

JOE Holding Berhad

Unaudited Interim Report as at 31 December 2022

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
	31/12/22	31/12/21	31/12/22	31/12/21
	RM'000	RM'000	RM'000	RM'000
Sales	4,470	4,218	16,142	14,282
Cost of Sales	(3,637)	(3,629)	(13,002)	(11,637)
Gross Profit	833	589	3,140	2,645
Other income				
- Disposal gain on financial asset	-	-	-	2,560
- Non-operating income	1,151	7	1,638	82
- Interest income	1,014	888	1,840	1,719
	2,998	1,484	6,616	7,005
Operating Expenses	(3,552)	(1,511)	(11,806)	(4,461)
Fair value loss on financial asset	3,358	(8,299)	(31,659)	(27,106)
Profit/ (loss) from operations	2,804	(8,326)	(36,849)	(24,562)
Finance cost	(805)	-	(820)	-
Profit/ (loss) before tax	1,999	(8,326)	(37,669)	(24,562)
Taxation	-	-	-	-
Profit/ (loss) after tax	1,999	(8,326)	(37,669)	(24,562)
Other comprehensive loss, net of taxation	-	-	-	-
Total comprehensive Profit/ (loss) for the period	1,999	(8,326)	(37,669)	(24,562)
Profit/ (loss) attributable to :				
-Owners of the Company	1,918	(8,395)	(37,810)	(24,672)
-Non-controlling interests	81	69	141	110
Profit/ (loss) after tax for the period	1,999	(8,326)	(37,669)	(24,562)
Total comprehensive Profit/ (loss) attributed to				
-Owners of the Company	1,918	(8,395)	(37,810)	(24,672)
-Non-controlling interests	81	69	141	110
Net comprehensive Profit/ (loss) for the period	1,999	(8,326)	(37,669)	(24,562)
Earnings/(loss) per share - basic (Sen)	0.06	(0.30)	(1.24)	(0.89)
- Diluted (Sen)	0.06	(0.30)	(1.24)	(0.89)

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2022.

JOE Holding Berhad

Unaudited Interim Report as at 31 December 2022

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

	Unaudited	Audited
	As at	As at
	31/12/22	31/03/22
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	20,466	5,359
Right of use assets	316	521
Investment property	57,000	47,500
Other investments	28,489	15,149
	<u>106,271</u>	<u>68,529</u>
Current assets		
Inventories	4,658	4,135
Receivables, deposits and prepayments	59,369	27,230
Tax recoverable	1,926	1,934
Fixed deposit with licensed bank	20,698	10,102
Cash and bank balances	66,008	127,358
	<u>152,661</u>	<u>170,759</u>
TOTAL ASSETS	<u>258,931</u>	<u>239,288</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	212,958	212,958
Warrant reserve	34,140	34,140
Revaluation reserve	25,141	25,141
Accumulated loss	(91,644)	(53,835)
Shareholders' equity	<u>180,595</u>	<u>218,404</u>
Non-controlling interests	4,922	4,783
Total Equity	<u>185,517</u>	<u>223,187</u>
Non-current liability		
Lease liabilities	83	280
Deferred tax liabilities	4,139	4,139
Other payable	45,604	-
	<u>49,826</u>	<u>4,419</u>
Current liabilities		
Trade payables	1,436	1,148
Other payables	9,763	8,466
Contract liabilities	398	811
Lease liabilities	257	255
Bank borrowing	11,731	1,002
	<u>23,588</u>	<u>11,682</u>
Total Liabilities	<u>73,414</u>	<u>16,101</u>
TOTAL EQUITY AND LIABILITIES	<u>258,931</u>	<u>239,288</u>
Net Assets per Share (RM)	<u>0.06</u>	<u>0.07</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 2022.

