

**GPA Holdings Berhad**

Unaudited Interim Report for the Nine Months Ended 31 December 2017

**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	To Date	Corresponding
	3 months ended	Quarter	9 months ended	Period
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	RM'000	RM'000	RM'000	RM'000
Sales	16,043	21,316	53,485	73,530
Cost of Sales	(14,205)	(20,172)	(49,935)	(67,837)
Gross Profit	1,838	1,144	3,550	5,693
Other income				
- Non-operating income	286	1,456	1,240	16,268
- Interest income	315	171	846	364
	2,439	2,771	5,636	22,325
Operating Expenses	(2,182)	(2,294)	(6,435)	(11,901)
(Loss)/Profit from operations	257	477	(799)	10,424
Finance cost	-	(37)	-	(84)
(Loss)/Profit before tax	257	440	(799)	10,340
Tax	83	(241)	(120)	(879)
(Loss)/Profit after tax	340	199	(919)	9,461
Other comprehensive income, net of taxation	-	-	-	-
Total comprehensive (loss)/income for the period	340	199	(919)	9,461
Total comprehensive (loss)/income attributable to:				
-Owners of the Company	261	(26)	(997)	8,980
-Non-controlling interests	79	225	78	481
Net comprehensive (loss)/income for the period	340	199	(919)	9,461
(Loss)/Earning per share - basic (Sen)	0.03	-0.00	(0.10)	0.92

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 31 December 2017

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

	As at 31/12/2017 RM'000	As at 31/3/2017 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	31,180	31,033
Investment property	14,549	14,657
	<u>45,729</u>	<u>45,690</u>
<b>Current assets</b>		
Inventories	9,243	17,870
Receivables, deposits and prepayments	25,012	30,986
Tax Recoverable	794	1,145
Cash and bank balances	46,987	34,223
	<u>82,036</u>	<u>84,224</u>
<b>TOTAL ASSETS</b>	<u>127,765</u>	<u>129,914</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	98,049	104,303
Reserves	10,024	4,764
<b>Shareholders' equity</b>	<u>108,073</u>	<u>109,067</u>
Non-controlling interests	4,664	4,586
<b>Total Equity</b>	<u>112,737</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	127	374
Other payables	11,972	12,958
	<u>12,099</u>	<u>13,332</u>
<b>Total Liabilities</b>	<u>15,028</u>	<u>16,261</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>127,765</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 Nine Months Ended 31 December 2017

**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			
		Share Premium RM '000	Available for sales reserves RM '000	Revaluation reserves RM '000	Retained Earnings RM '000	Total Equity Funds RM '000		
<b>Balance as at 1 April 2016</b>	98,049	6,254	-	22,027	(22,179)	104,151	4,097	108,248
- as previously reported								
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>	98,049	6,254	-	22,027	(17,263)	109,067	4,586	113,653
<b>Balance as at 1 April 2017</b>	98,049	6,254	-	22,027	(17,263)	109,067	4,586	113,653
- as previously reported								
Total comprehensive loss for the period	-	-	-	-	(997)	(997)	78	(919)
Acquisition of new subsidiary	-	-	-	-	3	3	-	3
<b>Balance as at 30 September 2017</b>	98,049	6,254	-	22,027	(18,257)	108,073	4,664	112,737

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 Nine Months Ended 31 December 2017

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

	<b>9 months ended 31/12/17 RM'000</b>	<b>9 months ended 31/12/16 RM'000</b>
<b>Cash flows from operating activities</b>		
Cash receipts from customers	60,127	87,860
Cash paid to suppliers and employees	(47,748)	(77,282)
Interest received	846	364
Tax refund	610	17
Tax paid	(378)	(1,044)
<b><i>Net cash from operating activities</i></b>	<b>13,457</b>	<b>9,915</b>
<b>Cash flows for investing activities</b>		
Purchase of property, plant and equipment	(710)	(57)
Proceeds from disposal of property, plant and equipment	16	13,958
<b><i>Net (cash used in)/from investing activities</i></b>	<b>(694)</b>	<b>13,901</b>
<b>Cash flows for financing activities</b>		
Net repayment of borrowings	-	(328)
Interest paid	-	(84)
Repayments of hire purchase payables	-	(696)
<b><i>Net cash used in financing activities</i></b>	<b>-</b>	<b>(1,108)</b>
<b>Net increase in cash and cash equivalents</b>	<b>12,763</b>	<b>22,708</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>46,986</b>	<b>36,167</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 – Third Quarter ended 31 December 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-Applying 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:-

