

GPA Holdings Berhad

Unaudited Interim Report for the Nine Months Ended 31 December 2016

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

	Individual Quarter Preceding Year		Cumulative Quarter	
	Current Year Quarter	Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	3 months ended		9 months ended	
	31-12-16	31-12-15	31-12-16	31-12-15
	RM'000	RM'000	RM'000	RM'000
Sales	21,316	30,123	73,530	119,167
Cost of Sales	(20,172)	(31,311)	(67,837)	(121,332)
Gross Profit/(Loss)	1,144	(1,188)	5,693	(2,165)
Other income				
- Non-operating income	1,456	1,095	16,268	7,638
- Interest income	171	54	364	63
	2,771	(39)	22,325	5,536
Operating Expenses	(2,294)	(22,841)	(11,901)	(29,616)
Profit/(Loss) from operations	477	(22,880)	10,424	(24,080)
Finance cost	(37)	280	(84)	(135)
Profit/(Loss) before tax	440	(22,600)	10,340	(24,215)
Tax	(241)	(142)	(879)	(411)
Profit/(Loss) after tax	199	(22,742)	9,461	(24,626)
Other comprehensive income, net of taxation	-	-	-	-
Total comprehensive income/(loss) for the period	199	(22,742)	9,461	(24,626)
Total comprehensive income/(loss) attributable to:				
-Owners of the Company	(26)	(20,915)	8,980	(23,764)
-Non-controlling interests	225	(1,827)	481	(862)
Net comprehensive income/(loss) for the period	199	(22,742)	9,461	(24,626)
Earning/(Loss) per share - basic (Sen)	(0.00)	(2.13)	0.92	(2.42)

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 31 December 2016

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

	As at 31-12-16 RM'000	As at 31-03-16 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	31,269	31,693
Investment properties	14,734	14,800
	<u>46,003</u>	<u>46,493</u>
Current assets		
Inventories	17,931	18,367
Receivables, deposits and prepayments	30,065	40,336
Tax Recoverable	1,202	1,056
Cash and bank balances	36,167	13,459
Non-current assets held for sale	-	4,813
	<u>85,365</u>	<u>78,031</u>
TOTAL ASSETS	<u><u>131,368</u></u>	<u><u>124,524</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	98,049	98,049
Reserves	12,027	6,102
Shareholders' equity	<u>110,076</u>	<u>104,151</u>
Non-controlling interests	4,578	4,097
Total Equity	<u><u>114,654</u></u>	<u><u>108,248</u></u>
Non-current liabilities		
Deferred tax liabilities	2,929	2,929
Bank borrowings	-	382
	<u>2,929</u>	<u>3,311</u>
Current liabilities		
Trade Payables	1,737	2,177
Other payables	12,048	10,147
Bank borrowings	-	641
	<u>13,785</u>	<u>12,965</u>
Total Liabilities	<u><u>16,714</u></u>	<u><u>16,276</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>131,368</u></u>	<u><u>124,524</u></u>
Net Assets per Share (RM)	<u><u>0.11</u></u>	<u><u>0.11</u></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 Nine Months Ended 31 December 2016

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						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	Total Equity Funds RM '000			
Balance as at 1 April 2015	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	-	-	-	-	(24,361)	(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	
Balance as at 31 March 2016	98,049	6,254	-	22,027	(22,179)	104,151	4,097	108,248	
Balance as at 1 April 2016	98,049	6,254	-	22,027	(22,179)	104,151	4,097	108,248	
Total comprehensive income for the period	-	-	-	-	8,980	8,980	481	9,461	
Reversal of revaluation surplus on investment property	-	-	-	-	(3,055)	(3,055)	-	(3,055)	
Balance as at 31 December 2016	98,049	6,254	-	22,027	(16,254)	110,076	4,578	114,654	

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 Nine Months Ended 31 December 2016

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

	9 months ended 31-12-16 RM'000	9 months ended 30/09/2015 RM'000
Cash flows from operating activities		
Cash receipts from customers	87,860	134,723
Cash paid to suppliers and employees	(77,282)	(119,586)
Interest received	364	63
Tax refund	17	24
Tax paid	(1,044)	(595)
<i>Net cash from operating activities</i>	9,915	14,629
Cash flows from/(for) investing activities		
Purchase of property, plant and equipment	(57)	(701)
Proceeds from disposal of investment property	13,958	46
<i>Net cash from/(used in) investing activities</i>	13,901	(655)
Cash flows (for)/from financing activities		
Net Repayment of borrowings	(328)	(10,152)
Interest paid	(84)	(135)
Proceed from rights issue	-	19,056
Repayments to hire purchase payables	(696)	(382)
<i>Net cash (used in) /from financing activities</i>	(1,108)	8,387
Net increase in cash and cash equivalents	22,708	22,361
Cash and cash equivalents at beginning of the period	13,459	2,330
Cash and cash equivalents at end of the period	36,167	24,691

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

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Notes to the Financial Information – Third Quarter ended 31 December 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:-

MFRSs and IC Interpretations (Including The Consequential Amendments)	The 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 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 31st December 2016.