JOE Holding Berhad

Unaudited Interim Report as at 31 December 2022

Condensed Consolidated Statement of Changes in Equity*(The current year figures have not been audited)*

Attributable to owner of the company								
Share Capital	Non-distributable			Distributable				
	Warrant reserve	Discount on shares	Revaluation reserves	Accumulated loss	Total Equity	Non-controlling interests	Total Equity	
RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	
Balance as at 1 April 2021	170,620	4,902	(4,902)	25,234	(21,071)	174,783	4,776	179,559
Profit/ (loss) for the financial year the period	-	-	-	-	(32,857)	(32,857)	7	(32,850)
Realisation of revaluation surplus on property, plant and equipment				(93)	93	-	-	-
Issuance of new ordinary share	42,338	34,140	-	-	-	76,478	-	76,478
Balance as at 31 March 2022	212,958	39,042	(4,902)	25,141	(53,835)	218,404	4,783	223,187
Profit/ (loss) for the financial year the period	-	-	-	-	(38,810)	(37,810)	141	(37,669)
Balance as at 31 December 2022	212,958	39,042	(4,902)	25,141	(91,644)	180,595	4,922	185,517

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the financial statements for the financial year ended 31 March 2022.

JOE Holding Berhad

Unaudited Interim Report as at 31 December 2022

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

	Unaudited as at 31/12/22 RM'000	Audited as at 31/03/22 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	(37,669)	(32,599)
Adjustments for:		
Amortisation of right-of-use assets	223	279
Bad Debt Written off	-	51
Depreciation of property, plant and equipment	1,780	766
Fair value (gain)/loss on investment properties	-	(339)
Fair value (gain)/loss on investment securities	31,659	32,118
Finance Cost	-	140
Interest Income	(1,840)	(1,918)
Disposal gain on financial asset	-	(2,560)
Impairment loss on property, plant and equipment	-	54
Impairment loss on trade receivable	-	1,028
Impairment loss on inventories	(171)	1,374
Reversal of impairment loss on inventory	(235)	-
Provision for warranty claims	-	121
Unrealised loss/(gain) on foreign exchange	268	(39)
Operating profit/(loss) before working capital changes	<u>(5,985)</u>	<u>(1,524)</u>
(Increase)/Decrease in:		
Inventories	(117)	(251)
Receivables, Deposits & prepayment	(32,139)	38,686
Increase/(Decrease) in:		
Trade payable	20	(1,133)
Other payables	51,655	-
Contract liabilities	(413)	(395)
Cash generated from/(used in) operating activities	<u>13,029</u>	<u>35,383</u>
Interest received	-	-
Interest paid	-	(140)
Tax refund	-	-
Tax paid	8	(1,146)
Net Cash Generated From/(Used In) Operating Activities	<u>13,029</u>	<u>34,097</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investment securities	(45,000)	(37,310)
Acquisition of property, plant and equipment	(16,905)	(5,220)
Acquisition of Investment properties	(9,500)	-
Interest received	1,840	1,918
Proceeds from disposal of investment securities	-	7,901
Net cash generated from/ (used in) investing activities	<u>(69,565)</u>	<u>(32,711)</u>

	Unaudited as at 31/12/22 RM'000	Audited as at 31/03/22 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Increased in fixed deposits pledged	(10,596)	(3,102)
Repayment of lease liabilities	(195)	(261)
Proceeds from issuance of shares	-	42,338
Proceeds from issuance of warrants	-	34,140
Net cash generated from/ (used in) financing activity	<u>(10,791)</u>	<u>73,115</u>
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(67,328)	74,501
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	133,356	58,855
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR	<u>66,028</u>	<u>133,356</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR COMPRISES:		
Fixed deposit with licensed banks	20,698	10,102
Cash and bank balances	66,008	127,358
Bank overdrafts	(6,981)	(1,002)
	<u>79,726</u>	<u>136,458</u>
Less: Fixed deposit pledged with licensed banks	<u>(13,698)</u>	<u>(3,102)</u>
	<u>66,208</u>	<u>133,356</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the financial statements for the financial year ended 31 March 2022.

