

GPA Holdings Berhad

Unaudited Interim Report for the Twelve Months Ended 31 March 2020

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income*(The current year figures have not been audited)*

| | Individual Quarter | | Cumulative Quarter | |
|---|--------------------|-----------------------|--------------------|----------------------|
| | Current Year | Preceding Year | Current | Preceding Year |
| | Quarter | Corresponding Quarter | Year To Date | Corresponding Period |
| | 3 months ended | | 12 months ended | |
| | 3/31/2020 | 3/31/2019 | 3/31/2020 | 3/31/2019 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Sales | 7,590 | 7,339 | 29,343 | 40,510 |
| Cost of Sales | (6,667) | (7,033) | (25,446) | (36,170) |
| Gross Profit | 923 | 306 | 3,897 | 4,340 |
| Other income | | | | |
| - Non-operating income | 16 | 388 | 578 | 2,535 |
| - Interest income | 388 | 497 | 2,003 | 1,690 |
| | 1,327 | 1,191 | 6,478 | 8,565 |
| Operating Expenses | (3,547) | (1,982) | (7,115) | (8,561) |
| Profit/ (Loss) from operations | (2,220) | (791) | (637) | 4 |
| Finance cost | - | - | - | - |
| Profit/ (Loss) before tax | (2,220) | (791) | (637) | 4 |
| Tax | (388) | (237) | (550) | (283) |
| Profit/ (Loss) after tax | (2,608) | (1,028) | (1,187) | (279) |
| Other comprehensive income, net of taxation | 124 | - | 124 | - |
| Total comprehensive income/ (expenses) for the period | (2,484) | (1,028) | (1,063) | (279) |
| Profit/ (Loss) attributable to: | | | | |
| -Owners of the Company | (2,270) | (1,181) | (1,029) | (591) |
| -Non-controlling interests | (338) | 153 | (158) | 312 |
| Profit/ (Loss) after tax for the period | (2,608) | (1,028) | (1,187) | (279) |
| Total comprehensive income attributable to: | | | | |
| -Owners of the Company | (2,146) | (1,181) | (905) | (591) |
| -Non-controlling interests | (338) | 153 | (158) | 312 |
| Net comprehensive income/(expenses) for the period | (2,484) | (1,028) | (1,063) | (279) |
| Earning/ (Loss) per share - basic (Sen) | (0.23) | (0.12) | (0.10) | (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 March 2020

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

| | As at 3/31/2020 RM'000 | As at 31/03/2019 RM'000 |
|---------------------------------------|------------------------------|-------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 29,431 | 29,869 |
| Investment property | 14,227 | 14,371 |
| | <u>43,658</u> | <u>44,240</u> |
| Current assets | | |
| Inventories | 8,801 | 7,673 |
| Receivables, deposits and prepayments | 8,832 | 14,562 |
| Tax Recoverable | 514 | 751 |
| Cash and bank balances | 63,483 | 58,931 |
| | <u>81,630</u> | <u>81,917</u> |
| TOTAL ASSETS | <u>125,288</u> | <u>126,157</u> |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 104,303 | 104,303 |
| Reserves | 1,019 | 2,048 |
| Shareholders' equity | <u>105,322</u> | <u>106,351</u> |
| Non-controlling interests | 4,701 | 4,859 |
| Total Equity | <u>110,023</u> | <u>111,210</u> |
| Non-current liabilities | | |
| Deferred tax liabilities | 3,560 | 3,521 |
| | <u>3,560</u> | <u>3,521</u> |
| Current liabilities | | |
| Trade Payables | 4,019 | 1,292 |
| Other payables | 7,686 | 10,134 |
| | <u>11,705</u> | <u>11,426</u> |
| Total Liabilities | <u>15,265</u> | <u>14,947</u> |
| TOTAL EQUITY AND LIABILITIES | <u>125,288</u> | <u>126,157</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 2019

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Unaudited Interim Report for the Twelve Months Ended 31 March 2020

