

GPA Holdings Berhad

Unaudited Interim Report for the Six Months Ended 30 September 2015

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

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current	Preceding Year
	Quarter	Corresponding	Year To	Corresponding
	3 months ended	Quarter	Date	Period
	30-09-15	30-09-14	30-09-15	30-09-14
	RM'000	RM'000	RM'000	RM'000
Sales	44,692	35,082	89,044	74,097
Cost of Sales	(45,076)	(36,753)	(90,021)	(74,692)
Gross Loss	(384)	(1,671)	(977)	(595)
Other income				
- Non-operating income	5,106	2,371	6,543	3,696
- Interest income	8	-	9	1
	4,730	700	5,575	3,102
Operating Expenses	(4,492)	(2,728)	(6,775)	(5,885)
Profit/(Loss) from operations	238	(2,028)	(1,200)	(2,783)
Finance cost	(187)	(347)	(415)	(481)
Profit/(Loss) before tax	51	(2,375)	(1,615)	(3,264)
Tax	(233)	(99)	(269)	(120)
Loss after tax	(182)	(2,474)	(1,884)	(3,384)
Total comprehensive loss for the period	(182)	(2,474)	(1,884)	(3,384)
Total comprehensive loss attributable to:				
-Owners of the Company	(1,067)	(2,620)	(2,849)	(3,500)
-Non-controlling interests	885	146	965	116
Net comprehensive loss for the period	(182)	(2,474)	(1,884)	(3,384)
Loss per share - basic (Sen)	(0.11)	(0.33)	(0.29)	(0.45)

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 September 2015

Condensed Consolidated Statement of Financial Position*(The current year figures have not been audited)*

	As at 30-09-15 RM'000	As at 31-03-15 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	31,177	31,923
Investment properties	4,862	4,863
	<u>36,039</u>	<u>36,786</u>
Current assets		
Inventories	28,847	50,927
Receivables, deposits and prepayments	52,816	51,053
Cash and bank balances	15,874	5,107
	<u>98,698</u>	<u>108,168</u>
TOTAL ASSETS	<u>134,737</u>	<u>144,954</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	98,049	78,439
Reserves	6,129	9,534
Shareholders' equity	<u>104,178</u>	<u>87,973</u>
Non-controlling interests	6,266	5,300
Total Equity	<u>110,444</u>	<u>93,273</u>
Non-current liabilities		
Deferred tax liabilities	44	44
Bank borrowings	601	680
	<u>645</u>	<u>724</u>
Current liabilities		
Trade Payables	5,842	14,570
Other payables	13,099	11,750
Loan from shareholder	4,000	11,000
Tax liabilities	52	52
Bank borrowings	655	13,585
	<u>23,648</u>	<u>50,957</u>
Total Liabilities	<u>24,293</u>	<u>51,681</u>
TOTAL EQUITY AND LIABILITIES	<u>134,737</u>	<u>144,954</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 Six Months Ended 30 September 2015
Condensed Consolidated Statement of Changes in Equity
(The current year figures have not been audited)

	Share Capital RM '000	Attributable to equity holders of the Parent					Total Equity Funds RM '000	Non- controlling interests RM '000	Total Equity RM '000
		Non-distributable		Distributable					
		Share Premium RM '000	Available for sales reserves RM '000	Revaluation reserves RM '000	Retained Earnings 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	-	-	-	-	(2,851)	(2,851)	966	(1,885)	
Issuance of new share	19,610	-	-	-	-	19,610	-	19,610	
Balance as at 30 September 2015	98,049	6,249	-	549	(669)	104,178	6,266	110,444	

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 Six Months Ended 30 September 2015

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

	6 months ended 30/09/15 RM'000	6 months ended 30/09/14 RM'000
Cash flows from operating activities		
Cash receipts from customers	90,456	90,085
Cash paid to suppliers and employees	(84,626)	(86,380)
Interest received	9	1
Tax refund	-	510
Tax paid	(349)	(515)
<i>Net cash from operating activities</i>	5,490	3,701
Cash flows for investing activities		
Purchase of property, plant and equipment	(242)	(225)
Proceeds from disposal of property, plant and equipment	46	-
<i>Net cash used in investing activities</i>	(196)	(225)
Cash flows from/ (for) financing activities		
Net Repayment of borrowings	(10,148)	(4,960)
Interest paid	(415)	(481)
repayments to hire purchase payables	(243)	(231)
<i>Net cash from/ (used in) financing activities</i>	8,250	(5,672)
Net increase/ (decrease) in cash and cash equivalents	13,544	(2,196)
Cash and cash equivalents at beginning of the period	2,330	3,970
Cash and cash equivalents at end of the period	15,874	1,774

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 – Second Quarter ended 30 September 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 September 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 30 September 2015					
Revenue					
External revenue	40,420	42,137	6,487	-	89,044
Results					
Segment results	(5,537)	3,505	1,017	-	(1,015)
Unallocated expenses					(186)
Finance cost					(415)
Tax expense					(269)
Profit for the period					(1,884)
Net assets					
Segment assets	96,284	48,845	2,399	(89,751)	57,778
Unallocated assets					76,958
Total assets					134,736
Segment liabilities	(8,960)	119,689	2,179	(89,751)	23,157
Unallocated liabilities					1,135
Total liabilities					24,292
Other information					
Capital expenditure	231	170	-	-	401
Depreciation	945	146	-	-	1,091

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 – Second Quarter ended 30 September 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 RM18.85 million in previous corresponding quarter to RM19.61 million in current quarter. And in the 6 months cumulative period ended 30 September 2015, revenue was higher by 14.33% year on year to RM40.41 million primarily due to 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 RM3.67 million in the current quarter compared to loss before tax of RM2.67 million in the previous year corresponding quarter. Cumulative 6 months recorded a LBT of RM5.93 million closing adversely against last year by RM2.48 million.