JOE HOLDING BERHAD

Notes to the Financial Information – Quarter ended 31 December 2022

(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 paragraph 9.22 (Appendix 9B Part A) of the Main Market Listing Requirements ("Listing Requirements") of the Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2022. 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 2022.

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 2022.

- a) During the current financial period, the Group has adopted the following accounting standards and interpretations (including the consequential amendments):-

MFRSs (Including The Consequential Amendments)	Effective dates for financial period beginning on and after
Amendments to MFRS 3: Reference to Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRSs 2018 - 2020	1 January 2022

- b) The Group has not applied the following new MFRSs and amendments to MFRSs issued by the Malaysian Accounting Standards Board:

MFRSs (Including The Consequential Amendments)	Effective dates for financial period beginning on and after
MFRS 17 – Insurance Contracts	1 January 2023
Amendments to MFRS 17 – Insurance Contracts	1 January 2023
Amendments to MFRS 17 – Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Income Taxes	1 January 2023
Amendments to MFRS 10 and MFRS 128 : Sale of Contribution of Assets between an Investor and its Associates or Joint Venture	Deferred until further notice

The Group intend to adopt the above new MFRSs, new interpretations and amendments to MFRSs when they become effective.

3) AUDITORS' REPORT

The auditors' report on the financial statements for the financial year ended 31st March 2022 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) UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME, OR CASH

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter and three months ended 31st December 2022.

6) INDIVIDUALLY SIGNIFICANT ITEMS

There were no individually significant items for the current quarter and financial year-to-date.

7) MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates for the current quarter and financial year-to-date.

8) DEBT AND EQUITY SECURITIES

There was no issuance, cancellation, repurchase, resale and repayment of debt or equity securities for the current financial quarter ended 31st December 2022.

9) DIVIDENDS PAID

No dividend was paid during the current quarter ended 31st December 2022.

10) SEGMENTAL REPORTING

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

	VRLA &					
	Automotive Batteries RM'000	Motorcycles Batteries RM'000	Investment Holding RM'000	Others RM'000	Eliminations RM'000	Group RM'000
Financial year-to-date ended 31 December 2022						
Revenue						
External revenue	11,641	3,168	1,332	-	-	16,142
Results						
Segment results	(724)	471	(6,545)	(30,988)	-	(37,787)
Unallocated income						138
Unallocated expenses						-
Lease interest						(21)
Tax expense						-
Profit/ (Loss) for the period						(37,669)
Net assets						
Segment assets	37,556	21,654	158,794	29,360	(45,542)	201,822
Unallocated assets						57,109
Total assets						(258,931)
Segment liabilities	5,471	5,183	168,079	60,536	(165,930)	73,339
Unallocated liabilities						75
Total liabilities						73,414
Other information						
Capital expenditure	-	-	1,943	23,970	-	25,913
Amortisation of right-of-use asset	204	-	20	-	-	224
Depreciation	73	4	795	908	-	1,780
Write back of allowance for impairment loss on inventory	235	-	-	-	-	235
Financial year-to-date ended 31 December 2021						
Revenue						
External revenue	11,886	2,396	1,413	-	1,413	14,282
Results						
Segment results	(632)	365	(24,040)	(20)	-	(24,327)
Unallocated income						1,294
Unallocated expenses						(1,529)
Lease interest						-
Tax expense						-
Profit/ (Loss) for the period						(24,562)
Net assets						
Segment assets	40,612	20,610	110,941	106	(30,847)	141,422
Unallocated assets						105,188
Total assets						246,610
Segment liabilities	6,065	4,426	96,400	6	(96,002)	10,899
Unallocated liabilities						4,241
Total liabilities						15,410
Other information						
Capital expenditure	51	-	-	-	-	51
Depreciation	40	9	423	-	-	472

11) VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

There is no valuation for the property, plant and equipment during the current interim period.

