

GPA Holdings Berhad

Unaudited Interim Report for the Three Months Ended 30 June 2020

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	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
	RM'000	RM'000	RM'000	RM'000
Sales	7,611	5,906	7,611	5,906
Cost of Sales	(6,505)	(5,033)	(6,505)	(5,033)
Gross Profit	1,106	873	1,106	873
Other income				
- Non-operating income	11	189	11	189
- Interest income	357	516	357	516
	1,474	1,578	1,474	1,578
Operating Expenses	(1,370)	(1,180)	(1,370)	(1,180)
Profit from operations	104	398	104	398
Finance cost	-	-	-	-
Profit before tax	104	398	104	398
Tax	(72)	(161)	(72)	(161)
Profit after tax	32	237	32	237
Other comprehensive income, net of taxation	-	-	-	-
Total comprehensive income for the period	32	237	32	237
Total comprehensive income / (expense) attributable to:				
-Owners of the Company	69	180	69	180
-Non-controlling interests	(37)	57	(37)	57
Net comprehensive income for the period	32	237	32	237
Profit per share - basic (Sen)	0.01	0.02	0.01	0.02

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the financial statements for the financial year ended 31 March 2020

GPA Holdings Berhad

Unaudited Interim Report as at 30 June 2020

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

	As at 6/30/2020 RM'000	As at 3/31/2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	29,312	29,267
Investment property	14,192	14,228
	43,504	43,495
Current assets		
Inventories	3,898	8,801
Receivables, deposits and prepayments	12,245	12,782
Tax Recoverable	404	683
Cash and bank balances	62,883	63,483
	79,430	85,749
TOTAL ASSETS	122,934	129,244
EQUITY AND LIABILITIES		
Equity		
Share capital	104,303	104,303
Reserves	1,088	1,011
Shareholders' equity	105,391	105,314
Non-controlling interests	4,664	4,699
Total Equity	110,055	110,013
Non-current liabilities		
Deferred tax liabilities	3,560	3,561
	3,560	3,561
Current liabilities		
Trade Payables	986	4,516
Other payables	8,333	10,984
	9,319	15,670
Total Liabilities	12,879	19,231
TOTAL EQUITY AND LIABILITIES	122,934	129,244
Net Assets per Share (RM)	0.11	0.11

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the financial statements for the financial year ended 31 March 2020

GPA Holdings Berhad

Unaudited Interim Report for the Three Months Ended 30 June 2020

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
	Share Capital RM '000	Non-distributable		Distributable			
		Share Premium RM '000	Revaluation reserves RM '000	(Accumulat ed Loss)/ Retained Earnings RM '000			
Balance as at 1 April 2019	104,303	-	20,948	(18,900)	106,351	4,859	111,210
Total comprehensive (expense)/ Income for the period	-	-		(1,029)	(1,029)	(158)	(1,187)
Realisation of revaluation surplus on property, plant and equipment			(124)	124	-	-	-
Effect of changes in tax rate on property, plant and equipment				-		-	
Balance as at 31 March 2020	104,303	-	20,824	(19,805)	105,322	4,701	110,023
Balance as at 1 April 2020	104,303	-	20,824	(19,805)	105,322	4,701	110,023
Total comprehensive income for the period	-	-	-	69	69	(37)	32
Balance as at 30 June 2020	104,303	-	20,824	(19,736)	105,391	4,664	110,055

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the financial statements for the financial year ended 31 March 2020

GPA Holdings Berhad

Unaudited Interim Report for the Three Months Ended 30 June 2020

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

	3 months ended 30/06/20 RM'000	3 months ended 30/06/19 RM'000
Cash flows from/ (from) operating activities		
Cash receipts from customers	5,939	9,013
Cash paid to suppliers and employees	(6,915)	(9,207)
Interest received	357	516
Tax refund	285	40
Tax paid	(247)	(191)
<i>Net cash used in operating activities</i>	<u>(581)</u>	<u>171</u>
Cash flows for investing activities		
Purchase of property, plant and equipment	(19)	-
<i>Net cash used in investing activities</i>	<u>(19)</u>	<u>-</u>
Net increase/ (decrease) in cash and cash equivalents	(600)	171
Cash and cash equivalents at beginning of the period	<u>63,483</u>	<u>58,931</u>
Cash and cash equivalents at end of the period	<u><u>62,883</u></u>	<u><u>59,102</u></u>

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 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 2020. 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 2020.

