

GPA Holdings Berhad

Unaudited Interim Report for the Twelve Months Ended 31 December 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 Quarter	Date	Corresponding Period
	3 months ended		9 months ended	
	31/12/20	31/12/19	31/12/20	31/12/19
	RM'000	RM'000	RM'000	RM'000
Sales	5,839	6,789	20,528	21,285
Cost of Sales	(4,777)	(5,892)	(17,251)	(18,625)
Gross Profit	1,062	897	3,277	2,660
Other income				
- Non-operating income	922	202	1,031	876
- Interest income	360	565	1,112	1,615
	2,344	1,664	5,420	5,151
Operating Expenses	(1,826)	(1,195)	(5,068)	(3,568)
Profit from operations	518	469	352	1,583
Finance cost	-	-	-	-
Profit before tax	518	469	352	1,583
Tax	(78)	-	(256)	(161)
Profit after tax	440	469	96	1,422
Other comprehensive income, net of taxation	-	-	-	-
Total comprehensive income for the period	440	469	96	1,422
Total comprehensive income attributable to:				
-Owners of the Company	417	419	137	1,242
-Non-controlling interests	23	50	(41)	180
Net comprehensive income for the period	440	469	96	1,422
Earning per share - basic (Sen)	0.04	0.04	0.01	0.13

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 31 December 2020

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

	As at 31/12/20 RM'000	As at 31/03/20 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	29,054	29,267
Investment property	14,120	14,228
	<u>43,174</u>	<u>43,495</u>
Current assets		
Inventories	5,615	8,801
Receivables, deposits and prepayments	8,712	12,782
Tax Recoverable	815	683
Cash and bank balances	103,278	63,483
	<u>118,420</u>	<u>85,749</u>
TOTAL ASSETS	<u>161,594</u>	<u>129,244</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	143,996	104,303
Reserves	1,156	1,011
Shareholders' equity	<u>145,152</u>	<u>105,314</u>
Non-controlling interests	4,660	4,699
Total Equity	<u>149,812</u>	<u>110,013</u>
Non-current liabilities		
Deferred tax liabilities	3,560	3,561
	<u>3,560</u>	<u>3,561</u>
Current liabilities		
Trade Payables	799	4,516
Other payables	7,423	10,984
Tax liabilities	-	170
	<u>8,222</u>	<u>15,670</u>
Total Liabilities	<u>11,782</u>	<u>19,231</u>
TOTAL EQUITY AND LIABILITIES	<u>161,594</u>	<u>129,244</u>
Net Assets per Share (RM)	<u>0.14</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 Nine Months Ended 31 December 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			
Balance as at 1 April 2019								
- 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	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	104,303	-	-	20,824	(19,805)	105,322	4,701	110,023
Balance as at 1 April 2020								
- as previously reported	104,303	-	-	20,824	(19,805)	105,322	4,701	110,023
Issuance of new shares	39,693	-	-	-	-	39,693	-	39,693
Total comprehensive (loss)/ income for the period	-	-	-	-	137	137	(41)	96
Balance as at 31 December 2020	143,996	-	-	20,824	(19,668)	145,152	4,660	149,812

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 Nine Months Ended 31 December 2020

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

	9 months ended 31/12/20 RM'000	9 months ended 31/12/19 RM'000
Cash flows (for)/from operating activities		
Cash receipts from customers	21,486	24,095
Cash paid to suppliers and employees	(22,064)	(25,004)
Interest received	1,112	1,615
Dividend received	-	-
Tax refund	204	287
Tax paid	(761)	(540)
<i>Net cash from/ (used in) operating activities</i>	(23)	453
Cash flows (for)/from investing activities		
Purchase of property, plant and equipment	(25)	-
Proceeds from disposal of property, plant and equipment	150	-
Purchase of other investment	-	-
<i>Net cash (used in)/from investing activities</i>	125	-
Cash flows for financing activities		
Proceeds from issuance of new shares	39,693	-
Advance/ (Repayment) to shareholders	-	-
<i>Net cash used in financing activities</i>	39,693	-
Net increase/ (decrease) in cash and cash equivalents	39,795	1,747
Cash and cash equivalents at beginning of the period	63,483	58,931
Cash and cash equivalents at end of the period	103,278	60,678

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 – Third Quarter ended 31 December 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 statement 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)

Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3 Business Combination – Definition of a Business	1 January 2020
Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material	1 January 2020
Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement and MFRS 7 Financial Instruments: Disclosures – Interest Rate Benchmark Reform	1 January 2020

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 31st December 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 December 2020					
Revenue					
External revenue	<u>18,239</u>	<u>2,324</u>	<u>-</u>	<u>(36)</u>	<u>20,528</u>
Results					
Segment results	371	(127)	(27)	-	217
Unallocated income					932
Unallocated expenses					(797)
Finance cost					-
Tax expense					<u>(256)</u>
Profit for the period					<u>96</u>
Net assets					

Segment assets	68,276	17,180	4,140	(55,733)	33,863
Unallocated assets					<u>127,731</u>
Total assets					<u><u>161,594</u></u>
Segment liabilities	44,937	1,819	4,012	(55,733)	(4,965)
Unallocated liabilities					<u>16,747</u>
Total liabilities					<u><u>11,782</u></u>
Other information					
Capital expenditure	25	-	-	-	25
Depreciation	<u>501</u>	<u>9</u>	<u>-</u>	<u>-</u>	<u>510</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 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 RM5.21m in previous year corresponding quarter to RM4.84m in current quarter primarily due to the decrease of local sales volume of automotive batteries.

