

**GPA Holdings Berhad**

Unaudited Interim Report for the Nine Months Ended 31 December 2019

**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
	12/31/2019	12/31/2018	12/31/2019	12/31/2018
	RM'000	RM'000	RM'000	RM'000
Sales	6,789	9,458	21,285	33,171
Cost of Sales	(5,892)	(8,455)	(18,625)	(29,138)
Gross Profit	897	1,003	2,660	4,033
Other income				
- Non-operating income	202	496	876	2,147
- Interest income	565	457	1,615	1,193
	1,664	1,956	5,151	7,373
Operating Expenses	(1,195)	(1,711)	(3,568)	(6,579)
Profit from operations	469	245	1,583	794
Finance cost	-	-	-	-
Profit before tax	469	245	1,583	794
Tax	-	179	(161)	(46)
Profit after tax	469	424	1,422	748
Other comprehensive income, net of taxation	-	-	-	-
Total comprehensive income for the period	469	424	1,422	748
Total comprehensive income attributable to:				
-Owners of the Company	419	391	1,242	588
-Non-controlling interests	50	33	180	160
Net comprehensive income/(loss) for the period	469	424	1,422	748
Earning per share - basic (Sen)	0.04	0.04	0.13	0.06

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 31 December 2019

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

	As at 12/31/2019 RM'000	As at 3/31/2019 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	29,415	29,869
Investment property	14,263	14,371
	<u>43,678</u>	<u>44,240</u>
<b>Current assets</b>		
Inventories	6,888	7,673
Receivables, deposits and prepayments	13,458	14,562
Tax Recoverable	844	751
Cash and bank balances	59,384	58,931
	<u>80,574</u>	<u>81,917</u>
<b>TOTAL ASSETS</b>	<u><u>124,252</u></u>	<u><u>126,157</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	104,303	104,303
Reserves	3,290	2,048
<b>Shareholders' equity</b>	<u>107,593</u>	<u>106,351</u>
Non-controlling interests	5,039	4,859
<b>Total Equity</b>	<u>112,632</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	295	1,292
Other payables	7,805	10,134
	<u>8,100</u>	<u>11,426</u>
<b>Total Liabilities</b>	<u>11,620</u>	<u>14,947</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>124,252</u></u>	<u><u>126,157</u></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 Nine Months Ended 31 December 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 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			
<b>Balance as at 1 April 2018</b>		104,303	-	-	21,913	(18,430)	107,786	4,547	112,333	
- as previously reported										
Total comprehensive (loss)/ income for the period		-	-	-	(594)	(594)	(594)	312	(282)	
Reversal of Revaluation surplus of Investment property		-	-	-	(124)	124	-	-	-	
Effect of changes in tax rate on property, plant and equipment		-	-	-	(841)	-	(841)	-	(841)	
<b>Balance as at 31 March 2019</b>		104,303	-	-	20,948	(18,900)	106,351	4,859	111,210	
<b>Balance as at 1 April 2019</b>		104,303	-	-	20,948	(18,900)	106,351	4,859	111,210	
- as previously reported										
Total comprehensive income for the period		-	-	-	-	1,242	1,242	180	1,422	
<b>Balance as at 31 December 2019</b>		104,303	-	-	20,948	(17,658)	107,593	5,039	112,632	

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 Nine Months Ended 31 December 2019

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

	<b>9 months ended 31/12/19 RM'000</b>	<b>9 months ended 31/12/18 RM'000</b>
<b>Cash flows (for)/from operating activities</b>		
Cash receipts from customers	24,095	43,791
Cash paid to suppliers and employees	(25,004)	(43,500)
Interest received	1,615	1,193
Dividend received	-	85
Tax refund	287	81
Tax paid	(540)	(431)
<b><i>Net cash from/ (used in) operating activities</i></b>	<b>453</b>	<b>1,219</b>
<b>Cash flows (for)/from investing activities</b>		
Purchase of property, plant and equipment	-	(167)
Proceeds from disposal of property, plant and equipment	-	2
Purchase of other investment	-	-
<b><i>Net cash (used in)/from investing activities</i></b>	<b>-</b>	<b>(165)</b>
<b>Net increase in cash and cash equivalents</b>	<b>453</b>	<b>1,054</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>59,384</b>	<b>53,238</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 – Third Quarter ended 31 December 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.

