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

First Quarter Financial Statement For the Period Ended 30 June 2014

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 2014. These figures have not been audited.

	Q1 ended 30 June 2014 S$'000	Q1 ended 30 June 2013 S$'000	Change %
Revenue	174,367	163,936	6.4
Cost of sales	(133,455)	(125,462)	6.4
Gross profit	40,912	38,474	6.3
Other operating income & expenses	(7)	712	n/m
Distribution expenses	(13,538)	(10,922)	24.0
Administrative expenses	(18,243)	(20,282)	(10.1)
Finance costs	(1,368)	(1,792)	(23.7)
Profit before share of results of associates	7,756	6,190	25.3
Share of results of associates	149	(1,646)	n/m
Profit before income tax	7,905	4,544	74.0
Income tax	(2,978)	(2,646)	12.5
Profit after income tax	4,927	1,898	159.6
Attributable to:			
Equity holders of the Company	2,342	107	2,088.8
Non-controlling interests	2,585	1,791	44.3
	4,927	1,898	159.6
Gross profit margin	23.5%	23.5%	

n/m denotes "not meaningful"

Statement of Comprehensive Income

The Group	Q1 ended 30 Jun 2014 S$'000	Q1 ended 30 Jun 2013 S$'000
Profit for the period	4,927	1,898
Other comprehensive income (loss):		
Items that may be subsequently reclassified to Profit or Loss:		
Translation differences arising from consolidation of foreign operations	(1,882)	8,435
Fair value gain (loss) on available-for-sale financial assets	(572)	0
Other comprehensive income for the period	(2,454)	8,435
Total comprehensive income for the period	2,473	10,333
Attributable to:		
Equity holders of the Company	434	7,141
Non-controlling interests	2,039	3,192
	2,473	10,333

	Q1 ended 30 Jun 2014 S$'000	Q1 ended 30 Jun 2013 S$'000
Profit from operations is arrived at after crediting (charging) the following:		
Depreciation and amortisation	(4,996)	(6,165)
Included in other operating income & expenses:		
Foreign exchange (loss) gain	(571)	23
(Loss) Gain on disposal of property, plant and equipment	(6)	468
Government grant	67	54
Impairment loss on property, plant and equipment	0	(68)
Property, plant and equipment written off	(25)	(147)
Technical, marketing development & engineering fee income	65	0
Over (Under) provision of prior years' tax	195	(357)

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 30 June 2014	The Group 31 March 2014	The Company 30 June 2014	The Company 31 March 2014
	S$'000	S$'000	S$'000	S$'000
Non-current assets				
Investment property	1,586	1,601	0	0
Property, plant & equipment	209,817	215,240	751	772
Interest in subsidiaries	0	0	332,321	332,354
Interest in associates	51,597	52,066	16,382	16,382
Available-for-sales investments	4,110	4,722	0	0
Deferred tax assets	5,753	5,713	0	0
Goodwill on consolidation	13,356	13,485	0	0
Deposits and prepayments	193	156	16	16
Total non-current assets	286,412	292,983	349,470	349,524
Current assets				
Stocks	97,081	95,396	0	0
Debtors	129,939	122,570	111,861	117,583
Tax recoverable	824	896	0	0
Deposits and prepayments	7,340	7,996	556	564
Bank balances and cash	78,953	93,979	6,776	10,661
	314,137	320,837	119,193	128,808
Assets held for sale	1,847	1,847	0	0
Total current assets	315,984	322,684	119,193	128,808
Current liabilities				
Creditors and accrued charges	153,566	146,314	124,724	121,032
Derivative financial instruments	653	679	0	0
Obligations under finance leases	292	291	63	64
Income tax payable	2,589	2,502	261	257
Bank loans and overdrafts	130,155	149,813	69,650	79,152
Total current liabilities	287,255	299,599	194,698	200,505
Net current assets (liabilities)	28,729	23,085	(75,505)	(71,697)
Non-current liabilities				
Bank loans	1,964	2,103	0	42
Obligations under finance leases	68	108	0	0
Deferred tax liabilities	3,707	3,809	0	0
Total non-current liabilities	5,739	6,020	0	42
Net assets	309,402	310,048	273,965	277,785
Represented by:				
Share Capital	257,400	257,400	257,400	257,400
Reserves	(8,720)	(9,154)	16,565	20,385
Attributable to equity holders of the Company	248,680	248,246	273,965	277,785
Non-controlling interests	60,722	61,802	0	0
	309,402	310,048	273,965	277,785

