

**GPA Holdings Berhad**

Unaudited Interim Report for the Three Months Ended 30 June 2016

**Condensed Consolidated Statement of Comprehensive Income**

*(The current year figures have not been audited)*

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	3 months ended 30/06/16 RM'000	30/06/15 RM'000	3 months ended 30/06/16 RM'000	30/06/15 RM'000
Sales	26,588	44,352	26,588	44,352
Cost of Sales	(24,192)	(44,946)	(24,192)	(44,946)
Gross Profit / (Loss)	2,396	(594)	2,396	(594)
Other income				
- Non-operating income	1,198	1,437	1,198	1,437
- Interest income	62	-	62	-
	3,656	843	3,656	843
Operating Expenses	(2,137)	(2,284)	(2,137)	(2,284)
Profit / (Loss) from operations	1,519	(1,441)	1,519	(1,441)
Finance cost	(19)	(227)	(19)	(227)
Profit / (Loss) before tax	1,500	(1,668)	1,500	(1,668)
Tax	(21)	(36)	(21)	(36)
Profit / (Loss) after tax	1,479	(1,704)	1,479	(1,704)
Total comprehensive income / (expense) for the period	1,479	(1,704)	1,479	(1,704)
Total comprehensive income / (expense) attributable to:				
-Owners of the Company	1,396	(1,785)	1,396	(1,785)
-Non-controlling interests	83	81	83	81
Net comprehensive income / (expense) for the period	1,479	(1,704)	1,479	(1,704)
Profit / (Loss) per share - basic (Sen)	0.14	(0.18)	0.14	(0.18)

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the financial statements for the financial year ended 31 March 2016

**GPA Holdings Berhad**

Unaudited Interim Report as at 30 June 2016

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

	As at 30/06/16 RM'000	As at 31/03/16 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	31,534	31,693
Investment property	14,777	14,800
	<u>46,311</u>	<u>46,493</u>
<b>Current assets</b>		
Inventories	15,946	18,367
Receivables, deposits and prepayments	34,026	40,336
Tax Recoverable	1,153	1,056
Cash and bank balances	20,170	13,459
Non-current assets held for sale	4,801	4813
	<u>76,096</u>	<u>78,031</u>
<b>TOTAL ASSETS</b>	<u><u>122,407</u></u>	<u><u>124,524</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	98,049	98,049
Reserves	7,498	6,102
<b>Shareholders' equity</b>	<u>105,547</u>	<u>104,151</u>
Non-controlling interests	4,180	4,097
<b>Total Equity</b>	<u>109,727</u>	<u>108,248</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	2,929	2,929
Bank borrowings	294	382
	<u>3,223</u>	<u>3,311</u>
<b>Current liabilities</b>		
Trade Payables	1,669	2,177
Other payables	7,475	10,147
Bank borrowings	313	641
	<u>9,457</u>	<u>12,965</u>
<b>Total Liabilities</b>	<u>12,680</u>	<u>16,276</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>122,407</u></u>	<u><u>124,524</u></u>
<b>Net Assets per Share (RM)</b>	<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 2016

**GPA Holdings Berhad**  
 Unaudited Interim Report for the Three Months Ended 30 June 2016  
**Condensed Consolidated Statement of Changes in Equity**  
*(The current year figures have not been audited)*

Note	Attributable to equity holders of the Parent							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	Non-controlling interests RM '000		
<b>Balance as at 1 April 2015</b>	78,439	6,803	-	549	2,182	87,973	5,300	93,273
Expenses on right issues	-	(549)	-	-	-	(549)	-	(549)
Total comprehensive expense for the period	-	-	-	(21,478)	(2,883)	(24,361)	(1,203)	(25,564)
Issuance of new shares	19,610	-	-	-	-	19,610	-	19,610
Revaluation surplus on land and buildings	-	-	-	21,478	-	21,478	-	21,478
<b>Balance as at 31 March 2016</b>	<b>98,049</b>	<b>6,254</b>	<b>-</b>	<b>549</b>	<b>(701)</b>	<b>104,151</b>	<b>4,097</b>	<b>108,248</b>
<b>Balance as at 1 April 2016</b>	<b>98,049</b>	<b>6,254</b>	<b>-</b>	<b>549</b>	<b>(701)</b>	<b>104,151</b>	<b>4,097</b>	<b>108,248</b>
Total comprehensive income for the period	-	-	-	-	1,396	1,396	83	1,479
<b>Balance as at 30 June 2016</b>	<b>98,049</b>	<b>6,254</b>	<b>-</b>	<b>549</b>	<b>695</b>	<b>105,547</b>	<b>4,180</b>	<b>109,727</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the financial statements for the financial year ended 31 March 2016

