

GPA Holdings Berhad

Unaudited Interim Report for the Three Months Ended 30 June 2015

Condensed Consolidated Statement of Comprehensive Income*(The current year figures have not been audited)*

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding Quarter	To Date	Corresponding Period
	3 months ended	3 months ended	3 months ended	3 months ended
	30-06-15	30-06-14	30-06-15	30-06-14
	RM'000	RM'000	RM'000	RM'000
Sales	44,352	39,015	44,352	39,015
Cost of Sales	(44,946)	(37,939)	(44,946)	(37,939)
Gross (Loss)/ Profit	(594)	1,076	(594)	1,076
Other income				
- Non-operating income	1,437	1,325	1,437	1,325
- Interest income	-	-	-	-
	843	2,401	843	2,401
Operating Expenses	(2,284)	(3,157)	(2,284)	(3,157)
Loss from operations	(1,441)	(756)	(1,441)	(756)
Finance cost	(227)	(134)	(227)	(134)
Loss before tax	(1,668)	(890)	(1,668)	(890)
Tax	(36)	(21)	(36)	(21)
Loss after tax	(1,704)	(911)	(1,704)	(911)
Total comprehensive (expense)/ income for the period	(1,704)	(911)	(1,704)	(911)
Total comprehensive (expense)/ income attributable to:				
-Owners of the Company	(1,785)	(881)	(1,785)	(881)
-Non-controlling interests	81	(30)	81	(30)
Net comprehensive income for the period	(1,704)	(911)	(1,704)	(911)
Loss per share - basic (Sen)	(0.18)	(0.11)	(0.18)	(0.11)

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the financial statements for the financial year ended 31 March 2015

GPA Holdings Berhad
 Unaudited Interim Report as at June 2015
Condensed Consolidated Statement of Financial Position
(The current year figures have not been audited)

	As at 30-06-15 RM'000	As at 31-03-15 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	31,765	31,923
Investment properties	4,850	4,863
	<u>36,615</u>	<u>36,786</u>
Current assets		
Inventories	35,881	50,927
Receivables, deposits and prepayments	56,729	51,053
Tax Recoverable	1,205	1,081
Cash and bank balances	16,160	5,107
	<u>109,975</u>	<u>108,168</u>
TOTAL ASSETS	<u><u>146,590</u></u>	<u><u>144,954</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	98,049	78,439
Reserves	7,195	9,534
Shareholders' equity	<u>105,244</u>	<u>87,973</u>
Non-controlling interests	5,381	5,300
Total Equity	<u>110,625</u>	<u>93,273</u>
Non-current liabilities		
Deferred tax liabilities	44	44
Bank borrowings	695	680
	<u>739</u>	<u>724</u>
Current liabilities		
Trade Payables	10,514	14,570
Other payables	10,716	11,750
Loan from shareholder	6,000	11,000
Tax liabilities	52	52
Bank borrowings	7,944	13,585
	<u>35,226</u>	<u>50,957</u>
Total Liabilities	<u>35,965</u>	<u>51,681</u>
TOTAL EQUITY AND LIABILITIES	<u><u>146,590</u></u>	<u><u>144,954</u></u>
Net Assets per Share (RM)	<u>0.11</u>	<u>0.11</u>

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the financial statements for the financial year ended 31 March 2015

GPA Holdings Berhad

Unaudited Interim Report for the Three Months Ended 30 June 2015

Condensed Consolidated Statement of Changes in Equity

(The current year figures have not been audited)

Note	Attributable to equity holders of the Parent							Non-controlling interests RM '000	Total Equity RM '000
	Share Capital RM '000	Non-distributable			Distributable		Total Equity Funds RM '000		
		Share Premium RM '000	Available for sales reserves RM '000	Revaluation reserves RM '000	Retained Earnings RM '000	Total Equity Funds RM '000			
Balance as at 1 April 2014	78,439	6,803	-	549	8,019	93,810	4,161	97,971	
Total comprehensive (expense)/ income for the period	-	-	-	-	(5,837)	(5,837)	1,139	(4,698)	
Balance as at 31 March 2015	78,439	6,803	-	549	2,182	87,973	5,300	93,273	
Balance as at 1 April 2015	78,439	6,803	-	549	2,182	87,973	5,300	93,273	
Expenses on right issue	-	(554)	-	-	-	(554)	-	(554)	
Total comprehensive (expense)/ income for the period	-	-	-	-	(1,785)	(1,785)	81	(1,704)	
Issuance of new share	19,610	-	-	-	-	19,610	-	19,610	
Balance as at 30 June 2015	98,049	6,249	-	549	397	105,244	5,381	110,625	

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the financial statements for the financial year ended 31 March 2015

