

GPA Holdings Berhad

Unaudited Interim Report for the Twelve Months Ended 31 March 2018

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	12 months ended	Period
	31/3/2018	31/3/2017	31/3/2018	31/3/2017
	RM'000	RM'000	RM'000	RM'000
Sales	14,030	17,009	67,516	90,539
Cost of Sales	(12,324)	(20,424)	(62,259)	(88,259)
Gross Profit/ (Loss)	1,706	(3,415)	5,257	2,280
Other income				
- Non-operating income	259	3,836	1,499	20,104
- Interest income	362	333	1,209	698
	2,327	754	7,965	23,082
Operating Expenses	(2,675)	(2,104)	(9,110)	(14,005)
(Loss)/Profit from operations	(348)	(1,350)	(1,145)	9,077
Finance cost	-	(33)	-	(117)
(Loss)/Profit before tax	(348)	(1,383)	(1,145)	8,960
Tax	(57)	380	(177)	(500)
(Loss) /Profit after tax	(405)	(1,003)	(1,322)	8,460
Other comprehensive income, net of taxation	-	-	-	-
Total comprehensive (loss)/income for the period	(405)	(1,003)	(1,322)	8,460
Total comprehensive (loss)/income attributable to:				
-Owners of the Company	(177)	(1,011)	(1,172)	7,971
-Non-controlling interests	(228)	8	(150)	489
Net comprehensive (loss)/income for the period	(405)	(1,003)	(1,322)	8,460
(Loss)/Earning per share - basic (Sen)	-0.02	-0.10	(0.12)	0.81

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 March 2018

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

	As at 31/3/2018 RM'000	As at 31/3/2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	31,355	31,033
Investment property	14,514	14,657
	<u>45,869</u>	<u>45,690</u>
Current assets		
Inventories	6,124	17,870
Receivables, deposits and prepayments	23,343	30,986
Tax Recoverable	728	1,145
Cash and bank balances	52,184	34,223
	<u>82,379</u>	<u>84,224</u>
TOTAL ASSETS	<u>128,248</u>	<u>129,914</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	98,049	104,303
Reserves	9,849	4,764
Shareholders' equity	<u>107,898</u>	<u>109,067</u>
Non-controlling interests	4,436	4,586
Total Equity	<u>112,334</u>	<u>113,653</u>
Non-current liabilities		
Deferred tax liabilities	2,719	2,929
	<u>2,719</u>	<u>2,929</u>
Current liabilities		
Trade Payables	101	374
Other payables	13,094	12,958
	<u>13,195</u>	<u>13,332</u>
Total Liabilities	<u>15,914</u>	<u>16,261</u>
TOTAL EQUITY AND LIABILITIES	<u>128,248</u>	<u>129,914</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 2017

GPA Holdings Berhad

Unaudited Interim Report for the Twelve Months Ended 31 March 2018

Condensed Consolidated Statement of Changes in Equity

(The current year figures have not been audited)

	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 Capital RM '000	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 2016	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)	
Balance as at 31 March 2017	98,049	6,254	-	22,027	(17,263)	109,067	4,586	113,653	
Balance as at 1 April 2017	98,049	6,254	-	22,027	(17,263)	109,067	4,586	113,653	
- as previously reported									
Total comprehensive expenses for the period	-	-	-	-	(1,172)	(1,172)	(150)	(1,322)	
Acquisition of new subsidiary	-	-	-	-	3	3	-	3	
Reversal of Revaluation surplus of Investment property	-	-	-	(114)	114	-	-	-	
Balance as at 31 March 2018	98,049	6,254	-	21,913	(18,318)	107,898	4,436	112,334	

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 Twelve Months Ended 31 March 2018

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

	12 months ended 31/3/2018 RM'000	12 months ended 31/3/2017 RM'000
Cash flows from operating activities		
Cash receipts from customers	75,816	108,131
Cash paid to suppliers and employees	(57,971)	(100,090)
Interest received	1,209	698
Tax refund	610	117
Tax paid	(580)	(708)
<i>Net cash from operating activities</i>	19,084	8,148
Cash flows for investing activities		
Purchase of property, plant and equipment	(1,140)	(78)
Proceeds from disposal of property, plant and equipment	17	13,835
<i>Net (cash used in)/from investing activities</i>	(1,123)	13,757
Cash flows for financing activities		
Net repayment of borrowings	-	(328)
Interest paid	-	(117)
Repayments of hire purchase payables	-	(696)
<i>Net cash used in financing activities</i>	-	(1,141)
Net increase in cash and cash equivalents	17,961	20,764
Cash and cash equivalents at beginning of the period	34,223	13,459
Cash and cash equivalents at end of the period	52,184	34,223

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 – Fourth Quarter ended 31 March 2018

(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:-

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 31st 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 31st March 2018.