**GPA Holdings Berhad**

Unaudited Interim Report for the Three Months Ended 30 June 2016

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

	<b>3 months ended 30/06/16 RM'000</b>	<b>3 months ended 30/06/15 RM'000</b>
<b>Cash flows from/(for) operating activities</b>		
Cash receipts from customers	35,831	39,892
Cash paid to suppliers and employees	(28,626)	(41,517)
Interest received	62	-
Tax refund	17	-
Tax paid	(137)	(159)
<b>Net cash from/(used in) operating activities</b>	<u>7,147</u>	<u>(1,784)</u>
<b>Cash flows for investing activities</b>		
Purchase of property, plant and equipment	-	(207)
<b>Net cash used in investing activities</b>	<u>-</u>	<u>(207)</u>
<b>Cash flows (for)/from financing activities</b>		
Net Repayment of borrowings	(328)	(2,885)
Interest paid	(19)	(227)
Proceeds from rights issue	-	19,056
Repayments of hire purchase payables	(89)	(123)
<b>Net cash (used in)/from financing activities</b>	<u>(436)</u>	<u>15,821</u>
<b>Net increase in cash and cash equivalents</b>	6,711	13,830
<b>Cash and cash equivalents at beginning of the period</b>	<u>13,459</u>	<u>2,330</u>
<b>Cash and cash equivalents at end of the period</b>	<u><u>20,170</u></u>	<u><u>16,160</u></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the financial statements for the financial year ended 31 March 2016

# **GPA HOLDINGS BERHAD**

## **Notes to the Financial Information – First Quarter ended 30 June 2016**

*(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 2016. 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 2016.

#### ***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 2016.

- 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:-

<b>MFRSs and IC Interpretations (Including The Consequential Amendments)</b>	<b>The Effective Date</b>
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 31<sup>st</sup> March 2016 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 30<sup>th</sup> June 2016.

## 9) Segmental Reporting

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

	Automotive Batteries RM'000	Non- Automotive Batteries RM'000	Eliminations RM'000	Group RM'000
<b>Financial year-to-date ended</b>				
<b>30 June 2016</b>				
<b>Revenue</b>				
External revenue	23,705	2,882	-	26,587
<b>Results</b>				
Segment results	1,278	280	-	1,558
Unallocated expenses				(39)
Finance cost				(19)
Tax expense				(21)
Profit for the period				1,479
<b>Net assets</b>				
Segment assets	104,396	24,605	(83,210)	45,791
Unallocated assets				76,613
Total assets				122,404
Segment liabilities	(1,466)	93,580	(83,210)	8,904
Unallocated liabilities				3,776
Total liabilities				12,680
<b>Other information</b>				
Capital expenditure	-	-	-	-
Depreciation	189	5	-	194

## 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 for the year ended 31 March 2016. The Group have revalued the said properties during financial year ended 31 March 2016 with a revaluation surplus of RM24 million recognised in other comprehensive income.

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

GP Autobat Sdn Bhd, a wholly-owned subsidiary of the Company had on 15 April 2016 entered into a Sale and Purchase Agreement with Kossan Latex Industries (M) Sdn Bhd ("Purchaser") for the disposal of a freehold industrial land held under HS(D) 17768 PT 7836, Mukim of Kapar, District of Klang, State of Selangor together with a double storey factory building erected thereon for a total cash consideration of RM14,792,319.36 only (inclusive of Goods and Services Tax). The disposal was completed on 29 July 2016 as vacant possession of the property had been handed over to the purchaser.