GPA Holdings Berhad

Unaudited Interim Report for the Three Months Ended 30 June 2015

Condensed Consolidated Statement of Cash flows*(The current year figures have not been audited)*

	3 months ended 30/06/15 RM'000	3 months ended 30/06/14 RM'000
Cash flows (for)/ from operating activities		
Cash receipts from customers	39,892	47,375
Cash paid to suppliers and employees	(41,517)	(43,446)
Interest received	-	-
Tax refund	-	510
Tax paid	(159)	(252)
Net cash (used in)/ from operating activities	(1,784)	4,187
Cash flows for investing activities		
Purchase of property, plant and equipment	(207)	(90)
Proceeds from disposal of property, plant and equipment	-	-
Net cash used in investing activities	(207)	(90)
Cash flows from/ (for) financing activities		
Net Repayment of borrowings	(2,885)	(5,787)
Interest paid	(227)	(134)
Proceeds on rights issue	19,056	-
repayments to hire purchase payables	(123)	(116)
Net cash from/ (used in) financing activities	15,821	(6,037)
Net increase/ (decrease) in cash and cash equivalents	13,830	(1,940)
Cash and cash equivalents at beginning of the period	2,330	3,970
Cash and cash equivalents at end of the period	16,160	2,030

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the financial statements for the financial year ended 31 March 2015

GPA HOLDINGS BERHAD

Notes to the Financial Information – First Quarter ended 30 June 2015

(The current year figures have not been audited)

A. Explanatory Notes Pursuant to MFRS 134

1) Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRSs") 134: Interim Financial Reporting in Malaysia and Appendix 9B of the ACE Market Listing Requirements of Bursa Securities ("Listing Requirements").

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2014. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2014.

2) Changes in Accounting Policies

The Group's financial statements was prepared in accordance with MFRSs, which is in line with International Financial Reporting Standards as issued by the International Accounting Standards Board. The adoptions of new and revised MFRSs, Amendments/Improvements to MFRSs, IC Interpretations and Amendments to IC Interpretations in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 March 2014.

- a) During the current financial period, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments):-

MFRSs and IC Interpretations (including the Consequential Amendments)

MFRS 10 Consolidated Financial Statements

MFRS 11 Joint Arrangements

MFRS 12 Disclosure of Interests in Other Entities

MFRS 13 Fair Value Measurement

MFRS 119 (2011) Employee Benefits

MFRS 127 (2011) Separate Financial Statements

MFRS 128 (2011) Investments in Associates and Joint Ventures

Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance

Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

Annual Improvements to MFRSs 2009 – 2011 Cycle

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's interim financial statements.

2) Changes in Accounting Policies (Cont'd)

- b) The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial period:-

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 (2009) Financial Instruments)
MFRS 9 (2010) Financial Instruments) To be
MFRS 9 Financial Instruments (Hedge Accounting and Amendments to MFRS 7, MFRS 9 and MFRS 139)) announced) by MASB
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures))
MFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities	1 January 2014
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014

3) Auditors' Report

The auditors' report on the financial statements for the financial year ended 31st March 2015 was not subject to any qualification.

4) Seasonal and Cyclical Factors

- Export Sales - High season for battery sales occur during the winter months and low season during the summer months.
- Local Sales - Low season for battery sales occur during the major festive months.

5) **Individually Significant Items**

There were no individually significant items for the current quarter and financial year-to-date.

6) **Material Changes in Estimates**

There were no material changes in estimates for the current quarter and financial year-to-date.

7) **Debt and Equity Securities**

The Company had on 4 June 2015 issued and allotted 196,097,520 ordinary shares of RM0.10 each ("Rights Shares") together with 490,243,800 free detachable warrants ("Warrants 2015/2025") pursuant to its Rights Issue with Warrants exercise which was completed on 10 June 2015. The Warrants 2015/2025 were admitted to the Official List and were granted Listing and quotation on the Main Market of Bursa Malaysia Securities Berhad. As at the date of this annual report, none of the Warrants 2015/2025 have been exercised.

8) **Dividends Paid**

No dividend was paid during the current quarter ended 30th June 2015.

