

JOE Holding Berhad

Unaudited Interim Report as at 30 June 2023

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
	30/06/23	30/06/22	30/06/23	30/06/22
	RM'000	RM'000	RM'000	RM'000
Sales	5,424	5,871	5,424	5,871
Cost of Sales	(4,187)	(4,659)	(4,187)	(4,659)
Gross Profit	1,237	1,212	1,237	1,212
Other income				
- Fair value gain on financial asset	-	-	-	-
- Fair value gain on investment properties	-	-	-	-
- Non-operating income	2,249	168	2,249	168
- Interest income	1,036	460	1,036	460
	4,522	1,840	4,522	1,840
Operating Expenses	(3,586)	(4,906)	(3,586)	(4,906)
Fair value gain/ (loss) on financial asset	(2,861)	(25,606)	(2,861)	(25,606)
Profit/ (loss) from operations	(1,924)	(28,671)	(1,924)	(28,671)
Finance cost	(747)	(7)	(747)	(7)
Profit/ (loss) before tax	(2,671)	(28,678)	(2,671)	(28,678)
Deferred Tax	-	-	-	-
Taxation	-	-	-	-
Profit/ (loss) after tax	(2,671)	(28,678)	(2,671)	(28,678)
Other comprehensive loss, net of taxation	-	-	-	-
Total comprehensive Profit/ (loss) for the period	(2,671)	(28,678)	(2,671)	(28,678)
Profit/ (loss) attributable to :				
-Owners of the Company	(2,702)	(28,765)	(2,702)	(28,765)
-Non-controlling interests	31	87	31	87
Profit/ (loss) after tax for the period	(2,671)	(28,678)	(2,671)	(28,678)
Total comprehensive Profit/ (loss) attributed to				
-Owners of the Company	(2,702)	(28,765)	(2,702)	(32,857)
-Non-controlling interests	31	87	31	7
Net comprehensive Profit/ (loss) for the period	(2,671)	(28,678)	(2,671)	(32,850)
Earnings/(loss) per share - basic (Sen)	(0.09)	(0.94)	(0.09)	(0.94)
- Diluted (Sen)	(0.09)	(0.94)	(0.09)	(0.94)

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 2023.

JOE Holding Berhad

Unaudited Interim Report as at 30 June 2023

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

	Unaudited	Audited
	As at	As at
	30/06/23	31/03/23
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	18,540	7,388
Right of use assets	368	468
Investment property	65,100	65,100
Other investments	28,985	31,846
	<u>112,992</u>	<u>104,802</u>
Current assets		
Inventories	4,972	5,412
Receivables, deposits and prepayments	13,269	10,852
Other investments	46,956	44,918
Tax recoverable	1,688	2,003
Fixed deposit with licensed bank	21,785	21,785
Cash and bank balances	53,610	65,738
	<u>142,280</u>	<u>150,708</u>
TOTAL ASSETS	<u>255,272</u>	<u>255,510</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	(95,415)	(92,713)
Shareholders' equity	<u>176,824</u>	<u>179,526</u>
Non-controlling interests	5,020	4,989
Total Equity	<u>181,844</u>	<u>184,515</u>
Non-current liability		
Lease liabilities	-	120
Deferred tax liabilities	4,507	4,507
Borrowing	4,422	3,794
	<u>8,929</u>	<u>8,421</u>
Current liabilities		
Trade payables	214	124
Other payables	7,717	7,008
Contract liabilities	398	762
Lease liabilities	383	368
Borrowing	55,787	54,312
	<u>64,499</u>	<u>62,574</u>
Total Liabilities	<u>73,428</u>	<u>70,995</u>
TOTAL EQUITY AND LIABILITIES	<u>255,272</u>	<u>255,510</u>
Net Assets per Share (RM)	<u>0.06</u>	<u>0.06</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 2023.

JOE Holding Berhad

Unaudited Interim Report as at 30 June 2023

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 2022	212,948	39,042	(4,902)	25,141	(53,835)	218,404	4,783	223,187
Profit/ (loss) for the financial year the period	-	-	-	-	(38,878)	(38,878)	206	(38,672)
Realisation of revaluation surplus on property, plant and equipment	-	-	-	-	-	-	-	-
Issuance of new ordinary share	-	-	-	-	-	-	-	-
Balance as at 31 March 2023	212,958	39,042	(4,902)	25,141	(92,713)	179,526	4,989	184,515
Profit/ (loss) for the financial year the period	-	-	-	-	(2,702)	(2,702)	31	(2,671)
Balance as at 30 June 2023	212,958	39,042	(4,902)	25,141	(95,415)	176,824	5,020	181,844

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 2023.