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 |
|--|--|---------------------------------|------------------------------|-------------------------------|--------------------------------------|-------------------------|
| | Share Capital RM '000 | Revaluation reserves RM '000 | Retained Earnings RM '000 | | | |
| Balance as at 1 April 2018 | | | | | | |
| - as previously reported | 104,303 | 21,913 | (18,430) | 107,786 | 4,547 | 112,333 |
| Total comprehensive (loss)/ income for the period | - | | (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) |
| Balance as at 31 March 2019 | 104,303 | 20,948 | (18,900) | 106,351 | 4,859 | 111,210 |
| Balance as at 1 April 2019 | | | | | | |
| - as previously reported | 104,303 | 20,948 | (18,900) | 106,351 | 4,859 | 111,210 |
| Total comprehensive income for the period | - | - | (1,029) | (1,029) | (158) | (1,187) |
| Reversal of Revaluation surplus of Investment property | - | (124) | 124 | - | - | - |
| Balance as at 31 March 2020 | 104,303 | 20,824 | (19,805) | 105,322 | 4,701 | 110,023 |

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 Twelve Months Ended 31 March 2020

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

| | 12 months ended 31/03/2020 RM'000 | 12 months ended 31/03/2019 RM'000 |
|---|--|--|
| Cash flows (for)/from operating activities | | |
| Cash receipts from customers | 35,771 | 51,000 |
| Cash paid to suppliers and employees | (32,786) | (45,451) |
| Interest received | 2,003 | 1,690 |
| Dividend received | - | 85 |
| Tax refund | 443 | 350 |
| Tax paid | (716) | (697) |
| Net cash from/ (used in) operating activities | 4,715 | 6,977 |
| Cash flows (for)/from investing activities | | |
| Purchase of property, plant and equipment | (163) | (262) |
| Proceeds from disposal of property, plant and equipment | - | 34 |
| Purchase of other investment | - | - |
| Net cash (used in)/from investing activities | (163) | (228) |
| Net increase in cash and cash equivalents | 4,552 | 6,749 |
| Cash and cash equivalents at beginning of the period | 58,931 | 52,184 |
| Cash and cash equivalents at end of the period | 63,483 | 58,933 |

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

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Notes to the Financial Information – Fourth Quarter ended 31 March 2020

(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:-

| MFRSs and IC Interpretations (Including The Consequential Amendments) | Effective Date |
|--|-----------------------|
| 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 |
| Amendments to MFRS 9 <i>Financial Instruments</i> , MFRS 139 <i>Financial Instruments: Recognition and Measurement</i> and MFRS 7 <i>Financial Instruments: Disclosures – Interest Rate Benchmark Reform</i> | 1 January 2020 |
| MFRS 17 <i>Insurance Contracts</i> | 1 January 2021 |

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

MFRSs and IC Interpretations (Including The Consequential Amendments) (Cont'd) Effective Date

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

3) **Auditors' Report**

The auditors' report on the financial statements for the financial year ended 31st 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 31st March 2020.

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 2020 | | | | | |
| Revenue | | | | | |
| External revenue | <u>24,216</u> | <u>5,212</u> | <u>-</u> | <u>(85)</u> | <u>29,343</u> |
| Results | | | | | |
| Segment results | (826) | (383) | (60) | 14 | (1,255) |
| Unallocated income | | | | | 822 |
| Unallocated expenses | | | | | (204) |
| Finance cost | | | | | - |
| Tax expense | | | | | (550) |
| Profit for the period | | | | | <u>(1,187)</u> |
| Net assets | | | | | |
| Segment assets | 71,314 | 19,197 | 4,155 | (59,327) | 35,339 |
| Unallocated assets | | | | | 89,949 |
| Total assets | | | | | <u>125,288</u> |
| Segment liabilities | 48,201 | 3,571 | 4,000 | (59,327) | (3,555) |
| Unallocated liabilities | | | | | 18,820 |
| Total liabilities | | | | | <u>15,265</u> |
| Other information | | | | | |
| Capital expenditure | 163 | - | - | - | 163 |
| Depreciation | <u>731</u> | <u>15</u> | <u>-</u> | <u>-</u> | <u>746</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 – Fourth Quarter ended 31 March 2020

(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 increased from RM6.06 million in previous year corresponding quarter to RM7.50 million in current quarter primarily due to higher volume from domestic market.