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

	As at 30 June 2014 S$'000	As at 31 March 2014 S$'000
Amount repayable in one year or less, or on demand		
Unsecured:		
Long term bank loans		
- scheduled repayments within 12 months	17,848	22,976
- not repayable within 12 months but contain a repayment on demand clause	960	1,074
Short term bank loans	98,154	112,390
Bank overdrafts	30	-
Import and export loans	13,163	13,373
	130,155	149,813
Secured:		
Obligations under finance leases	292	291
Amount repayable after one year		
Unsecured:		
Long term bank loans	1,964	2,103
Secured:		
Obligations under finance leases	68	108

Details of any collateral

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

As at 30 June 2014		As at 31 March 2014	
The Group	The Company	The Group	The Company
S$579,000	S$89,000	S$611,000	S$101,000

Other comments to paragraph 1(b)(ii)
Not applicable.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Q1 30 Jun 2014 S$'000	Q1 30 Jun 2013 S$'000
Operating activities		
Profit before income tax	7,905	4,544
Adjustments for:		
Allowance for doubtful debts (trade)	165	35
Allowance for stock, net	855	906
Depreciation and amortisation	4,996	6,165
Finance costs	1,368	1,792
Loss on disposal of available-for-sale investments	0	5
Impairment loss on property, plant and equipment	0	68
Interest income	(255)	(120)
Loss (Gain) on disposal of property, plant and equipment	6	(468)
Property, plant and equipment written off	25	147
Realised (gain) loss on derivative financial instruments	(2)	7
Share of results of associates	(149)	1,646
Unrealised fair value loss of derivative financial instruments	124	0
Unrealised foreign exchange loss (gain)	1,176	(373)
Operating profit before working capital changes	16,214	14,354
Stocks	(3,438)	(9,750)
Debtors	(7,922)	(5,689)
Deposits and prepayments	538	(795)
Creditors and accrued charges	8,602	15,640
Cash generated from operations	13,994	13,760
Income tax paid	(2,718)	(1,605)
Net cash generated from operating activities	11,276	12,155

	Q1 30 Jun 2014 S$'000	Q1 30 Jun 2013 S$'000
Investing activities		
Deposits paid for purchase of property, plant and equipment	(58)	0
Dividends received from associates	290	521
Interest received	255	119
Investment in associates	(304)	(165)
Proceeds on disposal of available-for-sale investments	0	371
Proceeds on disposal of property, plant and equipment	504	28
Purchase of property, plant and equipment	(2,225)	(4,431)
Net cash used in investing activities	(1,538)	(3,557)
Financing activities		
Repayment of term loans	(5,356)	(5,061)
Other short term bank loans (paid) obtained	(13,834)	332
Interest paid	(1,390)	(1,733)
Dividends paid to minority shareholders	(3,119)	(1,880)
Repayment of obligations under finance leases	(52)	(135)
Net cash used in financing activities	(23,751)	(8,477)
Net (decrease) increase in cash and cash equivalents	(14,013)	121
Cash and cash equivalents at beginning of period	93,979	63,463
Effect of exchange rate changes on the balance of cash held in foreign currencies	(1,043)	1,582
Cash and cash equivalents at end of period	78,923	65,166
Cash and cash equivalents at end of period comprise:		
Bank balances and cash	78,953	66,085
Bank overdrafts	(30)	(919)
	78,923	65,166

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$'000	Capital reserve S$'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 April 2014	257,400	(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	2,342	0	2,342	2,585	4,927
Other comprehensive income for the period	0	0	0	(1,336)	0	0	(572)	(1,908)	(546)	(2,454)
Total	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	(3,119)	(3,119)
Total	0	0	0	0	0	0	0	0	(3,119)	(3,119)
Balance at 30 June 2014	257,400	(32,963)	21,778	(132,497)	3,358	130,794	810	248,680	60,722	309,402

The Group	Share capital S$'000	Capital reserve S$'000	Legal reserve S$'000	Translation reserve S$'000	Property/ asset revaluation reserve S$'000	Retained profits S$'000	Share option reserve S$'000	Sub Total S$'000	Non-controlling interests S$'000	Total S$'000
Balance at 1 April 2013	231,257	(34,002)	21,407	(135,009)	3,358	180,746	1,133	268,890	53,452	322,342
Total comprehensive income:										
Profit for the year	0	0	0	0	0	107	0	107	1,791	1,898
Other comprehensive income for the period	0	0	0	7,034	0	0	0	7,034	1,401	8,435
Total	0	0	0	7,034	0	107	0	7,141	3,192	10,333
Transactions with owners, recognised directly in equity:										
Dividends paid to non-controlling interests	0	0	0	0	0	0	0	0	(1,880)	(1,880)
Total	0	0	0	0	0	0	0	0	(1,880)	(1,880)
Transfer to (from) reseves	0	0	57	0	0	(57)	0	0	0	0
Balance at 30 June 2013	231,257	(34,002)	21,464	(127,975)	3,358	180,796	1,133	276,031	54,764	330,795