12) CHANGES IN THE COMPOSITION OF THE GROUP

The Group had on 27th April 2022 incorporated Joe Holding (M) Investment Limited, a BVI Business Company in the British Virgin Islands.

13) CONTINGENT LIABILITIES / ASSETS

The Group does not have any contingent liabilities or assets as at the date of this announcement.

14) SIGNIFICANT SUBSEQUENT EVENT

There were no significant events subsequent to the end of the current quarter under review up to the date of this quarterly report.

15) CAPITAL COMMITMENTS

There were no capital commitments as at the date of this announcement.

16) SIGNIFICANT RELATED PARTY TRANSACTIONS

During the current quarter under review, the Directors are of the opinion that the Group has no related party transactions which would have a significant impact on the financial position and business of the Group.

JOE HOLDING BERHAD

Notes to the Financial Information – Quarter ended 31 December 2022

(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) REVIEW OF PERFORMANCE

The Group registered RM 4.47 million in turnover in this quarter as compared to RM 4.22 million in preceding year corresponding quarter which is consistent with preceding year corresponding quarter.

The Group recorded a Profit after tax (“PAT”) of RM1.99 million compared to Loss after tax (“LAT”) of RM8.33 million in the preceding year corresponding quarter. This was mainly due to net fair value gain of quoted investments of RM3.36 million registered in this quarter as compared with net fair value loss of RM8.30 million registered in the preceding year corresponding quarter.

2) COMPARISON WITH IMMEDIATE PRECEDING QUARTER’S RESULTS

	Current Quarter As at 31 December 2022 RM’000	Previous Quarter As at 30 September 2022 RM’000
Revenue	4,470	5,801
Profit/ (loss) after tax	1,999	(10,990)

The Group registered RM 4.47 million in turnover in this quarter as compared to RM 5.80 million in preceding quarter. The lower turnover is primarily due to price adjustments done in October 2022 coupled with the monsoon season in East coast that affect the demand for the quarter.

The Group registered a Profit after tax (“PAT”) of RM1.99 million compared to Loss after tax (“LAT”) of RM10.99 million in the preceding quarter. This was mainly due to the net fair value gain of quoted investments of RM3.36 million registered in this quarter as compared to net fair value loss of RM9.41 million registered in the preceding quarter.

3) CURRENT YEAR PROSPECTS

Business prospects of the Group for the 2023 financial year remain challenging.

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

Diversification into Glove Business

After taking into consideration the current market demand for nitrile 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.

While diversifying to include the Glove Business, the Group also intends to turnaround its existing core business of trading of automotive batteries, related components, and automotive lubricants. Moving forward, the Group will focus on improving its business strategy by streamlining its operations, pursue improvements in their products and services coupled with other initiatives such as brand rebuilding and continuous improvement to enhance its value chain and operating efficiencies. The Group also intends to continue to market and create brand awareness in domestic market as well as international market.

3) CURRENT YEAR PROSPECTS (CONT'D)

As of to date two NBR/NR powder free double former dipping lines purchased from Fintec Glove. The machineries are located in factory in Chepor, Ipoh. Management is in process of applying relevant certificates and looking forward to conduct pre-commercialization production. In the meantime, the Group is looking into an inline automate Automated Packing Machine (APM) solution for packing inspection/ counting/ pick/ place to bin for the entire back-end packaging solution for a more cost-effective way to build the glove lines, to reduce the cost and time as compared with the current manual process. The Group expects to commission in the first quarter 2024 once the relevant approvals from the authorities are obtained.

4) VARIANCE OF ACTUAL PROFIT FROM FORECAST

Not applicable as no forecast was issued as public document.

5) TAXATION

	<i>3 months ended 31/12/2022 RM'000</i>	<i>3 months ended 31/12/2021 RM'000</i>
In respect of current period:		
- Income Tax	-	-
- Deferred Tax	-	-
Total	<u>-</u>	<u>-</u>

The effective tax rate on the Group's profit before tax for the financial year-to-date ended 31st December 2022 is the statutory tax rate of 24.0% .