9) Segmental Reporting

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

	Automotive Batteries RM'000	Non- Automotive Batteries RM'000	Eliminations RM'000	Group RM'000
Financial year-to-date ended 31 December 2016				
Revenue				
External revenue	62,638	10,891	-	73,529
Results				
Segment results	8,730	1,822	-	10,552
Unallocated expenses				(128)
Finance cost				(83)
Tax expense				(879)
Profit for the period				9,462
Net assets				
Segment assets	110,837	26,894	(82,905)	54,826
Unallocated assets				76,542
Total assets				131,368
Segment liabilities				
Unallocated liabilities	1,573	94,300	(82,905)	12,968
Total liabilities				3,746
				16,714
Other information				
Capital expenditure	57	-	-	57
Depreciation	505	54	-	559

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

11) 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.

12) Contingent Liabilities / Assets

The Group does not have any contingent liabilities or assets as at the date of this announcement.

13) Capital Commitments

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

GPA HOLDINGS BERHAD

Notes to the Financial Information – Third Quarter ended 31 December 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 decreased from RM18.77 million in previous year corresponding quarter to RM17.97 million in current quarter. And in the 9 months cumulative period ended 31 December 2016, revenue was higher by 5.83% year on year to RM62.64 million primarily due to increase of sales volume of imported maintenance free batteries.

This segment recorded a loss before tax (“LBT”) of RM436k in the current quarter primarily due to the weakening Ringgit and escalation of lead prices compared to loss before tax of RM17.94 million in the previous year corresponding quarter. The loss in previous year corresponding quarter were mainly attributed by the closure of production plant in November 2015 where retrenchment cost, impairment of fixed asset and write down of inventories were incurred during that quarter.

Non-Automotive Batteries segment

Revenue for this segment declined by 70.50% from RM11.35 million in the previous corresponding quarter to RM3.35 million in the current quarter primarily due to the cessation of the production plant in November 2015 which affected the sales to its key export market.

This segment recorded a profit before tax of RM902k in current quarter compared to loss before tax of RM4.57 million in previous corresponding quarter mainly due to gain in foreign exchange on receivables in current quarter.

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 RM440k compared to profit before tax of RM8.40 million in the immediate preceding quarter. This was mainly due to gain on disposal of investment property of RM11.88 million and the provision made in respect of import duty claimed by the Royal Malaysian Custom Department of RM3.97 million in the immediate preceding quarter.

3) Current Year Prospects

Business prospect for 2017 remain challenging with the weakening of the ringgit against the greenback coupled with the high lead prices leading to the higher landed cost of both Maintenance Free and conventional battery. Market demand is expected to taper and competition more intense with all key players lobbying for position .

The group will continue with its various cost control initiatives to mitigate this volatility and work towards maintaining existing channels and growing new channels for bigger market presence in this challenging economic environment

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 31/12/2016 RM'000</i>	<i>9 months ended 31/12/2016 RM'000</i>
In respect of current period:		
- income tax	241	348
- deferred tax	-	-
- real property gain tax	-	531
	241	879

The effective tax rate on the Group's profit before tax for the financial year-to-date ended 31st December 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**

There were no borrowing as at the end of the current financial quarter.

9) **Material Litigation**

Since the preceding financial quarter ended 30 September 2016, there is no change in material litigation as at the date of this announcement except as disclosed below:

Shah Alam High Court Originating Summons No.24-516-05/2014

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. On 11th January 2017, the High Court of Shah Alam has assessed a sum of RM184,172.00 to be paid to GP Autobat for the injurious affection arising from the said acquisition.

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>		<i>9 months ended</i>	
		<i>31/12/2016</i>	<i>31/12/2015</i>	<i>31/12/2016</i>	<i>31/12/2015</i>
Basic earnings per share					
Net profit / (loss) attributable to ordinary equity holders of the parent company	(RM'000)	(26)	(20,915)	8,980	(23,764)
Total number of ordinary shares in issue	('000)	980,490	980,490	980,490	980,490
Basic earnings/(loss) per share	(sen)	0.00	(2.13)	0.92	(2.42)

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):-

	Current Quarter (RM'000)	YTD (RM'000)
Interest income	(171)	(364)
Other income including investment income	(402)	(822)
Interest expense	37	84
Depreciation and amortization	364	559
Write-off / (Write back) of receivables	(661)	(1,174)
Gain on disposal of Property	(3)	(12,211)
Foreign exchange loss/ (gain)	(1,516)	(2,060)

13) Realised and Unrealised Profits/(Losses) Disclosure

The retained profits as at 31st December 2016 and 31st December 2015 are analysed as follows:-

	31/12/16 RM'000	31/12/15 RM'000
Total retained earnings of the company and its subsidiaries:-		
- Realised	9,924	(2,124)
- Unrealised	(4,860)	(1,335)
Less: Consolidation adjustments	(21,318)	(18,125)
Total group retained earnings as per consolidated statements	<u>(16,254)</u>	<u>(21,584)</u>