

GPA Holdings Berhad

Unaudited Interim Report for the Six Months Ended 30 September 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 Quarter	To Date	Corresponding Period
	3 months ended	3 months ended	6 months ended	6 months ended
	30/09/2018	30/09/2017	30/09/2018	30/09/2017
	RM'000	RM'000	RM'000	RM'000
Sales	11,639	18,942	23,713	37,443
Cost of Sales	(10,134)	(17,553)	(20,683)	(35,730)
Gross Profit	1,505	1,389	3,030	1,713
Other income				
- Non-operating income	981	339	1,651	954
- Interest income	384	337	736	531
	2,870	2,065	5,417	3,198
Operating Expenses	(2,636)	(2,257)	(4,868)	(4,252)
Profit/(Loss) from operations	234	(192)	549	(1,054)
Finance cost	-	-	-	-
Profit/(Loss) before tax	234	(192)	549	(1,054)
Tax	(122)	(102)	(226)	(203)
Profit/(Loss) after tax	112	(294)	323	(1,257)
Other comprehensive income, net of taxation	-	-	-	-
Total comprehensive income/(loss) for the period	112	(294)	323	(1,257)
Total comprehensive income/(loss) attributable to:				
-Owners of the Company	94	(318)	196	(1,256)
-Non-controlling interests	18	24	127	(1)
Net comprehensive income/(loss) for the period	112	(294)	323	(1,257)
Earning/(Loss) per share - basic (Sen)	0.01	-0.03	0.02	(0.13)

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the financial statements for the financial year ended 31 March 2018

GPA Holdings Berhad
 Unaudited Interim Report as at 30 September 2018
Condensed Consolidated Statement of Financial Position
(The current year figures have not been audited)

	As at 30/09/2018 RM'000	As at 31/03/2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	30,852	31,354
Investment property	14,442	14,514
	<u>45,294</u>	<u>45,868</u>
Current assets		
Inventories	12,396	6,124
Receivables, deposits and prepayments	19,595	23,253
Tax Recoverable	715	728
Other investment	3,509	-
Cash and bank balances	46,692	52,184
	<u>82,907</u>	<u>82,289</u>
TOTAL ASSETS	<u><u>128,201</u></u>	<u><u>128,157</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	104,303	104,303
Reserves	3,679	3,483
Shareholders' equity	<u>107,982</u>	<u>107,786</u>
Non-controlling interests	4,674	4,547
Total Equity	<u>112,656</u>	<u>112,333</u>
Non-current liabilities		
Deferred tax liabilities	2,719	2,719
	<u>2,719</u>	<u>2,719</u>
Current liabilities		
Trade Payables	1,648	299
Other payables	11,178	12,806
	<u>12,826</u>	<u>13,105</u>
Total Liabilities	<u>15,545</u>	<u>15,824</u>
TOTAL EQUITY AND LIABILITIES	<u><u>128,201</u></u>	<u><u>128,157</u></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 2018

GPA Holdings Berhad

Unaudited Interim Report for the Six Months Ended 30 September 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 RM '000	
	Share Capital RM '000	Non-distributable			Total Equity Funds RM '000	Non- controlling interests RM '000		
		Share Premium RM '000	Available for sales reserves RM '000	Revaluation reserves RM '000				Distributable Retained Earnings RM '000
Balance as at 1 April 2017	104,303	-	-	22,027	(17,263)	109,067	4,586	113,653
- as previously reported								
Total comprehensive loss for the period	-	-	-	-	(1,281)	(1,281)	(39)	(1,320)
Reversal of Revaluation surplus of Investment property	-	-	-	(114)	114	-	-	-
Balance as at 31 March 2018	104,303	-	-	21,913	(18,430)	107,786	4,547	112,333
Balance as at 1 April 2018	104,303	-	-	21,913	(18,430)	107,786	4,547	112,333
- as previously reported								
Total comprehensive income for the period	-	-	-	-	196	196	127	323
Balance as at 30 September 2018	104,303	-	-	21,913	(18,234)	107,982	4,674	112,656

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the financial statements for the financial year ended 31 March 2018