9) **Segmental Reporting**

The Group is organized into three main business segments as follows:

	Automotive Batteries RM'000	Non- Automotive Batteries RM'000	Used Motor Vehicle RM'000	Eliminations RM'000	Group RM'000
Financial year-to-date ended 31 March 2015					
Revenue					
External revenue	<u>20,801</u>	<u>21,450</u>	<u>2,101</u>	<u>-</u>	<u>44,352</u>
Results					
Segment results	(2,044)	319	374	-	(1,351)
Unallocated expenses					(90)
Finance cost					(227)
Tax expense					(36)
Profit for the period					<u>(1,704)</u>
Net assets					
Segment assets	117,167	48,948	1,144	(97,995)	69,264
Unallocated assets					77,326
Total assets					<u>146,590</u>
Segment liabilities					
Segment liabilities	(354)	131,137	1,814	(97,995)	34,602
Unallocated liabilities					1,363
Total liabilities					<u>35,965</u>
Other information					
Capital expenditure	197	170	-	-	367
Depreciation	<u>465</u>	<u>71</u>	<u>-</u>	<u>-</u>	<u>536</u>

10) **Carrying Amount of Revalued Assets**

Property

A valuation of the Group's land and buildings by independent qualified valuers using the Comparison Method had been performed on the 31st March 2011. As no impairment was reflected in the valuation of the properties, the Group had decided not to revalue the properties in the financial year ended 31st March 2015.

11) **Material Events Subsequent to the End of the Interim Period**

There were no material events subsequent to the end of the interim period as at the date of this announcement.

12) **Changes in the Composition of the Group**

There were no changes in the composition of the Group for the current quarter and the financial year-to-date.

13) Contingent Liabilities / Assets

During the last financial year, a subsidiary company of the Group received a notice of claim from The Royal Custom of Malaysia for import duty amounting to RM3.97mil on the import of automotive batteries. The Group is in the process of disputing the claim with the relevant authorities.

14) Capital Commitments

There were no capital commitment as at the date of this announcement.

GPA HOLDINGS BERHAD

Notes to the Financial Information – First Quarter ended 30 June 2015

(The current year figures have not been audited)

B. Selected Explanatory Notes to the Interim Financial Report (Part A of Appendix 9B of Bursa Malaysia Listing Requirements)

1) Operating Segment Review

Automotive batteries segment

Revenue from the automotive batteries segment increased from RM16.50 million in the previous corresponding quarter to RM20.80 million in the current quarter primarily due to the increase of sales volume of imported maintenance free batteries.

Despite the increase in sales volume, this segment recorded a higher loss before tax (“LBT”) of RM2.26 million in the current quarter compared to loss before tax of RM781k in the previous year corresponding quarter as a result of higher production cost and higher import price for our maintenance-free batteries due to the higher raw materials cost and exchange rate, which was transacted at an average of RM3.66 to 1 USD during the quarter against RM3.23 to 1 USD in the previous year corresponding period.

Non-Automotive Batteries segment

Revenue for this segment declined by 4.73% from RM22.52 million in the previous corresponding quarter to RM21.45 million in the current quarter primarily due to lower export sales.

Despite the decrease in revenue, this segment recorded a profit before tax of RM306k in the current quarter compared to loss before tax of RM73k in previous corresponding mainly due to gain in foreign exchange on receivables.

Moving forward, with the scaling down in production for the automotive batteries, the Management will assess the viability of continuing with the production of non-automotive batteries due to rising raw materials cost and a lack of economy of scale.

Used Motor Vehicles segment

This segment recorded revenue of RM2.10 million with profit before tax of RM374k for the quarter under review.

2) Material Changes in Profit/(Loss) Before Tax for Current Quarter as Compared with the Immediate Preceding Quarter

The current quarter’s loss before tax of RM1.6 mil closed adversely compared to loss before tax of RM914k in the immediate preceding quarter due to declining margin in automotive segment.

3) **Current Year Prospects**

Automotive battery business division is expected to remain challenging with stiff competition coupled with the exposure to foreign exchange volatility. The Group will scale down further the production of automotive batteries and expand the business in the distribution and trading of imported maintenance-free batteries.

The current volatility in the foreign exchange and lead prices will continue to affect the overall cost of production and the corresponding margin for both the automotive and the non-automotive segments. As we scaled down the production of the automotive batteries, the unit production cost for the non-automotive segment is expected to increase due to a lack in economy of scale. As such, sales and profit margin for the non-automotive batteries is expected to decline in the future quarters.

Revenue from the used car trading segment is expected to drop in the coming quarter due to current market sentiment.

4) **Variance of Actual Profit from Forecast**

Not applicable.

5) **Statement on Revenue or Profit Estimate, Forecast, Projection or Internal Targets Previously Announced or Disclosed in a Public Document**

Not Applicable.

6) **Tax**

	<i>3 months ended 30/06/2015 RM'000</i>
In respect of current period:	
- income tax	36
- deferred tax	-
- (Over)/ Under provision of previous year	-
	<u>36</u>

The effective tax rate on the Group's loss before tax for the financial year-to-date ended 30th June 2015 is lower than the statutory tax rate of 25.0% due to the loss by certain subsidiaries.

7) **Corporate Proposals**

There were no corporate proposals announced but not completed as at the date of this report.

8) **Status of utilisation of proceeds from right issue**

The Company has raised RM19.610 million cash (“proceeds”) via its Right Issue Exercise which was completed on 10 June 2015. The following is the status of utilisation of proceeds as at 25 August 2015.