The loss were attributed by high manufacturing cost primarily due to lack of economies of scale coupled with high exchange rate that affect the overall cost of raw materials and maintenance free batteries during the quarter.

Non-Automotive Batteries segment

Revenue for this segment increased by 27.48% from RM16.22 million in the previous corresponding quarter to RM20.68 million in the current quarter. Cumulative 6 months period, revenue grew by 8.76%. This was mainly due to increase in export sales.

This segment recorded a profit before tax (“PBT”) of RM3.18 million in current quarter compared to PBT of RM364k in previous corresponding quarter. Cumulative 6 months recorded a PBT of RM3.49 million compared to PBT of RM292k in last year corresponding period mainly due to gain in foreign exchange on receivables.

Used Motor Vehicles segment

This segment recorded revenue of RM4.38 million with profit before tax of RM642k for the quarter under review. Cumulative 6 month period, revenue grew to RM6.48 million with profit before tax RM1.01 million.

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

The current quarter’s recorded a profit before tax of RM51k compared to loss before tax of RM1.6 mil in the immediate preceding quarter due to higher gain in foreign exchange on receivables.

3) **Current Year Prospects**

The group has ceased its manufacturing operations in the month of November 2015. In line with the cessation, the Group is expected to incur losses higher than the previous year as a result of the retrenchment pay-out as well as impairment of fixed assets.

Going forward the group will focus on expanding into the distribution and trading platform for all its automotive battery. The batteries are out-sourced from reputable overseas manufacturer with core competencies in battery manufacturing using the latest equipment and technology. With that the group would be concentrating on distribution and focusing on rebuilding its brand to reach out to a wider market. The group anticipate a drop in overall revenue especially on the export sales for SLA batteries with the ceasing of the manufacturing of such products.

The current volatility in the foreign exchange will continue to affect the overall cost of importation and correspondingly the trading margin. The group will take necessary internal measures to mitigate this volatility and address the issue ahead in view of the fast pace changing landscape of the domestic automotive battery business.

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 30/09/2015 RM'000</i>	<i>6 months ended 30/09/2015 RM'000</i>
In respect of current period:		
- income tax	233	269
- deferred tax	-	-
- (Over)/ Under provision of previous year	-	-
	<u>233</u>	<u>269</u>

The effective tax rate on the Group's loss before tax for the financial year-to-date ended 30th September 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 November 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	4,210	By 2 nd half of 2015	-	-	Completed
Expenses for the Rights Issue	400	554	By 2 nd half of 2015	-154	-39	Expenses under estimate
Total	19,610	19,764				

9) **Bank Borrowings**

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

	<i>RM'000</i>
Repayable within 12 months	
Term loan	97
Banker acceptance	114
Revolving credits	-
Hire purchase	444
	655
Repayable after 12 months	
Term loan	-
Hire purchase	601
	601

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. The partial settlement was settled on 15 October 2015. On 29 October 2015, the High Court have allowed for a Summary Judgement against the Estate of deceased Mr Chan Khong Fook.
- (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.
- (iii) GP Autobat Sdn Bhd (“GPA”), had on 15 September 2015, been served with the Writ of Summons 2 September 2015 together with the Statement of Claims 1 September 2015 (bearing suit no. 22NCVC-477-09/2015) issued by the High Court of Malaya, Kuala Lumpur in relation to a claim filed by Battery Solutions Sdn Bhd (“BS”) through a firm of lawyers acting on its behalf. The Plaintiff alleged that on 14 September 2009, 28 February 2011 and 26 March 2011, the then Managing Director of GPA had committed on behalf of GPA to purchase a fixed quantity of grid panels on a monthly basis from BS through separate Contracts respectively. The Statement of Claim further alleged that the Defendant had breached the Contract by failing and/or refusing to purchase the requisite amount of battery grid panels from the Plaintiff which resulted in the Plaintiff suffering damages and losses. The Plaintiff seeks against GPA the sum of RM1,213,989.93 and other general damages. GPA’s solicitor is of the opinion that the above-mentioned Contracts can be legally challenged. However, as a prudent measure, GPA had provided for the amount of RM1,213,989.93 in its accounts, as such there is no further material financial impact on the Group. The litigation will not have any operational impact on the Group. GPAH will announce any material development arising from the above proceedings at the appropriate time.

11) Dividends

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

12) Earnings per Share

Basic earnings per share	3 months ended		6 months ended	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
Net profit attributable to (RM'000) ordinary equity holders of the parent company	(1,067)	(2,620)	(2,849)	(3,500)
Total number of ordinary ('000) shares in issue	980,490	784,390	980,490	784,390
Basic earnings per share (sen)	(0.11)	(0.33)	(0.29)	(0.45)

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)	YTD (RM'000)
Interest income	(8)	(9)
Other income including investment income	(826)	(1,565)
Interest expense	187	415
Depreciation and amortization	554	1,091
Write-off / (Write back) of receivables	(708)	(843)
Foreign exchange (gain)/ loss	(4,419)	(4,937)

14) Realised and Unrealised Profits/(Losses) Disclosure

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

	<i>30/09/15</i>	<i>30/09/14</i>
	<i>RM'000</i>	<i>RM'000</i>
Total retained earnings of the company and its subsidiaries:-		
- Realised	20,032	(552,944)
- Unrealised	(749)	575,427
Less: Consolidation adjustments	(19,952)	(17,964)
Total group retained earnings as per consolidated statements	<u>669</u>	<u>4,519</u>