

**GPA Holdings Berhad**

Unaudited Interim Report for the Three Months Ended 30 June 2019

**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	
	6/30/2019	6/30/2018	6/30/2019	6/30/2018
	RM'000	RM'000	RM'000	RM'000
Sales	5,906	12,074	5,906	12,074
Cost of Sales	(5,033)	(10,549)	(5,033)	(10,549)
Gross Profit	873	1,525	873	1,525
Other income				
- Non-operating income	189	669	189	669
- Interest income	516	352	516	352
	1,578	2,546	1,578	2,546
Operating Expenses	(1,180)	(2,232)	(1,180)	(2,232)
Profit from operations	398	314	398	314
Finance cost	-	-	-	-
Profit before tax	398	314	398	314
Tax	(161)	(103)	(161)	(103)
Profit after tax	237	211	237	211
Other comprehensive income, net of taxation	-	-	-	-
Total comprehensive income for the period	237	211	237	211
Total comprehensive income / (expense) attributable to:				
-Owners of the Company	180	103	180	103
-Non-controlling interests	57	108	57	108
Net comprehensive income for the period	237	211	237	211
Profit per share - basic (Sen)	0.02	0.01	0.02	0.01

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the financial statements for the financial year ended 31 March 2019

**GPA Holdings Berhad**

Unaudited Interim Report as at 30 June 2019

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

	As at 6/30/2019 RM'000	As at 3/31/2018 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	29,718	29,869
Investment property	14,335	14,371
	<u>44,053</u>	<u>44,240</u>
<b>Current assets</b>		
Inventories	6,813	7,673
Receivables, deposits and prepayments	12,464	14,562
Tax Recoverable	741	751
Cash and bank balances	59,102	58,931
	<u>79,120</u>	<u>81,917</u>
<b>TOTAL ASSETS</b>	<u>123,173</u>	<u>126,157</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	104,303	104,303
Reserves	2,228	2,048
<b>Shareholders' equity</b>	<u>106,531</u>	<u>106,351</u>
Non-controlling interests	4,916	4,859
<b>Total Equity</b>	<u>111,447</u>	<u>111,210</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	3,520	3,521
	<u>3,520</u>	<u>3,521</u>
<b>Current liabilities</b>		
Trade Payables	103	1,292
Other payables	8,103	10,134
	<u>8,206</u>	<u>11,426</u>
<b>Total Liabilities</b>	<u>11,726</u>	<u>14,947</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>123,173</u>	<u>126,157</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 2019

**GPA Holdings Berhad**

Unaudited Interim Report for the Three Months Ended 30 June 2019

**Condensed Consolidated Statement of Changes in Equity**

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

Note	Attributable to equity holders of the Parent						Total Equity Funds RM '000	Non-controlling interests RM '000	Total Equity RM '000
	Non-distributable		Revaluation reserves RM '000	Distributable (Accumulated Loss)/ Retained Earnings RM '000	Total Equity Funds RM '000				
	Share Capital RM '000	Share Premium RM '000			Share Capital RM '000	Share Premium RM '000			
<b>Balance as at 1 April 2018</b>	104,303	-	21,913	(18,430)	107,786	4,547	112,333		
Total comprehensive (expense)/ Income for the period	-	-	(594)	(594)	(594)	312	(282)		
Realisation of revaluation surplus on property, plant and equipment	-	-	(124)	124	-	-	-		
Effect of changes in tax rate on property, plant and equipment	-	-	(841)	-	(841)	-	(841)		
<b>Balance as at 31 March 2019</b>	<b>104,303</b>	<b>-</b>	<b>20,948</b>	<b>(18,900)</b>	<b>106,351</b>	<b>4,859</b>	<b>111,210</b>		
<b>Balance as at 1 April 2019</b>	<b>104,303</b>	<b>-</b>	<b>20,948</b>	<b>(18,900)</b>	<b>106,351</b>	<b>4,859</b>	<b>111,210</b>		
Total comprehensive income for the period	-	-	-	180	180	57	237		
<b>Balance as at 30 June 2019</b>	<b>104,303</b>	<b>-</b>	<b>20,948</b>	<b>(18,720)</b>	<b>106,531</b>	<b>4,916</b>	<b>111,447</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 2019

**GPA Holdings Berhad**

Unaudited Interim Report for the Three Months Ended 30 June 2019

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

	<b>3 months ended 30/06/19 RM'000</b>	<b>3 months ended 30/06/18 RM'000</b>
<b>Cash flows from/ (from) operating activities</b>		
Cash receipts from customers	9,013	13,650
Cash paid to suppliers and employees	(9,207)	(15,284)
Interest received	516	352
Tax refund	40	16
Tax paid	(191)	(158)
<b><i>Net cash used in operating activities</i></b>	<b>171</b>	<b>(1,424)</b>
<b>Cash flows for investing activities</b>		
Purchase of property, plant and equipment	-	(167)
<b><i>Net cash used in investing activities</i></b>	<b>-</b>	<b>(167)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>171</b>	<b>(1,591)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>58,931</b>	<b>52,184</b>
<b>Cash and cash equivalents at end of the period</b>	<b>59,102</b>	<b>50,593</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the financial statements for the financial year ended 31 March 2019

# GPA HOLDINGS BERHAD

## Notes to the Financial Information – First Quarter ended 30 June 2019

(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 2019. 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 2019.