The Company	Share capital S$'000	Retained profits S$'000	Share option reserve S$'000	Translation reserve S$'000	Total S$'000
Balance at 1 April 2014	257,400	20,405	0	(20)	277,785
Total comprehensive income					
Loss for the period	0	(3,329)	0	0	(3,329)
Other comprehensive loss	0	0	0	(491)	(491)
	0	(3,329)	0	(491)	(3,820)
Balance at 30 June 2014	257,400	17,076	0	(511)	273,965
Balance at 1 April 2013	231,257	64,564	1,133	213	297,167
Total comprehensive income					
Loss for the period	0	(2,920)	0	0	(2,920)
Other comprehensive loss	0	0	0	(235)	(235)
	0	(2,920)	0	(235)	(3,155)
Balance at 30 June 2013	231,257	61,644	1,133	(22)	294,012

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no movements in the share capital of the Company from 31 March 2014 to 30 June 2014. There were no shares that may be issued on conversion of any outstanding convertibles as at 30 June 2014 and 31 March 2014. The Company did not hold any of its issued shares as treasury shares as at 30 June 2014 and 31 March 2014.

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 2014**	**31 March 2014**
Total number of issued shares	164,806,752	164,806,752
Less: Treasury shares	-	-
Total number of issued shares excluding treasury shares	164,806,752	164,806,752

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 2014, 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 2014, 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 2014.

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 2014 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 2014	Q1 ended 30 June 2013
		(Restated) (1)
Earnings per share ("EPS") in cents		
Basic & Diluted	1.42	0.09
Number of shares		
Weighted average number of ordinary shares used in calculating basic & diluted EPS	164,806,752	117,562,150

(1) Restated for the effects of the rights issue completed in March 2014

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 June 2014 S$	31 March 2014 S$	30 June 2014 S$	31 March 2014 S$
Net asset value per ordinary share based on issued share capital at the end of the period	1.51	1.51	1.66	1.69

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 2014 was S$174.4 million, an increase of 6.4% over the corresponding period last year. While sales of rechargeable batteries decreased by 16.3%, sales of primary batteries increased by 14.5% over the corresponding period last year.

Compared to the corresponding period last year, sales across all regions for the three months ended 30 June 2014 increased by 5.1% in Asia, 5.6% in Europe and 16.1% in the Americas.

Profit before income tax for the three months ended 30 June 2014 was S$7.9 million as compared to S$4.5 million over the corresponding period last year. Gross profit margin at 23.5% was the same as in the corresponding period last year.

Distribution expenses for the three months ended 30 June 2014 were S$13.5 million, an increase of 24% over the corresponding period last year due to additional investment in advertising and promotion globally for brand building.

Administrative expenses for the three months ended 30 June 2014 were S$18.2 million, a decrease of 10% compared to the corresponding period last year due to the Group’s continuous effort to streamline and rationalize its operations.

Finance costs for the three months ended 30 June 2014 were S$1.4 million as compared to S$1.8 million over the corresponding period last year. This is mainly attributable to reduced borrowings from S$187 million as at 30 June 2013 to S$132 million as at 30 June 2014.

Share of results of associates for the three months ended 30 June 2014 was a profit of S$0.1 million as compared to a loss of S$1.6 million over the corresponding period last year mainly due to cessation of loss-making operations of the Vectrix group.

For the financial quarter, profit attributable to shareholders was S$2.3 million, compared to S$0.1 million for 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.

These results are in line with the statement made by the Company in the announcement of results for the financial year ended 31 March 2014 released on 29 May 2014.

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 expects satisfactory sales growth to continue with primary batteries. As it rationalizes its Lithium factories, it is expected that the Lithium rechargeable business will go through a period of consolidation before it returns to a growing pattern. The market for Nickel Metal Hydride batteries continues to be flat and highly price competitive.

Although there are political and economic uncertainties in some of the countries in Eastern Europe and Latin America, the Group is cautiously optimistic and striving to strengthen its position in emerging markets. With more focus on selected application segments, the Group is seeing design-in success in key customers in the industrial sector and expects sales increase in those areas in the coming quarters.

Cash flow of the Group is expected to improve further in the next quarter as the disposal of the factory building in Singapore was completed in July 2014. The Group will continue to explore opportunities to dispose of other non-core assets to further strengthen its 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 declare/recommended, a statement to that effect.

No dividend has been declared/recommended for the financial period ended 30 June 2014.

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 2014 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

12 August 2014