

**GPA Holdings Berhad**

Unaudited Interim Report for the Three Months Ended 30 June 2017

**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		3 months ended	
	30-06-17	30-06-16	30-06-17	30-06-16
	RM'000	RM'000	RM'000	RM'000
Sales	18,500	26,588	18,500	26,588
Cost of Sales	(18,178)	(24,192)	(18,178)	(24,192)
Gross Profit	322	2,396	322	2,396
Other income				
- Non-operating income	615	1,198	615	1,198
- Interest income	194	62	194	62
	1,131	3,656	1,131	3,656
Operating Expenses	(1,995)	(2,137)	(1,995)	(2,137)
(Loss) / Profit from operations	(864)	1,519	(864)	1,519
Finance cost	-	(19)	-	(19)
(Loss) / Profit before tax	(864)	1,500	(864)	1,500
Tax	(101)	(21)	(101)	(21)
(Loss) / Profit after tax	(965)	1,479	(965)	1,479
Other comprehensive income, net of taxation	-	-	-	-
Total comprehensive (expense) / income for the period	(965)	1,479	(965)	1,479
Total comprehensive (expense) / income attributable to:				
-Owners of the Company	(940)	1,396	(940)	1,396
-Non-controlling interests	(25)	83	(25)	83
Net comprehensive (expense) / income for the period	(965)	1,479	(965)	1,479
(Loss) / Profit per share - basic (Sen)	(0.10)	0.14	(0.10)	0.14

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the financial statements for the financial year ended 31 March 2017

**GPA Holdings Berhad**

Unaudited Interim Report as at 30 June 2017

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

	As at 30-06-17 RM'000	As at 31-03-17 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	30,859	31,033
Investment property	14,621	14,657
	<u>45,480</u>	<u>45,690</u>
<b>Current assets</b>		
Inventories	18,793	17,870
Receivables, deposits and prepayments	30,737	30,986
Tax Recoverable	1,169	1,145
Cash and bank balances	33,283	34,223
	<u>83,982</u>	<u>84,224</u>
<b>TOTAL ASSETS</b>	<u>129,462</u>	<u>129,914</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	104,303	104,303
Reserves	3,824	4,764
<b>Shareholders' equity</b>	<u>108,127</u>	<u>109,067</u>
Non-controlling interests	4,561	4,586
<b>Total Equity</b>	<u>112,688</u>	<u>113,653</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	2,929	2,929
	<u>2,929</u>	<u>2,929</u>
<b>Current liabilities</b>		
Trade Payables	648	374
Other payables	13,197	12,958
	<u>13,845</u>	<u>13,332</u>
<b>Total Liabilities</b>	<u>16,774</u>	<u>16,261</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>129,462</u>	<u>129,914</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 2017

**GPA Holdings Berhad**

Unaudited Interim Report for the Three Months Ended 30 June 2017

**Condensed Consolidated Statement of Changes in Equity**

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

	Attributable to equity holders of the Parent						Total Equity RM '000
	Non-distributable			Distributable (Accumulat ed Loss)/ Retained Earnings RM '000	Total Equity Funds RM '000	Non- controlling interests RM '000	
	Share Capital RM '000	Share Premium RM '000	Revaluation reserves RM '000				
<b>Balance as at 1 April 2016</b>	98,049	6,254	22,027	(22,179)	104,151	4,097	108,248
Transfer in accordance to Section 74 of the Companies Act 2016	6,254	(6,254)	-	-	-	-	-
Total comprehensive income for the period	-	-	-	7,971	7,971	489	8,460
Reversal of Revaluation surplus of Investment property	-	-	-	(3,055)	(3,055)	-	(3,055)
<b>Balance as at 31 March 2017</b>	<b>104,303</b>	<b>-</b>	<b>22,027</b>	<b>(17,263)</b>	<b>109,067</b>	<b>4,586</b>	<b>113,653</b>
<b>Balance as at 1 April 2017</b>	<b>104,303</b>	<b>-</b>	<b>22,027</b>	<b>(17,263)</b>	<b>109,067</b>	<b>4,586</b>	<b>113,653</b>
Total comprehensive expense for the period	-	-	-	(940)	(940)	(25)	(965)
<b>Balance as at 30 June 2017</b>	<b>104,303</b>	<b>-</b>	<b>22,027</b>	<b>(18,203)</b>	<b>108,127</b>	<b>4,561</b>	<b>112,688</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 2017