This segment recorded a loss before tax (“LBT”) of RM 1.39 million in the current quarter compared to a Profit before tax (“PBT”) of RM 164,000 in the previous year corresponding quarter.

The losses during the quarter mainly attributed to the impairment provision on slow moving inventories of RM890,000 couple with the impairment loss on fixed asset amounting to RM495,000 resulted from closure of outlets.

Non-Automotive Batteries segment

Revenue for this segment decreased from RM1.24 million in the previous year corresponding quarter to RM 643,000 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 LBT of RM1.01 million in current quarter compared to PBT of RM238,000 in previous year corresponding quarter primarily due to the provision for doubtful debts of RM714,000 and provision for slow moving inventories of RM121,000 during the quarter.

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 RM2.22 million compared to PBT of RM469,000 in the immediate preceding quarter.

The losses during the quarter mainly attributed to impairment loss of slow moving inventories of RM1.01 million couple with provision for doubtful debts of RM714,000 during the quarter.

3) **Current Year Prospects**

The Covid-19 pandemic outbreak has brought significant disruption and great strain to most of the country's businesses and industries. The unprecedented challenges have inflicted more disruption to domestic and global economies than the Asian Financial Crisis in 1997 and the SARS outbreak in 2003.

The Group's business has also been negatively affected by the Covid 19 pandemic and the Movement Control Order in the country. The Management has promptly taken steps to review the business processes of the Group with the objective of reducing costs, decrease expenses, and to remain viable.

The Group will strive towards maintaining existing channels and growing new channels for bigger market presence in overcoming this tough economic hurdle and move forward stronger.

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 31/03/2020 RM'000</i> | <i>12 months ended 31/03/2020 RM'000</i> |
|------------------------------------|---|--|
| In respect of current period: | | |
| - income tax | 332 | 494 |
| - deferred tax | 41 | 41 |
| - Under provision of previous year | 15 | 15 |
| | 388 | 550 |

The effective tax rate on the Group's profit before tax for the financial year-to-date ended 31st March 2020 is lower than the statutory tax rate of 24.0% due to the loss 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 twice – from 24 March 2020 and subsequently to 24 August 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>12 months ended</i> | |
|--|----------|-----------------------|-------------------|------------------------|-------------------|
| | | <i>31/03/2020</i> | <i>31/03/2019</i> | <i>31/03/2020</i> | <i>31/03/2019</i> |
| Basic earnings per share | | | | | |
| Net profit/ (loss) attributable to ordinary equity holders of the parent company | (RM'000) | (2,270) | (1,181) | (1,029) | (591) |
| Total number of ordinary shares in issue | ('000) | 980,490 | 980,490 | 980,490 | 980,490 |
| Basic earnings/(loss) per share | (sen) | (0.23) | (0.12) | (0.10) | (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):-

| | Current Quarter (RM'000) | YTD (RM'000) |
|--|-------------------------------------|-------------------------|
| Interest income | (388) | (2,003) |
| Other income including investment income | - | (376) |
| Depreciation and amortization | 182 | 746 |
| Provision for impairment loss of receivables | 714 | 592 |
| Provision for impairment loss of slow moving stock | 969 | 801 |
| Foreign exchange loss/ (gain) | 57 | (2) |

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

The retained profits as at 31st March 2020 and 31st March 2019 are analysed as follows:-

| | <i>31/03/20</i> <i>RM'000</i> | <i>31/03/19</i> <i>RM'000</i> |
|---|----------------------------------|----------------------------------|
| Total retained earnings of the company and its subsidiaries:- | | |
| - Realised | 7,596 | 8,089 |
| - Unrealised | (5,940) | (5,581) |
| Less: Consolidation adjustments | (21,461) | (21,633) |
| Total group retained earnings as per consolidated statements | <u>(19,805)</u> | <u>(19,125)</u> |