#### 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 2019.

- 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 2014 - 2016 cycle

- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards 1 January 2018
- 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

MFRS 9, Financial Instruments (2014) 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

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

## 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>Effective Date</b>
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 9 <i>Financial Instruments (2014) – Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 128 <i>Investments in Associates and Joint Ventures – Long-term Interest in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 3 <i>Business Combinations – Previously Held Interest in a Joint Operation (Annual Improvements 2015-2017 Cycle)</i>	1 January 2019
Amendments to MFRS 11 <i>Joint Arrangements - Previously Held Interest in a Joint Operation (Annual Improvements 2015-2017 Cycle)</i>	1 January 2019
Amendments to MFRS 112 <i>Income Taxes – Income Tax Consequences of Payments on Financial Instruments Classified as Equity (Annual Improvements 2015-2017 Cycle)</i>	1 January 2019
Amendments to MFRS 123 <i>Borrowing Costs – Borrowing Costs Eligible for Capitalisation (Annual Improvements 2015-2017 Cycle)</i>	1 January 2019
Amendments to MFRS 119 <i>Employee Benefits – Plan Amendment, Curtailment or Settlement</i>	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3 <i>Business Combination – Definition of a Business</i>	1 January 2020
Amendments to MFRS 101 <i>Presentation of Financial Statements</i> and MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material</i>	1 January 2020
MFRS 17 <i>Insurance Contracts</i>	1 January 2021

3) **Auditors' Report**

The auditors' report on the financial statements for the financial year ended 31<sup>st</sup> March 2019 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 2019.

## 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 30 June 2019</b>					
<b>Revenue</b>					
External revenue	<u>4,591</u>	<u>1,315</u>	<u>-</u>	<u>-</u>	<u>5,906</u>
<b>Results</b>					
Segment results	206	220	(15)	14	425
Unallocated expenses					(27)
Finance cost					-
Tax expense					(161)
Loss for the period					<u>237</u>
<b>Net assets</b>					
Segment assets	99,028	19,756	167	(74,591)	44,360
Unallocated assets					74,813
Total assets					<u>119,173</u>
Segment liabilities	197	82,057	-	(78,591)	3,663
Unallocated liabilities					4,062
Total liabilities					<u>7,725</u>
<b>Other information</b>					
Capital expenditure	-	-	-	-	-
Depreciation	<u>185</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>189</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 – First Quarter ended 30 June 2019**

*(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 RM 9.62 million in previous year corresponding quarter to RM4.59 million in the current quarter primarily due to the decrease of local sales volume of automotive batteries.

This segment recorded a profit before tax (“PBT”) of RM206k in the current quarter compared to PBT of RM546k in the previous year corresponding quarter, attributable to lower sales revenue.

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

Revenue for this segment decreased from RM2.20 million in the previous year corresponding quarter to RM1.31 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 RM220k in current quarter compared to PBT of RM399k in previous year corresponding quarter as a result of lower sales revenue.

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

This segment has ceased the trading and retailing business with effect from 1 March 2019. It recorded LBT of RM15k in the current quarter on expenses related to closure.

#### ***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 RM398k compared to LBT of RM791k in the immediate preceding quarter.

The losses in the immediate preceding quarter mainly attributed by the Personal Care products segments on the closure of outlets where retrenchment cost, impairment of fixed asset and write down of inventories were incurred during the immediate preceding quarter.

3) **Current Year Prospects**

Business prospects of the Group for the 2020 financial year remain challenging.

The overall market situation will continue to encounter keen competition with all key players in the industry lobbying for stronger foothold. Entry of new players and brands into local markets has further intensified the competition.

Moving forward, the Group will work towards maintaining existing channels and growing new channels for bigger market presence in this challenging economic environment.

We will remain focused on executing the ongoing initiatives to better position the Group in overcoming the challenges.

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 30/06/2019 RM'000</i>
In respect of current period:	
- income tax	161
- deferred tax	-
- (Over)/ Under provision of previous year	-
	<u>161</u>

The effective tax rate on the Group's profit before tax for the financial year-to-date ended 30<sup>th</sup> June 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 31 March 2019, there is no change in material litigation as at the date of this announcement except as disclosed below:

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.

On 9 July 2018, Court of Appeal has allowed GPA’s appeal against the decision of the High Court of Malaya. The Court of Appeal awarded cost of RM80,000 to be paid by BS subject to allocator fees.

On 22 January 2019, BS was granted the leave to appeal against the decision of the Court of Appeal. On 22 April 2019, the Federal Court has directed the parties to file their written submissions, bundle of authorities are core bundles by 13 September 2019 and the hearing of the appeal is fixed for 30 September 2019.

GPA will announce any material development arising from the above proceedings at the appropriate time.

## 10) Earnings per Share

		<i>3 months ended</i>	
		<u>30/06/2019</u>	<u>30/06/2018</u>
<b>Basic earnings per share</b>			
Net profit attributable to ordinary equity holders of the parent company	(RM'000)	180	103
Total number of ordinary shares in issue	('000)	980,490	980,490
Basic earnings per share	(sen)	0.02	0.01

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):-

	<b>Current Quarter YTD (RM'000)</b>
Interest income	(516)
Other income including investment income	(109)
Depreciation and amortization	189
Provision of receivables	16
Foreign exchange gain	(80)

## 12) Realised and Unrealised Profits/(Losses) Disclosure

The retained profits as at 30<sup>th</sup> June 2019 and 30<sup>th</sup> June 2018 are analysed as follows:-

	<i>30/06/19</i>	<i>30/06/18</i>
	<i>RM'000</i>	<i>RM'000</i>
Total retained earnings of the company and its subsidiaries:-		
- Realised	8,304	9,127
- Unrealised	(5,348)	(6,012)
Less: Consolidation adjustments	(21,676)	(21,446)
Total group retained earnings as per consolidated statements	<u>(18,720)</u>	<u>(18,331)</u>