### **MFRSs and IC Interpretations (Including The Effective Date Consequential Amendments)**

#### 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 31<sup>st</sup> December 2017.

## 9) Segmental Reporting

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

	Automotive Batteries RM'000	Non- Automotive Batteries RM'000	Personal Care Products RM'000	Eliminations RM'000	Group RM'000
<b>Financial year-to-date ended</b>					
<b>31 December 2017</b>					
<b>Revenue</b>					
External revenue	<u>43,394</u>	<u>9,764</u>	<u>327</u>		<u>53,485</u>
<b>Results</b>					
Segment results	(595)	374	(453)		(674)
Unallocated expenses					(125)
Finance cost					
Tax expense					<u>(120)</u>
Loss for the period					<u>(919)</u>
<b>Net assets</b>					
Segment assets	109,090	23,769	2,993	(83,502)	52,350
Unallocated assets					<u>75,415</u>
Total assets					<u>127,765</u>
Segment liabilities	337	91,529	2,924	(83,502)	11,288
Unallocated liabilities					<u>3,740</u>
Total liabilities					<u>15,028</u>
<b>Other information</b>					
Capital expenditure	16	-	694		710
Depreciation	<u>580</u>	<u>46</u>	<u>28</u>		<u>654</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 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

On 1 August 2017, GPA Holdings Berhad ("GPAH") 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"). Kenola therefore become a wholly-owned subsidiary of GPAH.



**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 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 RM17.97 million in previous corresponding quarter to RM11.05 million in current quarter primarily due to the decrease of local sales volume of automotive batteries.

However it recorded a profit before tax (“PBT”) of RM412k in the current quarter compared to loss before tax (“LBT”) of RM436k in the previous year corresponding quarter.

The improvement in PBT was mainly attributed to better product margin recorded across the product mix. This was achieved on the back of consolidation of products pricing done in the current quarter. Beside this the PBT have also improved with the reduction in the overall fixed cost which was contributed by the various initiatives undertaken by the Group.

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

Revenue for this segment increased by 18% from RM3.35 million in the previous corresponding quarter to RM4.67 million in the current quarter primarily due to higher export sales.

This segment recorded a lower PBT of RM313k in current quarter compared to PBT of RM902k in previous corresponding quarter. This was mainly due to gain in foreign exchange on receivables recorded in previous corresponding quarter.

#### **Personal Care Products segment**

This new segment recorded revenue of RM327k with LBT of RM453k for the period ended 31 March 2018. There were 3 new stores opened during the period under review with expenses incurred on outlet opening and promotional activities.

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

The current quarter recorded a PBT of RM257k compared to LBT of RM192k in the immediate preceding quarter.

The PBT for current quarter were mainly contributed by automotive segment with improvement in the automotive product mix margin and overall cost reduction.

3) **Current Year Prospects**

The automotive segment is expected to remain in a competitive situation with the influx of various foreign brands into the country. In the medium term, competition is expected to intensify with competitors using price as a value proposition of their products.

Following the implementation of various cost control measures by the Group, overall overhead expenses have reduced. Moving forward, the Group is striving towards growing new sales channels to further strengthen market presence in this challenging economic environment.

On the personal care products segment, the Group is targeting to open at least another one retail store by the close of financial year March 2018. Revenue is expected to grow in tandem with the opening of new stores.

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 31/12/2017 RM'000</i>	<i>9 months ended 31/12/2017 RM'000</i>
In respect of current period:		
- income tax	189	392
- deferred tax	-	-
- (Over)/ Under provision of previous year	(272)	(272)
	(83)	120

The effective tax rate on the Group's profit before tax for the financial year-to-date ended 31<sup>st</sup> December 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 30 June 2017, there is no change in material litigation as at the date of this announcement:

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>9 months ended</i>	
		<i>31/12/2017</i>	<i>31/12/2016</i>	<i>31/12/2017</i>	<i>31/12/2016</i>
<b>Basic earnings per share</b>					
Net profit attributable to ordinary equity holders of the parent company	(RM'000)	261	(26)	(997)	8,980
Total number of ordinary shares in issue	('000)	980,490	980,490	980,490	980,490
Basic earnings per share	(sen)	0.03	0.00	(0.10)	0.92

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 (RM'000)</b>	<b>YTD (RM'000)</b>
Interest income	(315)	(846)
Other income including investment income	(328)	(1071)
Depreciation and amortization	234	654
Provision / (Write back) of receivables	42	(0)
Loss on disposal of PPE	4	4
Foreign exchange loss	242	443

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

The retained profits as at 31<sup>st</sup> December 2017 and 31<sup>st</sup> December 2016 are analysed as follows:-

	<b>31/12/17 RM'000</b>	<b>31/12/16 RM'000</b>
Total retained earnings of the company and its subsidiaries:-		
- Realised	9,216	9,924
- Unrealised	(6,051)	(4,860)
Less: Consolidation adjustments	(21,422)	(21,318)
Total group retained earnings as per consolidated statements	<u>(18,257)</u>	<u>(16,254)</u>