6) STATUS OF CORPORATE PROPOSALS AND STATUS OF UTILISATION OF PROCEEDS

- a. The utilisation of proceeds of RM39.7 million raised from Private Placement on December 2020, as at the end of reporting quarter is as follows:

Utilisation of proceeds	Intended/Extended timeframe for utilisation	Actual proceeds raised (RM'000)	Actual utilisation (RM'000)	Balance available (RM'000)
Investment in the Glove Business	Within 36 months	39,073	(14,499)	24,574
Estimated expenses	Within 1 month	620	(620)	-
Total		39,693	(15,119)	24,574

- b. The utilisation of proceeds of RM26.6 million raised from Private Placement on January 2021, as at the end of reporting quarter is as follows:

Utilisation of proceeds	Intended/Extended timeframe for utilisation	Actual proceeds raised (RM'000)	Actual utilisation (RM'000)	Balance available (RM'000)
Investment in the Glove Business	Within 36 months	26,324	-	26,324
Estimated expenses	Immediate	300	(300)	-
Total		26,624	(300)	26,324

- c) The utilisation of proceeds of RM76.47 million raised from Right Issues on May 2021, as at the end of reporting quarter is as follows:

Utilisation of proceeds	Intended/Extended timeframe for utilisation	Actual proceeds raised (RM'000)	Actual utilisation (RM'000)	Balance available (RM'000)
Investment in the Glove Business	Within 24 months	75,678	-	75,678
Estimated expenses	Immediate	800	(642)	158
Total		76,478	(642)	75,836

7) BANK BORROWINGS

There was bank overdraft of RM 6.981 million as at the end of the current financial quarter.

8) MATERIAL LITIGATION

Since the preceding financial quarter ended 30th June 2022, 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)

The trial continues and The High Court has fixed the Hearing of the Assessment of Damages on 22th February 2022, 23th and 2nd March 2023.

Please refer to the previous interim report as at 31st March 2022 (Announcement dated 31st May 2022) for the chronology of the court case.

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

9) GAIN/(LOSS) PER SHARE

		<i>Current Quarter</i>		<i>Cumulative Quarter</i>	
		<i>31/12/2022</i>	<i>31/12/2021</i>	<i>31/12/2022</i>	<i>31/12/2021</i>
(i) Basic loss per share					
Net Profit/(loss) attributable to owner of the company	(RM'000)	1,918	(8,395)	(37,810)	(24,672)
<hr/>					
		<i>Current Quarter</i>		<i>Cumulative Quarter</i>	
		<i>31/12/2022</i>	<i>31/12/2021</i>	<i>31/12/2022</i>	<i>31/12/2021</i>
Weighted average number of shares in issue	('000)	3,059,119	2,785,585	3,059,119	2,785,585
<hr/>					
		<i>Current Quarter</i>		<i>Cumulative Quarter</i>	
		<i>31/12/2022</i>	<i>31/12/2021</i>	<i>31/12/2022</i>	<i>31/12/2021</i>
Basic earnings/ (loss) per share	(sen)	0.06	(0.30)	(1.24)	(0.89)

Basic loss per share is calculated by dividing the net (loss)/profit for the period attributable to owner of the company by the weighted average number of ordinary shares in issue during the period.

(ii) Diluted

The diluted loss per ordinary share for current financial year will be the same as basic loss per ordinary share due to anti-dilutive effect as diluted loss per ordinary share should not be higher than basic loss per share.

10) PROFIT/(LOSS) BEFORE TAXATION

Profit/ (loss) before taxation is arrived at after charging / (crediting):-

	Current Quarter (RM'000)	YTD (RM'000)
Interest income	(1,014)	(1,840)
Other (gain)/loss including investment income	(3,358)	31,659
Depreciation and amortization	913	2,003
Realised/Unrealised forex gain	(916)	(1,229)