This segment recorded a Profit before tax (“PBT”) of RM0.72m in the current quarter compared to PBT of RM0.02m in the previous year corresponding mainly due gain from the disposal of vehicles, machinery and scraps of RM0.92m during the quarter.

Non-Automotive Batteries segment

This segment recorded revenue of RM0.99m compared to RM1.58 mill in the previous year corresponding quarter which is attributable 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 RM0.075m in current quarter compared to PBT of RM0.16m in previous year corresponding quarter. The lower profit recorded during the quarter are attributable to 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 RM0.51m compared to Loss before tax (“LBT”) of RM0.27m in the immediate preceding quarter mainly due to gain from the disposal of vehicles, machinery and scraps of RM0.92m during the quarter. The gains are however offset by professional fees of RM0.46m incurred on the Private Placement exercise during the quarter under review. The losses in the immediate preceding quarter were mainly attributed to the initial professional fees of RM0.28m incurred for the said corporate exercise.

3) **Current Year Prospects**

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

The recent resurgence of COVID-19 cases and targeted containment measures in most states could affect the momentum of the recovery in the final quarter of the year.

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.

Diversification into Glove Business

After taking into consideration the current market demand for rubber gloves following the COVID-19 pandemic, the Company had on 16 November 2020, obtained the approval from the Shareholders in a general meeting for the diversification of the business of the Group to include the Gloves Business.

As of to date the Group has engaged contractors for the conversion and modification works of its existing factory buildings into a rubber gloves manufacturing facility. The modification and renovation of the factory buildings are expected to be completed in the second quarter of 2021.

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 31/12/2020 RM'000</i>	<i>9 months ended 31/12/2020 RM'000</i>
In respect of current period:		
- income tax	78	256
- deferred tax	-	-
- (Over)/ Under provision of previous year	-	-
	78	256

The effective tax rate on the Group's profit before tax for the financial year-to-date ended 31st December 2020 is higher than the statutory tax rate of 24.0% due to the profit incurred by certain subsidiaries.

7) Corporate Proposals

During the quarter under review, the Group completed the Private Placement which involved the issuance of 294,146,000 new Shares (representing 30% of the existing total number of issued Shares prior to the Private Placement December 2020), raising a total of approximately RM39.7 million.

The status of utilisation of the proceeds from this Private Placement December 2020 as at to date is as follows:-

Utilisation of proceeds	Intended timeframe for utilisation from completion of the Private Placement December 2020	Actual proceeds raised (RM'000)	Actual utilisation up to the LPD (RM'000)	Balance available for utilisation (RM'000)
Investment in the Gloves Business	Within 24 months	39,073	-	39,073
Estimated expenses	Within 1 month	620	(620)	-
Total		39,693	(620)	39,073

On 13 January 2021, the Group completed the Private Placement January 2021, which involved the issuance of 254,926,000 new Shares (representing 20% of the then existing total number of issued Shares prior to the Private Placement January 2021), raising a total of approximately RM 26.6 million.

The status of utilisation of the proceeds from the Private Placement January 2021 as at to date is as follows:-

Utilisation of proceeds	Intended timeframe for utilisation from completion of the Private Placement January 2021	Actual proceeds raised (RM'000)	Actual utilisation up to the LPD (RM'000)	Balance available for utilisation (RM'000)
Investment in the Gloves Business	Within 24 months	26,324	-	26,324
Estimated expenses	Immediate	300	(300)	-
Total		26,624	(300)	26,324

On 29 January 2021, Mercury Securities had, on behalf of the Board, announced that the Group proposes to undertake the Proposed Rights Issue with Warrants.

The Proposed Rights Issue with Warrants involves the issuance of up to 2,249,237,340 Rights Shares together with up to 1,349,542,404 free detachable Warrants B is to be implemented on a renounceable basis of 5 Rights Shares together with 3 free Warrants B for every 5 existing Shares held by the Entitled Shareholders at an issue price to be determined by the Board at a later date.

The Proposed Rights Issue with Warrants is approved by Bursa Securities on 23 February 2021.

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 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.

The Federal Court had on 18 November 2020 granted the application of BS to postpone the hearing date which was fixed on 25 November 2020. The new hearing date is fixed on 15 April 2021.

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>31/12/2020</i>	<i>31/12/2019</i>	<i>31/12/2020</i>	<i>31/12/2019</i>
Basic earnings per share					
Net profit attributable to ordinary equity holders of the parent company	(RM'000)	417	419	137	1,242
Total number of ordinary shares in issue	('000)	1,020,183	980,490	1,020,183	980,490
Basic earnings per share	(sen)	0.04	0.04	0.01	0.13

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	(360)	(1,112)
Other income including investment income	(842)	(864)
Depreciation and amortization	168	510
Provision for and write off of receivables	34	42
Gain on disposal of fixed assets	(70)	(150)
Foreign exchange loss	141	387

12) Realised and Unrealised Profits/(Losses) Disclosure

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

	31/12/20	31/12/19
	RM'000	RM'000
Total retained earnings of the company and its subsidiaries:-		
- Realised	8,108	9,742
- Unrealised	(6,356)	(5,601)
Less: Consolidation adjustments	(21,420)	(21,799)
Total group retained earnings as per consolidated statements	<u>(19,668)</u>	<u>(17,658)</u>