**GPA Holdings Berhad**

Unaudited Interim Report for the Three Months Ended 30 June 2017

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

	<b>3 months ended 30/06/17 RM'000</b>	<b>3 months ended 30/06/16 RM'000</b>
<b>Cash flows (for)/from operating activities</b>		
Cash receipts from customers	19,964	35,831
Cash paid to suppliers and employees	(20,973)	(28,626)
Interest received	194	62
Tax refund	25	17
Tax paid	(149)	(137)
<b><i>Net cash (used in)/from operating activities</i></b>	<b>(939)</b>	<b>7,147</b>
<b>Cash flows for investing activities</b>		
Purchase of property, plant and equipment	(1)	-
<b><i>Net cash used in investing activities</i></b>	<b>(1)</b>	<b>-</b>
<b>Cash flows for financing activities</b>		
Net Repayment of borrowings	-	(328)
Interest paid	-	(19)
Repayments of hire purchase payables	-	(89)
<b><i>Net cash used in financing activities</i></b>	<b>-</b>	<b>(436)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(940)</b>	<b>6,711</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>34,223</b>	<b>13,459</b>
<b>Cash and cash equivalents at end of the period</b>	<b>33,283</b>	<b>20,170</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the financial statements for the financial year ended 31 March 2017

# **GPA HOLDINGS BERHAD**

## **Notes to the Financial Information – First Quarter ended 30 June 2017**

*(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 2017. 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 2017.

#### ***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 2017.

- 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)**

Annual improvements to MFRSs 2012 - 2014 cycle

- Amendments to MFRS 5, Non-Current Assets Held for Sales and Discontinued Operations
- Amendments to MFRS 7, Financial Instruments: Disclosures
- Amendments to MFRS 119, Employee Benefits
- Amendments to MFRS 134, Interim Financial Reporting

MFRS 14, Regulator Deferral Accounts

Amendments to MFRS 11, Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations

Amendments to MFRS 101, Presentation of Financial Statements: Disclosure Initiative

Amendments to MFRS 116, Property, Plant and Equipment and MFRS 138, Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to MFRS 116, Property, Plant and Equipment and MFRS 141, Agriculture: Bearer plants

Amendments to MFRS 127, Separate Financial Statements: Equity Method in Separate Financial Statements

Annual improvements to MFRSs 2012 - 2014 cycle

Amendments to MFRS 10, Consolidated Financial Statements, MFRS 12, Disclosure of Interests in Other Entities and MFRS 128, Investment in Associates and Joint Ventures: Investments Entities-Appling the Consolidation Exception

Amendments to MFRS 138, Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation

## 2) Changes in Accounting Policies (Cont'd)

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.

- 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>
Annual improvements to MFRSs 2014 - 2016 cycle	
- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards	1 January 2018
- Amendments to MFRS 12, Disclosure of Interests in Other Entities	1 January 2017
- Amendments to MFRS 128, Investments in Associates and Joint Ventures	1 January 2018
Amendments to MFRS 2, Share-based Payment: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4, Insurance Contracts: Applying MFRS 9 Financial Instrument with MFRS 4 Insurance Contracts	1 January 2018
MFRS 9, Financial Instruments	1 January 2018
MFRS 15, Revenue from Contracts with Customers	1 January 2018
Clarifications to MFRS 15, Revenue from Contracts with Customers	1 January 2018
MFRS 16, Leases	1 January 2019
Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures: Sales or Contribution of Assets between an investor and its Associates or Joint Ventures	Deferred
Amendments to MFRS 107, Statement of Cash Flows: Disclosure Initiative	1 January 2017
Amendments to MFRS 112, Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 140, Investment Property: Transfers of Investment Property	1 January 2018
IC Interpretation 22, Foreign Currency Transactions and Advance Consideration	1 January 2018

## 3) Auditors' Report

The auditors' report on the financial statements for the financial year ended 31<sup>st</sup> March 2017 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 2017.