**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 financial year ended 31 March 2015, the Group received a Notice of Demand on Import Duty amounting to RM3,974,105 from the Customs. The Group's solicitors have advised the management that the claim is not legally tenable and the Group is currently in the process of disputing the claim. The management has not made any provision on the import duty claimed by the Customs.

**14) Capital Commitments**

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

# **GPA HOLDINGS BERHAD**

**Notes to the Financial Information – First Quarter ended 30 June 2016**

*(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 RM20.80 million in previous corresponding quarter to RM23.71 million in current quarter primarily due to the increase of sales volume of imported maintenance free batteries.

This segment recorded a profit before tax (“PBT”) of RM1.26 million in the current quarter compared to loss before tax of RM2.26 million in the previous year corresponding quarter. The improvements in PBT are attributed largely to overall cost efficiency after the cessation of our manufacturing activities as we migrate to a full distribution management platform.

#### **Non-Automotive Batteries segment**

Revenue for this segment declined by 86.56% from RM21.45 million in the previous corresponding quarter to RM2.88 million in the current quarter primarily due to the cessation of the production plant which affected the sales to its key export market.

This segment recorded a profit before tax of RM279k in current quarter compared to profit before tax of RM306k in previous corresponding mainly due to gain in foreign exchange on receivables.

### ***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 RM1.5 million compared to loss before tax of RM1.1 million in the immediate preceding quarter as additional impairment of fixed asset were incurred during the immediate preceding quarter due to plant closure.

### ***3) Current Year Prospects***

The Group remain positive on the business prospect for 2016 and expect a much improved performance in terms of its bottom line returns as the GP products are now better accepted by the market with an enlarged base. We will continue with various initiatives to increase the brand awareness of our products to reach out to end user with improve product visibility.

The current volatility in the foreign exchange and Lead prices 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 30/06/2016 RM'000</i>
In respect of current period:	
- income tax	21
- deferred tax	-
- (Over)/ Under provision of previous year	-
	<u>21</u>

The effective tax rate on the Group's profit before tax for the financial year-to-date ended 30<sup>th</sup> June 2016 is lower than the statutory tax rate of 24.0% due to the unabsorbed loss carried forward by certain subsidiaries.

7) **Corporate Proposals**

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

8) **Bank Borrowings**

Details of the Group's bank borrowings as at 30<sup>th</sup> June 2016 are as follows:

	<i>RM'000</i>
Hire purchase	
- Repayable within 12 months	313
- Repayable after 12 months	294
	<u>607</u>

## 9) 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 dated 2 September 2015 together with the Statement of Claims dated 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.

## 10) Dividends

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

## 11) Earnings per Share

		<i>3 months ended</i>	
		<u>30/06/2016</u>	<u>30/06/2015</u>
<b>Basic earnings per share</b>			
Net profit attributable to ordinary equity holders of the parent company	(RM'000)	1,396	(1,785)
Total number of ordinary shares in issue	('000)	980,490	980,490
Basic earnings per share	(sen)	0.14	(0.18)

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.

## 12) Profit/(loss) Before Taxation

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

	<b>Current Quarter YTD (RM'000)</b>
Interest income	(62)
Other income including investment income	(187)
Interest expense	19
Depreciation and amortization	194
Write-off / (Write back) of receivables	(413)
(Write back)/ provision for Impairment loss on inventory	(1,657)
Provision for Impairment loss on fixed assets	-
Foreign exchange loss/ (gain)	(526)

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

The retained profits as at 30<sup>th</sup> June 2016 and 30<sup>th</sup> June 2015 are analysed as follows:-

	<b>30/06/16</b>	<b>30/06/15</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained earnings of the company and its subsidiaries:-		
- Realised	2,169	21,442
- Unrealised	(5,089)	(1,978)
Less: Consolidation adjustments	(17,866)	(19,067)
Total group retained earnings as per consolidated statements	<u>(20,786)</u>	<u>397</u>

By order of the Board  
GPA Holdings Berhad

Lee Chin Wee  
Group Financial Controller

Kuala Lumpur  
Date: 24 August 2016