

**GPA Holdings Berhad**

Unaudited Interim Report for the Six Months Ended 30 September 2020

**Condensed Consolidated Statement of Comprehensive Income***(The current year figures have not been audited)*

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year To	Preceding Year
	Quarter	Corresponding	Date	Corresponding Period
	3 months ended	3 months ended	6 months ended	6 months ended
	30/9/2020	30/9/2019	30/9/2020	30/9/2019
	RM'000	RM'000	RM'000	RM'000
Sales	7,078	8,590	14,689	14,496
Cost of Sales	(5,969)	(7,700)	(12,474)	(12,733)
Gross Profit	1,109	890	2,215	1,763
Other income				
- Non-operating income	97	486	109	674
- Interest income	395	534	752	1,050
	1,601	1,910	3,076	3,487
Operating Expenses	(1,872)	(1,193)	(3,242)	(2,373)
Profit from operations	(271)	717	(166)	1,114
Finance cost	-	-	-	-
Profit before tax	(271)	717	(166)	1,114
Tax	(106)	-	(178)	(161)
Profit after tax	(377)	717	(344)	953
Other comprehensive income, net of taxation	-	-	-	-
Total comprehensive income for the period	(377)	717	(344)	953
Total comprehensive income attributable to:				
-Owners of the Company	(350)	644	(280)	824
-Non-controlling interests	(27)	73	(64)	129
Net comprehensive income/(loss) for the period	(377)	717	(344)	953
Earning per share - basic (Sen)	(0.04)	0.07	(0.03)	0.08

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 September 2020

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

	As at 30/9/2020 RM'000	As at 31/3/2020 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	29,183	29,267
Investment property	14,156	14,228
	<u>43,339</u>	<u>43,495</u>
<b>Current assets</b>		
Inventories	4,373	8,801
Receivables, deposits and prepayments	10,913	12,782
Tax Recoverable	458	683
Cash and bank balances	61,400	63,483
	<u>77,144</u>	<u>85,749</u>
<b>TOTAL ASSETS</b>	<u>120,483</u>	<u>129,244</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	104,303	104,303
Reserves	739	1,011
<b>Shareholders' equity</b>	<u>105,042</u>	<u>105,314</u>
Non-controlling interests	4,637	4,699
<b>Total Equity</b>	<u>109,679</u>	<u>110,013</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	3,560	3,561
	<u>3,560</u>	<u>3,561</u>
<b>Current liabilities</b>		
Trade Payables	302	4,516
Other payables	6,942	10,984
Tax liabilities	-	170
	<u>7,244</u>	<u>15,670</u>
<b>Total Liabilities</b>	<u>10,804</u>	<u>19,231</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>120,483</u>	<u>129,244</u>
<b>Net Assets per Share (RM)</b>	<u>0.11</u>	<u>0.11</u>

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

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**GPA Holdings Berhad**

Unaudited Interim Report for the Six Months Ended 30 September 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
	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			
<b>Balance as at 1 April 2019</b>								
- as previously reported	104,303	-	-	20,948	(18,900)	106,351	4,859	111,210
Total comprehensive (loss)/ income for the period	-	-	-	-	(1,029)	(1,029)	(158)	(1,187)
Reversal of Revaluation surplus of Investment property	-	-	-	(124)	124	-	-	-
Effect of changes in tax rate on property, plant and equipment	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>104,303</b>	<b>-</b>	<b>-</b>	<b>20,824</b>	<b>(19,805)</b>	<b>105,322</b>	<b>4,701</b>	<b>110,023</b>
<b>Balance as at 1 April 2020</b>								
- as previously reported	104,303	-	-	20,824	(19,805)	105,322	4,701	110,023
Total comprehensive (loss)/ income for the period	-	-	-	-	(280)	(280)	(64)	(344)
<b>Balance as at 30 September 2020</b>	<b>104,303</b>	<b>-</b>	<b>-</b>	<b>20,824</b>	<b>(20,085)</b>	<b>105,042</b>	<b>4,637</b>	<b>109,679</b>

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 for the Six Months Ended 30 September 2020

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

	<b>6 months ended 30/09/20 RM'000</b>	<b>6 months ended 30/09/19 RM'000</b>
<b>Cash flows (for)/from operating activities</b>		
Cash receipts from customers	12,628	19,428
Cash paid to suppliers and employees	(15,398)	(18,674)
Interest received	752	1,050
Dividend received	-	-
Tax refund	285	287
Tax paid	(407)	(344)
<b>Net cash from/ (used in) operating activities</b>	<b>(2,140)</b>	<b>1,747</b>
<b>Cash flows (for)/from investing activities</b>		
Purchase of property, plant and equipment	(23)	-
Proceeds from disposal of property, plant and equipment	80	-
Purchase of other investment	-	-
<b>Net cash (used in)/from investing activities</b>	<b>57</b>	<b>-</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(2,083)</b>	<b>1,747</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>63,483</b>	<b>58,931</b>
<b>Cash and cash equivalents at end of the period</b>	<b>61,400</b>	<b>60,678</b>

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 September 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

3) **Auditors' Report**

The auditors' report on the financial statements for the financial year ended 31<sup>st</sup> 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 30<sup>th</sup> September 2020.