GPA Holdings Berhad

Unaudited Interim Report for the Six Months Ended 30 September 2018

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

	6 months ended 30/09/18 RM'000	6 months ended 30/09/17 RM'000
Cash flows (for)/from operating activities		
Cash receipts from customers	29,461	42,954
Cash paid to suppliers and employees	(31,811)	(35,552)
Interest received	736	531
Dividend received	9	-
Tax refund	81	610
Tax paid	(294)	(276)
Net cash (used in)/from operating activities	(1,818)	8,267
Cash flows (for)/from investing activities		
Purchase of property, plant and equipment	(167)	(8)
Proceeds from disposal of property, plant and equipment	2	3
Purchase of other investment	(3,509)	-
Net cash (used in)/from investing activities	(3,674)	(5)
Net (decrease)/ increase in cash and cash equivalents	(5,492)	8,262
Cash and cash equivalents at beginning of the period	52,184	34,223
Cash and cash equivalents at end of the period	46,692	42,485

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the financial statements for the financial year ended 31 March 2018

GPA HOLDINGS BERHAD

Notes to the Financial Information – Second Quarter ended 30 Sept 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 2018. 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 2018.

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 2018.

- 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 Consequential Amendments)	The Effective Date
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 2018 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 30th September 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 30 September 2018					
Revenue					
External revenue	<u>19,253</u>	<u>4,005</u>	<u>455</u>	<u>-</u>	<u>23,713</u>
Results					
Segment results	1,568	481	(1,495)	86	640
Unallocated expenses					(91)
Finance cost					-
Tax expense					(226)
Profit for the period					<u>323</u>
Net assets					
Segment assets	112,446	23,095	2,582	(85,100)	53,023
Unallocated assets					75,178
Total assets					<u>128,201</u>
Segment liabilities	4,633	92,599	-	(85,217)	12,015
Unallocated liabilities					3,530
Total liabilities					<u>15,545</u>
Other information					
Capital expenditure	164	-	3	-	167
Depreciation	<u>386</u>	<u>23</u>	<u>176</u>	<u>-</u>	<u>585</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

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 – Second Quarter ended 30 September 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 RM16.44million in previous year corresponding quarter to RM9.63 million in current quarter primarily due to the decrease of local sales volume of automotive batteries.

Despite the drop in revenue, this segment recorded a profit before tax (“PBT”) of RM1.11 million in the current quarter compared to loss before tax (“LBT”) of RM222,000 in the previous year corresponding quarter.

The improvement in PBT in general was mainly attributed to better product margin recorded across the product mix coupled with overall fixed cost reduction.

In the current quarter PBT, there was a write-back of doubtful debts of RM284,000 as explained in Note 9 (ii) below – Material Litigation. Beside the debts there was also interest and cost recognised pursuant to the Court judgement.

Non-Automotive Batteries segment

Revenue for this segment decreased from RM2.50 million in the previous year corresponding quarter to RM1.80 million in the current quarter primarily due to lower export and local sales.

This segment will continue to focus and expand on the coverage of sealed lead acid batteries as well as the motorcycle batteries.

This segment recorded a PBT of RM82,000 in current quarter compared to LBT of RM110,000 in previous year corresponding quarter. This was mainly due to foreign exchange losses incurred in the previous year corresponding quarter.

Personal Care Products segment

This segment recorded revenue of RM207,000 with LBT of RM819,000 in the current quarter under review. The losses are incurred on the closure of outlets in view of the low sales performance.

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 RM234,000 compared to PBT of RM314,000 in the immediate preceding quarter.

This was mainly due to higher losses incurred in the segment of Personal Care products of RM819,000 compared to RM676,000 in the immediate preceding quarter.

3) **Current Year Prospects**

The market sentiment for the group business will continue to encounter intense competition with all key players lobbying for strong foothold.

The group will continue with the various cost-reduction initiatives 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, it has ceased the business for 2 outlets and will be assessing the future viability of the business in view of the intense competition and the current weak consumer sentiment.

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 30/09/2018 RM'000</i>	<i>6 months ended 30/09/2018 RM'000</i>
In respect of current period:		
- income tax	122	226
- deferred tax	-	-
- (Over)/ Under provision of previous year	-	-
	<u>122</u>	<u>226</u>

The effective tax rate on the Group's profit before tax for the financial year-to-date ended 30th September 2018 is higher than the statutory tax rate of 24.0% due to the profit incurred 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 borrowings as at the end of the current financial quarter.