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 2020.

- 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:-

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
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 31st March 2020 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 June 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					
30 June 2020					
Revenue					
External revenue	<u>7,188</u>	<u>444</u>	<u>-</u>	<u>(21)</u>	<u>7,611</u>
Results					
Segment results	(44)	(122)	(4)	-	(170)
Unallocated income					299
Unallocated expenses					(25)
Finance cost					-
Tax expense					(72)
Loss for the period					<u>32</u>
Net assets					
Segment assets	68,719	19,064	4,152	(59,033)	32,902
Unallocated assets					90,032
Total assets					<u>122,934</u>
Segment liabilities	45,565	3,607	4,000	(59,032)	(5,860)
Unallocated liabilities					18,739
Total liabilities					<u>12,879</u>
Other information					
Capital expenditure	19	-	-	-	19
Depreciation	<u>170</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>174</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 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 RM 4.59 million in previous year corresponding quarter to RM7.19 million in the current quarter primarily due to the increased of local sales volume of automotive batteries.

This segment recorded a Loss before tax (“LBT”) of RM23k in the current quarter compared to Profit Before Tax (“PBT”) of RM206k in the previous year corresponding quarter due to reversal of warranty provision of RM200k in last corresponding quarter.

Non-Automotive Batteries segment

Revenue for this segment decreased from RM1.31 million in the previous year corresponding quarter to RM444k 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 RM122k in current quarter compared to PBT of RM220k in previous year corresponding quarter as a result of lower sales.

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 RM104k compared to LBT of RM1.19 mil in the immediate preceding quarter.

The losses in the immediate preceding quarter are attributed to impairment loss of slow moving inventories of RM1.01 million and provision for doubtful debts of RM714k.

3) Current Year Prospects

The Group expects to continue to face the tough economic environment in the coming quarters. The global growth prospects have also been weakened by the Covid-19 Pandemic.

Although the global supply chains have improved, local domestic automotive industry is expected to be subdued in 2020 as new vehicles sales are expected to be lower due to sluggish consumers’ sentiments and depressed economic conditions.

The Group has promptly taken steps to review the business processes of the Group and will continue to be steadfast in pursuing continuous improvements in the products and services, improvement in efficiencies and our long term strategies to strengthen and expand our presence in the existing and new markets to ensure sustainable growth and development.

We believe that with strong commitment from our Group's management team and support from our stakeholders, we will continue to weather the challenges ahead of us.

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 30/06/2020 RM'000</i>
In respect of current period:	
- income tax	72
- deferred tax	-
- (Over)/ Under provision of previous year	-
	<u>72</u>

The effective tax rate on the Group's profit before tax for the financial year-to-date ended 30th 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 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 thrice – from 24 March 2020 to 24 August 2020 and subsequently to 25 November 2020.

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

10) Earnings per Share

3 months ended
30/06/2020 30/06/2019

Basic earnings per share

Net (loss)/ profit attributable to ordinary equity holders of the parent company (RM'000)	69	180
Total number of ordinary shares in issue ('000)	980,490	980,490
Basic earnings per share (sen)	0.01	0.02

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 YTD (RM'000)
Interest income	(357)
Other income including investment income	-
Depreciation and amortization	174
Provision of receivables	8
Foreign exchange loss	71

12) Realised and Unrealised Profits/(Losses) Disclosure

The retained profits as at 30th June 2020 and 30th June 2019 are analysed as follows:-

	<i>30/06/20</i> <i>RM'000</i>	<i>30/06/19</i> <i>RM'000</i>
Total retained earnings of the company and its subsidiaries:-		
- Realised	7,714	8,304
- Unrealised	(6,026)	(5,348)
Less: Consolidation adjustments	(21,424)	(21,676)
Total group retained earnings as per consolidated statements	<u>(19,736)</u>	<u>(18,720)</u>