## 9) Segmental Reporting

The Group is organized into two main business segments as follows:

	<b>Automotive Batteries RM'000</b>	<b>Non- Automotive Batteries RM'000</b>	<b>Personal Care Products RM'000</b>	<b>Eliminations RM'000</b>	<b>Group RM'000</b>
<b>Financial year-to-date ended 30 September 2020</b>					
<b>Revenue</b>					
External revenue	<u>13,395</u>	<u>1,329</u>	<u>-</u>	<u>(35)</u>	<u>14,689</u>
<b>Results</b>					
Segment results	(150)	(202)	(14)	-	(366)
Unallocated income					605
Unallocated expenses					(405)
Finance cost					-
Tax expense					(178)
Profit for the period					<u>(344)</u>
<b>Net assets</b>					
Segment assets	67,518	16,711	4,141	(55,738)	32,632
Unallocated assets					87,851
Total assets					<u>120,483</u>
Segment liabilities	44,585	1,379	4,000	(55,738)	(5,774)
Unallocated liabilities					16,578
Total liabilities					<u>10,804</u>
<b>Other information</b>					
Capital expenditure	23	-	-	-	23
Depreciation	<u>336</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>343</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 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 decreased from RM6.92 million in previous year corresponding quarter to RM6.21 million in current quarter primarily due to the decrease of local sales volume of automotive batteries.

This segment recorded a loss before tax (“LBT”) of RM92,000 in the current quarter compared to profit before tax (“PBT”) of RM432,000 in the previous year corresponding quarter.

The lower profit recorded during the quarter were mainly due to lower revenue and lower interest income. There were also a write back of doubtful debts in the previous year corresponding PBT.

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

This segment recorded revenue of RM885k compared to RM1.67 million in the previous year corresponding quarter which are mainly attributable to lower 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 RM80,000 in current quarter compared to PBT of RM242,000 in previous year corresponding quarter. The lower profit recorded during the quarter mainly due to lower revenue and lower interest income.

#### ***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 RM271,000 compared to PBT of RM104,000 in the immediate preceding quarter mainly due to professional and legal fees incurred on the recent corporate exercise during the quarter.

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

Business prospects of the Group for the 2021 financial year remain challenging.

The global growth prospects have also been weakened by the Covid-19 Pandemic.

The Group will continue to monitor the Covid-19 situation and will review the operations with pro-active measures to be taken to address the financial performance going forward.

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 30/09/2020 RM'000</i>	<i>6 months ended 30/09/2020 RM'000</i>
In respect of current period:		
- income tax	106	178
- deferred tax	-	-
- (Over)/ Under provision of previous year	-	-
	106	178

The effective tax rate on the Group's profit before tax for the financial year-to-date ended 30<sup>th</sup> September 2019 is higher than the statutory tax rate of 24.0% due to the profit incurred by certain subsidiaries.

7) **Corporate Proposals**

On 1 September 2020, Mercury Securities had, on behalf of the Board, announced that the Company proposes to undertake the following Proposals:

- I. Proposed Diversification
- II. Proposed Private Placements
- III. Proposed ESOS

The Company had on 1 September 2020 entered into 4 Subscription Agreements with the Subscribers. The Subscription Price was mutually agreed by the parties and was determined based on a discount of 20% to the 5-day VWAP of GPA Shares up to and including 28 August 2020, being the last Market Day preceding the date of the Subscription Agreements, of RM0.2195, after taking into consideration the Group's financial performance as well as its proposed Gloves Business.

On 23 September 2020, Mercury Securities had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 22 September 2020, granted its approval for the following:-

- (i) listing and quotation of the Placement Shares; and
- (ii) listing of up to 15% of the total number of issued share (excluding treasury shares, if any) of the Company to be issued upon exercise of the Options under the Proposed ESOS.

On 8 October 2020, Mercury Securities had, on behalf of the Board, announced that the Company and the Subscribers have mutually agreed to terminate the Subscription Agreements on 8 October 2020. Pursuant to the termination of the Subscription Agreements, the Company intends to proceed with the Proposed Private Placement whereby the Placement Shares are intended to be placed to independent third-party investor(s) to be identified later at an issue price to be determined later.

The Proposals has received shareholders approvals at Extraordinary General Meeting held on 16 November 2020.

There were no other corporate proposals that have been announced by the Group as at the date of this announcement.

## 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 Summon 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 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

		<i>3 months ended</i>		<i>6 months ended</i>	
		<i>30/09/2020</i>	<i>30/09/2019</i>	<i>30/09/2020</i>	<i>30/09/2019</i>
<b>Basic earnings per share</b>					
Net profit attributable to ordinary equity holders of the parent company (RM'000)		(350)	644	(280)	824
Total number of ordinary shares in issue ('000)		980,490	980,490	980,490	980,490
Basic earnings per share (sen)		(0.04)	0.07	(0.03)	0.08

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	(395)	(752)
Other income including investment income	(22)	(22)
Depreciation and amortization	169	343
Write-back of receivables	-	8

Gain on disposal of fixed assets	(80)	(80)
Foreign exchange loss	258	247

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

The retained profits as at 30<sup>th</sup> September 2020 and 30<sup>th</sup> September 2019 are analysed as follows:-

	<b>30/09/20</b>	<b>30/09/19</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained earnings of the company and its subsidiaries:-		
- Realised	7,549	9,252
- Unrealised	(6,237)	(5,579)
Less: Consolidation adjustments	(21,397)	(21,749)
Total group retained earnings as per consolidated statements	<u>(20,085)</u>	<u>(18,076)</u>