	2,919	0	0
Total non-current liabilities		19,796	26,381	14,278	21,901
Net assets		310,030	307,065	243,681	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		(20,794)	(25,116)	(7,631)	(672)
Attributable to equity holders of the Company		230,518	226,196	243,681	250,640
Non-controlling interests		79,512	80,869	0	0
		310,030	307,065	243,681	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, has been reclassified to Asset Held for Sale (See Note (D) below).

(B) Property, plant & equipment
Increase in property, plant & equipment was mainly due to acquisition of land for construction of factory building by Ningbo GP Pairdeer Batteries Co. Ltd, the Group's 70%-owned subsidiary. Details are set out in announcement of award of land tender on 17 May 2017.

(C) Stocks
Increase in stocks was 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 property, plant and equipment and investment property (See Note (A) above). 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 A above, as well as to finance the expansion of the facilities in Malaysia.

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

	As at 30 Jun 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	34,837	32,226
- not repayable within 12 months but contain a repayment on demand clause	12,113	8,951
Short term bank loans	110,186	89,834
Import and export loans	21,124	21,265
	178,260	152,276
Secured:		
Obligations under finance leases	67	87
Amount repayable after one year		
Unsecured:		
Long term bank loans	16,735	23,368
Secured:		
Obligations under finance leases	84	94

Details of any collateral

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

As at 30 Jun 2017		As at 31 Mar 2017	
The Group S$'000	**The Company S$'000**	**The Group S$'000**	**The Company S$'000**
229	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.

	Q1 30 Jun 2017 S$'000	Q1 30 Jun 2016 S$'000
Operating activities		
Profit before income tax	8,563	6,798
Adjustments for:		
Allowance for doubtful debts (trade)	25	33
Allowance for stock, net	165	445
Depreciation of property, plant and equipment	4,611	4,319
Finance costs	1,819	1,715
Interest income	(286)	(190)
Gain on disposal of property, plant and equipment, net	(102)	(61)
Property, plant and equipment written off	259	117
Share of results of associates	(898)	(1,666)
Unrealised fair value gain on derivative financial instruments	0	(166)
Unrealised foreign exchange loss (gain)	758	(2,124)
Operating profit before working capital changes	14,914	9,220
Stocks	(15,241)	6,758
Debtors	(1,494)	(7,467)
Deposits and prepayments	(2,722)	(165)
Creditors and accrued charges	12,194	4,601
Cash generated from operations	7,651	12,947
Income tax paid	(2,794)	(2,530)
Net cash generated from operating activities	4,857	10,417

	Q1 30 Jun 2017 S$'000	Q1 30 Jun 2016 S$'000
Investing activities		
Deposits paid for purchase of property, plant and equipment	(1,675)	(1,737)
Dividends received from associates	0	93
Interest received	286	190
Proceeds on disposal of property, plant and equipment	3,245	501
Purchase of property, plant and equipment	(34,303)	(4,422)
Net cash used in investing activities	(32,447)	(5,375)
Financing activities		
Drawdown of term loans	7,758	0
Repayment of term loans	(8,518)	(7,744)
Other short term bank loans obtained	20,970	1,834
Interest paid	(1,763)	(1,774)
Dividends paid to non-controlling interests	(4,054)	(6,349)
Non trade balances due from associates	(19)	(438)
Non trade balances due to associates	76	9
Purchase of treasury shares	0	(4)
Repayment of obligations under finance leases	(60)	(9)
Net cash from (used in) financing activities	14,390	(14,475)
Net decrease in cash and cash equivalents	(13,200)	(9,433)
Cash and cash equivalents at beginning of period	115,167	110,978
Effect of exchange rate changes on the balance of cash held in foreign currencies	490	(1,655)
Cash and cash equivalents at end of period	102,457	99,890

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

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

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

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

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 31 March 2017 to 30 June 2017. There were no shares that may be issued on conversion of any outstanding convertibles as at 30 June 2017 and 30 June 2016.

As at 30 June 2017, the Company held 6,690,200 (30 June 2016: 6,690,200) of its issued shares as treasury shares. The treasury shares held represents 4.23% (30 June 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 June 2017 and 30 June 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 June 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 June 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 June 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.

	Q1 ended 30 June 2017	**Q1 ended 30 June 2016**
Earnings per share ("EPS") in cents Basic & Diluted	1.96	0.78
Number of shares: Weighted average number of ordinary shares used in calculating basic & diluted EPS	158,116,552	158,116,827

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 2017	**31 Mar 2017**	**30 Jun 2017**	**31 Mar 2017**
Net asset value per ordinary share	S$1.46	S$1.43	S$1.54	S$1.59

Net asset value per ordinary share as at 30 June 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 June 2017 was S$207.2 million, an increase of 16.8% over the corresponding period last year. Sales of primary batteries and rechargeable batteries increased by 18.6% and 11.3% respectively over the corresponding period last year.

Sales increased across all regions. Sales in both the Americas and Europe increased by 45.7% over the corresponding period last year.

Profit before income tax for the three months ended 30 June 2017 was S$8.6 million as compared to S$6.8 million over the corresponding period last year. Gross margin was 23.4% as compared to 21.4% in the corresponding period last year. The increase in gross margin was mainly due to the increase in sales of rechargeable batteries which contributed a higher gross margin.

Distribution expenses for the three months ended 30 June 2017 were S$16.2 million as compared to S$13.9 million in the corresponding period last year mainly due to increase in turnover.

Administrative expenses for the three months ended 30 June 2017 were S$22.0 million as compared to S$20.1 million in the corresponding period last year mainly due to the increase in staff costs.

Finance costs for the three months ended 30 June 2017 were S$1.8 million as compared to S$1.7 million in the corresponding period last year mainly due to increase in borrowings for the land acquisition in Ningbo, PRC as well as to finance the new production facilities in Malaysia and Vietnam.

Share of profit of associates for the three months ended 30 June 2017 was S$0.9 million as compared to S$1.7 million in the corresponding period last year mainly due to lower profit contributions from STL Group and T.G. Battery.

Net other operating expenses for the three months ended 30 June 2017 were S$0.7 million as compared to a net other operating income of S$2.9 million in the corresponding period last year mainly due to a foreign exchange loss of S$1.7 million which was recorded this year as compared to a foreign exchange gain of S$2.0 million 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 Group is expected to grow its business during the coming period in spite of the rise in commodity price and keen competition in the industry, as the expected new production capacity in Malaysia will continue contributing to the business growth.

Global demands for primary batteries and Nickel Metal Hydride rechargeable batteries are expected to be slow growing. The Group will continue to focus on brand building and distribution network expansion in selected markets.

The Group's strategy is to continue to consolidate the smaller factories in China and Taiwan into larger ones to benefit from economies of scale for future competitiveness. The Group understands that the older sites in Huizhou could be rezoned by the local government as non-industrial sites and is therefore actively seeking buyers to dispose of those sites. The Taiwan plant has ceased production for about 1 year and will also be disposed of. Accordingly, these properties have been reclassified as assets held for sale in the statement of financial position.

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, Richard Ku Yuk Hing and Leung Pak Chuen, 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 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

Richard Ku Yuk Hing
Vice Chairman

Leung Pak Chuen
Director

8 August 2017