JOE Holding Berhad

Unaudited Interim Report as at 30 June 2023

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

	Unaudited as at 30/06/23 RM'000	Audited as at 31/03/23 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	(2,671)	(38,240)
Adjustments for:		
Amortisation of right-of-use assets	101	325
Depreciation of property, plant and equipment	21	1,561
Fair value (gain)/loss on investment properties	-	(981)
Fair value (gain)/loss on investment securities	2,861	28,303
Finance Cost	747	2,155
Interest Income	(1,036)	(2,969)
Impairment loss on property, plant and equipment	-	6,200
Impairment loss on trade receivable	-	265
Reversal of impairment loss of trade receivable	-	(545)
Reversal of impairment loss on inventory	-	(1,461)
Provision for warranty claims written off	-	(1,924)
Provision for warranty claims	-	128
Unrealised loss/(gain) on foreign exchange	(2,043)	1,513
Operating profit/(loss) before working capital changes	(2,020)	(5,670)
(Increase)/Decrease in:		
Inventories	440	183
Receivables, Deposits & prepayment	(2,417)	15,145
Increase/(Decrease) in:		
Trade payable	95	(1,024)
Other payables	2,811	339
Contract liabilities	(364)	(49)
Cash generated from/(used in) operating activities	(1,454)	(8,923)
Interest received	-	-
Interest paid	-	(2,155)
Tax refund	-	-
Tax paid	315	(133)
Net Cash Generated From/(Used In) Operating Activities	(1,140)	6,636
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investment securities	-	(45,000)
Acquisition of property, plant and equipment	(11,174)	(16,909)
Additional of other investment	-	(44,918)
Acquisition of Investment properties	-	(9,500)
Transfer from property, plant and equipment	-	-
Interest received	1,036	2,969
Interest paid	(747)	-
Proceeds from disposal of investment securities	-	-
Net cash generated from/ (used in) investing activities	(10,884)	113,358

	Unaudited as at 30/06/23 RM'000	Audited as at 31/03/23 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Increased in fixed deposits pledged	-	(10,683)
Drawdown of term loans	-	4,623
Repayment of lease liabilities	(105)	(319)
Increase of loan	-	45,047
Net cash generated from/ (used in) financing activity	<hr style="border-top: 1px solid black;"/> (12,128)	<hr style="border-top: 1px solid black;"/> 38,668
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(12,128)	(67,618)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	65,738	133,356
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR	<hr style="border-top: 1px solid black;"/> 53,610	<hr style="border-top: 1px solid black;"/> 65,738

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the financial statements for the financial year ended 31 March 2023.

JOE HOLDING BERHAD

Notes to the Financial Information – Quarter ended 30 June 2023

(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 2023.

- 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)

MFRS 17 – Insurance Contracts

Amendments to MFRS 17 – Insurance Contracts

Amendments to MFRS 17 – Initial Application of MFRS 17
and MFRS 9 – Comparative Information

Amendments to MFRS 101: Classification of Liabilities as
Current or Non-Current

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

Amendments to MFRS 10 and MFRS 128 : Sale of
Contribution of Assets between an Investor and its Associates
or Joint Venture

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 2023 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 occurs 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 30th June 2023.

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 30th June 2023.

9) DIVIDENDS PAID

No dividend was paid during the current quarter ended 30th June 2023.

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 30 June 2023						
Revenue						
External revenue	3,735	1,169	520	-	-	5,424
Results						
Segment results	(64)	113	(2,122)	(58)	-	(2,131)
Unallocated income						206
Unallocated expenses						-
Finance Cost						(747)
Deferred Tax						-
Tax expense						-
Profit/ (Loss) for the period						(2,671)
Net assets						
Segment assets	38,160	17,207	181,821	18,018	(46,061)	209,145
Unallocated assets						46,128
Total assets						255,272
Segment liabilities	5,237	509	219,141	26,188	(177,726)	73,349
Unallocated liabilities						79
Total liabilities						73,428
Other information						
Capital expenditure	-	-	44	11,130	-	11,174
Amortisation of right-of-use asset	66	-	31	4	-	101
Depreciation	12	-	8	1	-	21
	Automotive Batteries RM'000	Non- Automotive Batteries RM'000	Investment Holding RM'000	Others RM'000	Eliminations RM'000	Group RM'000
Financial year-to-date ended 30 June 2022						
Revenue						
External revenue	4,273	1,157	441	-	-	5,871
Results						
Segment results	(249)	289	(28,768)	(6)	-	(28,734)
Unallocated income						353
Unallocated expenses						(291)
Lease interest						(7)
Tax expense						-
Profit/ (Loss) for the period						(28,679)
Net assets						
Segment assets	38,196	21,730	174,992	56	(45,314)	189,300
Unallocated assets						72,149
Total assets						261,449
Segment liabilities	6,081	5,079	202,333	6	(151,236)	62,263
Unallocated liabilities						4,677
Total liabilities						66,940
Other information						
Capital expenditure	293	-	1,926	-	-	2,219
Amortisation of right-of-use asset	66	-	7	-	-	73
Depreciation	29	1	245	-	-	275