9) Material Litigation

Since the preceding financial quarter ended 30 June 2018, 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)

GP Autobat Sdn Bhd (“GPA”) was in September 2015 served with a Writ of Summons together with a Statement of Claims issued by the High Court of Malaya, Kuala Lumpur in relation to a claim filed by Battery Solutions Sdn Bhd (“BS”) amounting to RM1,213,989.93 (“the BS’s Claim”) for alleged breach of contract relating to the purchase of battery grid panels from BS.

The High Court had on 28 September 2016 delivered the judgment that GPA was liable to pay the BS’s Claim at an interest rate of 5% per annum together with cost for a sum of RM50,000 (“the High Court Judgment”).

GPA had on 14 October 2016 filed an appeal with the Court of Appeal against the High Court Judgment. The Court of Appeal had on 9 July 2018 allowed GPA’s appeal against the decision of the High Court, and awarded cost of RM80,000 to be paid by BS.

On 1 August 2018, GPA through its solicitors issued a Statutory Notice of Demand pursuant to section 466(1)(a) and/or (b) of the Companies Act 2016 demanding BS to pay the remaining judgment sum of RM649,068.87 and cost of RM80,000-00 as BS had only paid RM680,452.72 up to the date of issuance of the Statutory Notice of Demand.

BS had on 7 August 2018 through its solicitors filed an application for leave to appeal to the Federal Court against the Court of Appeal Judgment. The leave application will be heard on 22nd January 2019.

BS through its solicitors further filed and served an Originating Summons No.WA-24NCC-403-08/2018 dated 10 August 2018 to the Kuala Lumpur High Court applying for an injunction to restraint and stop GPA from proceeding with the winding up petition against BS until the full and final disposal of the case.

GPA through its solicitors, Messrs Singara Velan & Assoc has challenged the Motion dated 7 August 2018 and the Originating Summons dated 10 August 2018 filed by BS. On 31st October 2018, the parties, through mediation process, agreed to enter a consent order that the remaining judgment sum and the cost are to be deposited into a fixed deposit at Ambank Berhad under both parties’ solicitors names as joint stakeholders pending the outcome of the leave to appeal to the Federal Court.

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

During the financial year ended 31 March 2015, GPA initiated a claim against Global Battery Technologies Sdn Bhd (“GBTSB”) for the sum of RM284,529.77 being balances payable on accounts outstanding, which was responded with a corresponding counter claim by GBTSB for a purported disputed delivery of RM708,406.34, this claim had been revised from the earlier amount of RM490,224.26 due of revision on the outstanding amount.

On 26 March 2018, the Sessions Court had allowed GPA’s claim of RM284,529.77 with 8% interest together with cost of RM30,000.00, and dismissed GBTSB’s counter claim. GBTSB had on 6 April 2018 appealed to the High Court against the decision of the Sessions Court.

On 2 August 2018, GBTSB paid to GPA the judgment sum together with cost and interest, totalling RM332,364.78 pending the outcome of the appeal. On 10 August 2018, during the case management of the appeal, GBTSB's solicitors had notified the High Court that BS did not wish to pursue the appeal.

10) Earnings per Share

		<i>3 months ended</i>		<i>6 months ended</i>	
		<i>30/09/2018</i>	<i>30/09/2017</i>	<i>30/09/2018</i>	<i>30/09/2017</i>
Basic earnings per share					
Net profit attributable to ordinary equity holders of the parent company	(RM'000)	94	(318)	196	(1,256)
Total number of ordinary shares in issue	('000)	980,490	980,490	980,490	980,490
Basic earnings per share	(sen)	0.01	(0.03)	0.02	(0.13)

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	(384)	(736)
Other income including investment income	(447)	(833)
Depreciation and amortization	285	585
Write-back of receivables	(299)	(253)
Foreign exchange gain	(202)	(484)
Loss on disposal of Property, Plant and Equipment	154	154

12) Realised and Unrealised Profits/(Losses) Disclosure

The retained profits as at 30th September 2018 and 30th September 2017 are analysed as follows:-

	<i>30/09/18</i>	<i>30/09/17</i>
	<i>RM'000</i>	<i>RM'000</i>
Total retained earnings of the company and its subsidiaries:-		
- Realised	8,596	8,877
- Unrealised	(5,382)	(6,051)
Less: Consolidation adjustments	(21,448)	(21,342)
Total group retained earnings as per consolidated statements	<u>(18,234)</u>	<u>(18,516)</u>