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
Financial year-to-date ended					
31 March 2018					
Revenue					
External revenue	<u>54,684</u>	<u>12,048</u>	<u>784</u>	<u>-</u>	<u>67,516</u>
Results					
Segment results	223	3	(1,078)	(103)	(955)
Unallocated expenses					(190)
Finance cost					-
Tax expense					(177)
Loss for the period					<u>(1,322)</u>
Net assets					
Segment assets	109,454	23,875	2,342	(82,712)	52,959
Unallocated assets					<u>75,288</u>
Total assets					<u>128,246</u>
Segment liabilities	927	91,163	2,898	(82,609)	12,379
Unallocated liabilities					<u>3,537</u>
Total liabilities					<u>15,914</u>
Other information					
Capital expenditure	21	-	1,119	-	1,140
Depreciation	<u>770</u>	<u>62</u>	<u>113</u>	<u>-</u>	<u>945</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 – Fourth Quarter ended 31 March 2018

(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 RM13.74 million in previous year corresponding quarter to RM11.29 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 RM715k in the current quarter compared to loss before tax (“LBT”) of RM1.3million 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 year. 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 decreased from RM3.27 million in the previous year corresponding quarter to RM2.28 million in the current quarter primarily due to lower export sales.

This segment recorded a LBT of RM371k in current quarter compared to PBT of RM60k in previous year corresponding quarter. This was mainly due to additional provision made on stocks, doubtful debts as well as warranty claims on export sales.

Personal Care Products segment

This new segment recorded revenue of RM784k with LBT of RM1.08million for the period ended 31 March 2018. There were 4 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 LBT of RM348k compared to PBT of RM257k in the immediate preceding quarter.

The LBT for current quarter were mainly due to promotional expenses incurred for personal care segment.

3) **Current Year Prospects**

Business prospect for automotive segment remain challenging.

This segment is expected to remain in a competitive situation with the influx of various foreign brands to the country. In the medium term, competition is expected to intensify with price on the value proposition of their products.

The group have initiated various cost control with reduction seen in the overall overhead of the group. Moving forwards the group is striving towards maintaining existing channels and growing new channels for bigger market presence in this challenging economic environment.

On the personal care products segment, the group is targeting to expand more stores by the close of financial year March 2019. 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 31/03/2018 RM'000</i>	<i>12 months ended 31/03/2018 RM'000</i>
In respect of current period:		
- income tax	57	449
- deferred tax	-	-
- (Over)/ Under provision of previous year	-	(272)
	<u>57</u>	<u>177</u>

The effective tax rate on the Group's profit before tax for the financial year-to-date ended 31st March 2018 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 except as disclosed below:

(i) 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.

(ii) Session Court of Malaya, Kuala Lumpur (Suit No. WA-A52NCC-633-03/2017)

During financial year ended 31 March 2015, GPA initiated a claim against GBTSB for a sum of RM284,530 for balances payable on accounts outstanding, and which has been responded with a corresponding counter claim by GBTSB against GPA for a purported disputed delivery of RM490,224.

On 26 March 2018, the Sessions Court allowed GPA's claim of RM284,530 with 8% interest from 31 August 2014 together with cost of RM30,000.00. On the other hand, the Court dismissed the GBTSB's counter claim on the purported disputed delivery.

GBTSB had on 6 April 2018 through its solicitors submitted its Notice of Appeal to High Court.

10) Earnings per Share

		<i>3 months ended</i>		<i>12 months ended</i>	
		<i>31/03/2018</i>	<i>31/03/2017</i>	<i>31/03/2018</i>	<i>31/03/2017</i>
Basic earnings per share					
Net profit attributable to ordinary equity holders of the parent company	(RM'000)	(177)	(1,011)	(1,172)	7,971
Total number of ordinary shares in issue	('000)	980,490	980,490	980,490	980,490
Basic earnings per share	(sen)	(0.02)	0.10	(0.12)	0.81

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.

11) Profit/(loss) Before Taxation

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

	Current Quarter (RM'000)	YTD (RM'000)
Interest income	(362)	(1,209)
Other income including investment income	(258)	(1,499)
Depreciation and amortization	290	945
Provision of receivables	295	296
(Gain)/Loss on disposal of PPE	(2)	3
Foreign exchange loss	371	813

12) Realised and Unrealised Profits/(Losses) Disclosure

The retained profits as at 31st March 2018 and 31st March 2017 are analysed as follows:-

	31/03/18 RM'000	31/03/17 RM'000
Total retained earnings of the company and its subsidiaries:-		
- Realised	9,404	9,382
- Unrealised	(6,424)	(5,295)
Less: Consolidation adjustments	(21,298)	(21,350)
Total group retained earnings as per consolidated statements	<u>(18,318)</u>	<u>(17,263)</u>