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

There were no changes in the composition of the Group for the current quarter and the financial year-to-date.

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 30 June 2023

(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 5.42 million in turnover in this quarter as compared to RM 5.87 million in the preceding year corresponding quarter which is consistent with preceding year corresponding quarter.

The Group recorded a Loss after tax (“LAT”) of RM2.67 million compared to Loss after tax (“LAT”) of RM28.68 million in the preceding year corresponding quarter. This was mainly due to the net fair value loss of quoted investments of RM2.86 million registered in this quarter as compared to net fair value loss of RM25.61 million registered in the preceding year corresponding quarter.

2) COMPARISON WITH IMMEDIATE PRECEDING QUARTER’S RESULTS

	Current Quarter As at 30 June 2023 RM’000	Previous Quarter As at 31 March 2023 RM’000
Revenue	5,424	4,928
Profit/ (loss) after tax	(2,671)	(1,001)

The Group registered RM 5.42 million in turnover in this quarter as compared to RM 4.98 million in the preceding quarter. The higher turnover is due to higher demand from the local market.

The Group registered a Loss after tax (“LAT”) of RM2.67 million compared to Loss after tax (“LAT”) of RM1.0 million in the preceding quarter. This was mainly due to

- Net fair value loss of quoted investments of RM2.86 million registered in this quarter as compared with net fair value gain of RM3.36 million registered in the preceding quarter.
- Additional impairment of property, plant and equipment of RM6.20 million registered in the preceding quarter.

3) CURRENT YEAR PROSPECTS

Business prospects of the Group for the 2024 financial year remain challenging.

The Group is still bracing with the challenges of glove sector global oversupply, the surge in material prices, fluctuating exchange rates.

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.

As of to date four 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. The Group expects to commission in the third 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 30/06/2023 RM'000</i>	<i>3 months ended 30/06/2022 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 30th June 2023 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	(25,673)	13,400
Estimated expenses	Within 1 month	620	(620)	-
Total		39,693	(26,293)	13,400

- 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)	Reallocation of Utilisation (RM'000)	Balance available (RM'000)
Investment in the Glove Business	Within 36 months	40,000	-	158	40,158
Working capital	Within 36 months	35,678	-	-	35,678
Estimated expenses	Immediate	800	(642)	(158)	-
Total		76,478	(642)	-	75,836

7) BANK BORROWINGS

There was bank overdraft of RM 8.76 million, bank loan of RM4.42 million and loan from financial services firm of RM47 million as at the end of the current financial quarter.

8) MATERIAL LITIGATION

Since the preceding financial quarter ended 31st March 2023, 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 of the Assessment of Damages was completed on 2nd March 2023. The Hearing of the matter was completed on 22nd May 2023. The decision which was initially fixed on 8th August 2023 has been vacated to another date that is yet to be determined by the court.

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>30/06/2023</i>	<i>30/06/2022</i>	<i>30/06/2023</i>	<i>30/06/2022</i>
(i) Basic loss per share					
Net Profit/(loss) attributable to owner of the company	(RM'000)	2,702	(28,765)	2,702	(28,765)
<hr/>					
		<i>Current Quarter</i>		<i>Cumulative Quarter</i>	
		<i>30/06/2023</i>	<i>30/06/2022</i>	<i>30/06/2023</i>	<i>30/06/2022</i>
Weighted average number of shares in issue	('000)	3,059,119	3,059,119	3,059,119	3,059,119
<hr/>					
		<i>Current Quarter</i>		<i>Cumulative Quarter</i>	
		<i>30/06/2023</i>	<i>30/06/2022</i>	<i>30/06/2023</i>	<i>30/06/2022</i>
Basic earnings/ (loss) per share	(sen)	(0.09)	(0.94)	(0.09)	(0.94)

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 the 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	(1,036)	(1,036)
Other (gain)/loss including investment income	2,861	2,861
Depreciation and amortization	122	122
Unrealised forex gain	(2,043)	(2,043)