Purpose	Amount approved for Utilisation (RM'000)	Actual Utilisation (RM'000)	Intended Timeframe for Utilisation	Deviation		Explanations
				(RM'000)	%	
Repayment of bank borrowings	15,000	15,000	By 2 nd half of 2015	-	-	Completed
Working Capital	4,210	154	By 2 nd half of 2015	4,056	96%	Not fully incurred
Expenses for the Rights Issue	400	400	By 2 nd half of 2015	-	-	Completed
Total	19,610	15,554				

9) **Bank Borrowings**

Details of the Group’s bank borrowings as at 30th June 2015 are as follows:

	<i>RM'000</i>
Repayable within 12 months	
Term loan	195
Banker acceptance	2,650
Revolving credits	4,629
Hire purchase	470
	7,944
Repayable after 12 months	
Term loan	-
Hire purchase	695
	695

10) Material Litigation

- (i) GP Marketing Sdn Bhd (“GP Marketing”) had on 18 March 2014, via its solicitors served on Super HH Power Sdn Bhd (“Super HH”) and Chan Khong Fook and Mr Lee Tian Wah @ Lim Siew Wah (“Mr Lee”) (both acting as guarantors) (collectively referred to as the “Defendants”) a Writ of Summons and Statement of Claim filed vide Shah Alam High Court Civil Suit No. 22 NCVC-135-03/2014. GP Marketing is claiming against the Defendants for the payment of an aggregate outstanding sum of RM1,671,951.64 being the amount due and owing by the Defendants to GP Marketing in respect of automotive batteries supplied to Super HH. Chan Khong Fook has since passed away and GP Marketing has withdrawn the legal suit against the deceased. On 23 February 2015, GP Marketing has obtained a summary judgement against Super HH and Mr Lee as the guarantor. GP Marketing and Mr Lee have agreed on a settlement by virtue of an agreement signed on 12 June 2015 for partial settlement of the amount claimed.

(Note : The 4th Quarter quarterly financial results of the Company announced on 29 May 2015 contained an error where the deceased guarantor should read as “Mr Chan Khong Fook” and not as reported. The error is deeply regretted.)

- (ii) Pursuant to a compulsory acquisition by the Pentadbir Tanah Daerah Klang of a part of a land held under Lot PT 7836, H.S.(D) 17768, Mukim Kapar, District of Klang, Selangor (“Land”), GP Autobat Sdn Bhd (“GP Autobat”) has accepted with protest from the Pentadbir Tanah Daerah Klang the compensation award amounting to RM216,000.00 for the aforesaid land acquisition. GP Autobat has opted to object the compensation amount and have the matter on compensation sum to be referred to the Court. GP Autobat via its solicitors is claiming against the Pentadbir Tanah Daerah Klang vide High Court of Shah Alam Originating Summons No. 24-516-05/2014 for an additional sum of RM600,000.00 being compensation to GP Autobat for injury caused to the land as a result of the compulsory acquisition. GP Autobat has subsequently filed the Form N with the Pentadbir Tanah Daerah Klang to protest against the compensation awarded and the matter is now pending to be heard in Shah Alam High Court.

11) Dividends

No interim or final dividend has been declared or recommended to be paid during the quarter under review.

12) **Earnings per Share**

		<i>3 months ended</i>	
		<u>30/06/2015</u>	<u>30/06/2014</u>
Basic earnings per share			
Net profit attributable to ordinary equity holders of the parent company	(RM'000)	(1,785)	(881)
Total number of ordinary shares in issue	('000)	980,490	784,390
Basic earnings per share	(sen)	(0.18)	(0.11)

The basic earnings per share of the Group is calculated by dividing the profit attributable to ordinary equity holders of the Company against the total number of ordinary shares in issue during the period.

13) **Profit/(loss) Before Taxation**

Profit/ (loss) before taxation is arrived at after charging / (crediting):-

	Current Quarter YTD (RM'000)
Interest income	-
Other income including investment income	(739)
Interest expense	227
Depreciation and amortization	536
Write-off / (Write back) of receivables	(134)
Foreign exchange (gain)/ loss	(519)

14) **Realised and Unrealised Profits/(Losses) Disclosure**

The retained profits as at 30th June 2015 and 30th June 2014 are analysed as follows:-

	<i>30/06/15</i>	<i>30/06/14</i>
	<i>RM'000</i>	<i>RM'000</i>
Total retained earnings of the company and its subsidiaries:-		
- Realised	21,442	27,308
- Unrealised	(1,978)	(2,352)
Less: Consolidation adjustments	(19,067)	(17,818)
Total group retained earnings as per consolidated statements	<u>397</u>	<u>7,138</u>