## 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
<b>Financial year-to-date ended 30 June 2017</b>				
<b>Revenue</b>				
External revenue	15,907	2,593	-	18,500
<b>Results</b>				
Segment results	(785)	(49)	-	(834)
Unallocated expenses				(30)
Finance cost				-
Tax expense				(101)
Loss for the period				(965)
<b>Net assets</b>				
Segment assets	110,244	24,311	(81,524)	53,031
Unallocated assets				76,431
Total assets				129,462
<b>Segment liabilities</b>				
Segment liabilities	4,117	90,414	(81,524)	13,007
Unallocated liabilities				3,768
Total liabilities				16,775
<b>Other information</b>				
Capital expenditure	1	-	-	1
Depreciation	195	15	-	210

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

The Company had on 01<sup>st</sup> August 2017 acquired 1,002 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of Kenola Sdn Bhd ("Kenola") for cash consideration of RM20,040 (hereinafter referred to as "the Acquisition"). The purchase consideration is arrived at after taking into consideration the net assets of Kenola based on its audited financial statement as at 31<sup>st</sup> December 2016. Upon the completion of the Acquisition, Kenola will become a wholly-owned subsidiary of the Company.



**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**

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

**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 2017**

*(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 RM23.71 million in previous corresponding quarter to RM15.91 million in current quarter primarily due to the decrease of sales volume of automotive batteries.

This segment recorded a loss before tax (“LBT”) of RM785k in the current quarter compared to profit before tax of RM1.26 million in the previous year corresponding quarter. This was mainly due to lower margin as a result of the increasing cost which was affected by the exposure of weakening Ringgit and escalation of lead prices.

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

Revenue for this segment declined by 10% from RM2.88 million in the previous corresponding quarter to RM2.59 million in the current quarter primarily due to lower export sales.

This segment recorded a loss before tax of RM49k in current quarter compared to profit before tax of RM279k in previous corresponding quarter mainly due to loss 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 loss before tax of RM864k compared to loss before tax of RM845k in the immediate preceding quarter. Beside lower margin, the loss in this quarter are also affected by foreign exchange loss of RM188k compared to RM61k in the preceding quarter.

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

Business prospect for 2017 remain challenging despite the stabilization of the ringgit and lead prices. With the Malaysian automotive battery industry in an overcapacity coupled with the foreign brands, the industry is experiencing a highly competitive situation. In the medium term, competition is expected to intensify with price on the value proposition of their products.

The group will continue with its various cost control initiatives to mitigate the exposure 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 30/06/2017 RM'000</i>
In respect of current period:	
- income tax	101
- deferred tax	-
- (Over)/ Under provision of previous year	-
	<u>101</u>

The effective tax rate on the Group's profit before tax for the financial year-to-date ended 30<sup>th</sup> June 2017 is lower than the statutory tax rate of 24.0% due to the loss incurred by 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 borrowings as at the end of the current financial quarter.

9) **Material Litigation**

Since the preceding financial quarter ended 31 December 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. On 30<sup>th</sup> May 2017, GP Autobat had via its solicitor received a sum of RM184,172 from Pentadbir Tanah Daerah Klang.

High Court of Malaya, Kuala Lumpur (Suit No. 22NCVC-477-09/2015)

GPA had on 28 May 2017 received the Grounds of Judgment from the High Court and in delivering the judgment, the High Court judge opined with the Learned Judge that GPA has failed to provide the proof of claim.

BS had suffered loss and damages amounting to RM1,213,989.93 as a result of GPA's failure to place an order for the shortfall of grid panel as required under the terms and conditions of 3 separate Grid Casting Contracts signed between BS and GPA. GPA to pay agreed damages of RM1,213,989 to BS.

The Court of Appeal has fixed the case management on 14 June 2017 to enable GPA to update the status of appeal.

GPA had on 23 June 2017 through its solicitors submitted the Memorandum of Appeal to the Court of Appeal.

**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>30/06/2017</i>	<i>30/06/2016</i>
<b>Basic earnings per share</b>			
Net profit attributable to ordinary equity holders of the parent company	(RM'000)	(940)	1,396
Total number of ordinary shares in issue	('000)	980,490	980,490
Basic earnings per share	(sen)	(0.10)	0.14

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	(194)
Other income including investment income	(509)
Depreciation and amortization	210
Write back of receivables	(41)
Foreign exchange loss	189

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

The retained profits as at 30<sup>th</sup> June 2017 and 30<sup>th</sup> June 2016 are analysed as follows:-

	<i>30/06/17</i>	<i>30/06/16</i>
	<i>RM'000</i>	<i>RM'000</i>
Total retained earnings of the company and its subsidiaries:-		
- Realised	8,897	2,169
- Unrealised	(5,799)	(5,089)
Less: Consolidation adjustments	(21,301)	(17,866)
Total group retained earnings as per consolidated statements	<u>(18,203)</u>	<u>(20,786)</u>