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 Financial Instruments (2014) – Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 128 Investments in Associates and Joint Ventures – Long-term Interest in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 3 Business Combinations – Previously Held Interest in a Joint Operation (Annual Improvements 2015-2017 Cycle)	1 January 2019

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

<b>MFRSs and IC Interpretations (Including The Consequential Amendments) (Cont'd)</b>	<b>Effective Date</b>
Amendments to MFRS 11 Joint Arrangements - Previously Held Interest in a Joint Operation (Annual Improvements 2015-2017 Cycle)	1 January 2019
Amendments to MFRS 112 Income Taxes – Income Tax Consequences of Payments on Financial Instruments Classified as Equity (Annual Improvements 2015-2017 Cycle)	1 January 2019
Amendments to MFRS 123 Borrowing Costs – Borrowing Costs Eligible for Capitalisation (Annual Improvements 2015-2017 Cycle)	1 January 2019
Amendments to MFRS 119 Employee Benefits – Plan Amendment, Curtailment or Settlement	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 31<sup>st</sup> December 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 31 December 2019</b>					
<b>Revenue</b>					
External revenue	<u>16,716</u>	<u>4,569</u>	<u>-</u>	<u>-</u>	<u>21,285</u>
<b>Results</b>					
Segment results	666	630	(31)	14	1,279
Unallocated income					427
Unallocated expenses					(123)
Finance cost					-
Tax expense					(161)
Profit for the period					<u>1,422</u>
<b>Net assets</b>					
Segment assets	69,218	19,951	4,218	(46,376)	47,011
Unallocated assets					77,241
Total assets					<u>124,252</u>
Segment liabilities	44,569	3,338	4,034	(46,376)	5,565
Unallocated liabilities					6,055
Total liabilities					<u>11,620</u>
<b>Other information</b>					
Capital expenditure	-	-	-	-	-
Depreciation	<u>552</u>	<u>11</u>	<u>-</u>	<u>-</u>	<u>563</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 – Third Quarter ended 31 December 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 RM7.74 million in previous year corresponding quarter to RM5.21 million in current quarter primarily due to the decrease of local sales volume of automotive batteries.

This segment recorded a profit before tax (“PBT”) of RM42,000 in the current quarter compared to a PBT of RM890,000 in the previous year corresponding quarter.

The lower PBT during the quarter mainly due to lower sales generated and hence reduce the overall PBT.

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

This segment recorded a revenue of RM1.58m in the current quarter compared to RM1.64 million in the previous year corresponding 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 higher PBT of RM168,000 in current quarter compared to PBT of RM23,000 in previous year corresponding quarter mainly due to reduction in overall fixed operational cost.

### ***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 RM469,000 compared to PBT of RM717,000 in the immediate preceding quarter.

Lower PBT during the quarter was primarily due to the decrease in revenue from RM8.59 million in the immediate preceding quarter to RM6.79 million in current quarter.

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

The Group expect the 2020 financial year to face challenging economic and business environment.

The overall market situation will continue to experience sluggish demand. The entry of new players and brands into local markets has further intensified the competition.

Moving forward, the Group will focus towards the products quality, expanding customer base and growing new channels for bigger market presence in this challenging economic environment.

The Group is confident that through continuous improvement in the products with wider customer base, the Group will be able to weather the challenges ahead.

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 31/12/2019 RM'000</i>	<i>9 months ended 31/12/2019 RM'000</i>
In respect of current period:		
- income tax	-	161
- deferred tax	-	-
- (Over)/ Under provision of previous year	-	-
	-	161

The effective tax rate on the Group's profit before tax for the financial year-to-date ended 31<sup>st</sup> December 2019 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 which was originally fixed for 30 September 2019 has now been postponed to 24 March 2020.

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

10) **Earnings per Share**

		<i>3 months ended</i>		<i>9 months ended</i>	
		<i>31/12/2019</i>	<i>31/12/2018</i>	<i>31/12/2019</i>	<i>31/12/2018</i>
<b>Basic earnings per share</b>					
Net profit attributable to ordinary equity holders of the parent company	(RM'000)	419	391	1,242	588
Total number of ordinary shares in issue	('000)	980,490	980,490	980,490	980,490
Basic earnings per share	(sen)	0.04	0.04	0.13	0.06

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 (RM'000)</b>	<b>YTD (RM'000)</b>
Interest income	(565)	(1,615)
Other income including investment income	(267)	(690)
Depreciation and amortization	187	564
Write-back of receivables	(14)	(123)
Foreign exchange loss/ (gain)	113	(26)
Write back of provision for slow moving stock	-	(169)

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

The retained profits as at 31<sup>st</sup> December 2019 and 31<sup>th</sup> December 2018 are analysed as follows:-

	<i>31/12/19</i> <i>RM'000</i>	<i>31/12/18</i> <i>RM'000</i>
Total retained earnings of the company and its subsidiaries:-		
- Realised	9,742	8,622
- Unrealised	(5,601)	(4,986)
Less: Consolidation adjustments	(21,799)	(21,482)
Total group retained earnings as per consolidated statements	<u>(17,658)</u>	<u>(17,846)</u>