

JOE HOLDING BERHAD

Unaudited Interim Report as at 31 March 2024

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
	31/3/2024 RM'000	31/3/2023 RM'000	31/3/2024 RM'000	31/3/2023 RM'000
Sales	4,262	4,927	22,575	21,069
Cost of Sales	(3,082)	(3,735)	(17,148)	(16,738)
Gross Profit/(loss)	1,180	1,192	5,427	4,331
Other income				
- Fair value gain on investment properties	670	981	670	981
- Gain on disposal of subsi	655	-	655	-
- Non-operating income	(733)	1,843	2,662	3,480
- Interest income	819	1,130	3,501	2,969
	2,591	5,146	12,915	11,761
Operating Expenses	(9,986)	(7,789)	(21,896)	(19,523)
Fair value gain/ (loss) on financial asset	(8,699)	3,358	(6,358)	(28,302)
Profit/ (loss) from operations	(16,094)	715	(15,339)	(36,085)
Finance cost	(829)	(1,284)	(3,142)	(2,155)
Profit/ (loss) before tax	(16,923)	(569)	(18,481)	(38,240)
Deferred Tax	(162)	(368)	(162)	(368)
Taxation	(584)	(64)	(584)	(64)
Profit/ (loss) after tax	(17,669)	(1,001)	(19,227)	(38,672)
Other comprehensive loss, net of taxation	-	-	-	-
Total comprehensive Profit/ (loss) for the period	(17,669)	(1,001)	(19,227)	(38,672)
Profit/ (loss) attributable to :				
Owners of the Company	(17,679)	(1,068)	(19,424)	(38,878)
Non-controlling interests	10	67	197	206
Profit/ (loss) after tax for the period	(17,669)	(1,001)	(19,227)	(38,672)
Total comprehensive expense attributable to :				
Owners of the Company	(17,679)	(1,068)	(19,424)	(38,878)
Non-controlling interests	10	67	197	206
Net comprehensive Profit/ (loss) for the period	(17,669)	(1,001)	(19,227)	(38,672)
Earnings/(loss) per share - basic (Sen)	(5.78)	(0.03)	(6.35)	(1.27)
Earnings/(loss) per share - diluted (Sen)	(5.78)	(0.03)	(6.35)	(1.27)

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 31 March 2024**

Condensed Consolidated Statement of Comprehensive Income

(The current year figures have not been audited)

	Unaudited	Audited
	As at 31/03/2024	As at 31/03/2023
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	18,533	7,388
Right of use assets	108	468
Investment property	75,270	65,100
Other investments	27,457	31,846
Total non-current assets	121,368	104,802
Current assets		
Inventories	3,121	5,412
Receivables, deposits and prepayments	14,363	10,852
Other investments	47,403	44,918
Tax recoverable	889	2,003
Fixed deposit with licensed bank	19,285	21,785
Cash and bank balances	34,362	65,738
Total current assets	119,423	150,708
Total assets	240,791	255,510
EQUITY AND LIABILITIES		
Equity		
Share capital	212,958	212,958
Warrant reserve	34,140	34,140
Share option reserve	3,714	-
Revaluation reserve	25,141	25,141
Accumulated loss	(112,138)	(92,713)
Shareholders' equity	163,815	179,526
Non-controlling interests	-	4,989
Total equity	163,815	184,515
Non-Current Liabilities		
Lease liabilities	-	120
Deferred tax liabilities	4,667	4,507
Borrowing	3,807	3,794
Total non-current liabilities	8,475	8,421
Current liabilities		
Trade payables	378	124
Other payables	7,457	7,008
Contract liabilities	398	762
Lease liabilities	112	368
Borrowing	60,156	54,312
Total current liabilities	68,501	62,574
Total Liabilities	76,975	70,995
TOTAL EQUITY AND LIABILITIES	240,791	255,510
Net Assets per Share (RM)	0.54	0.06

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 for the Twelve Months Ended 31 March 2024

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

	Attributable to owners of the company							Total Equity
	Non-distributable				Distributable			
	Share Capital	Warrant reserve	Shares option reserve	Revaluation reserves	Retained Earnings	Total Equity Funds	Non-controlling interests	
RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	
Balance as at 1 April 2022	212,958	34,140	-	25,141	(53,835)	218,404	4,783	223,187
(Loss)/ Profit for the financial year the period	-	-	-	-	(38,879)	(38,879)	207	(38,672)
Balance as at 31 March 2023	212,958	34,140	-	25,141	(92,713)	179,526	4,989	184,515
Balance as at 1 April 2023	212,958	34,140	-	25,141	(92,713)	179,526	4,989	184,515
(Loss)/ Profit for the financial year the period	-	-	-	-	(19,425)	(19,425)	196	(19,229)
Disposal of subsidiaries	-	-	-	-	-	-	(5,185)	(5,185)
Share option granted under ESOS	-	-	3,714	-	-	3,714	-	3,714
Balance as at 31 March 2024	212,958	34,140	3,714	25,141	(112,138)	163,815	-	163,815

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 31 March 2024**

Condensed Consolidated Statement of Cash flows

(The current year figures have not been audited)

	Unaudited As at 31/03/2024	Audited As at 31/03/2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	(18,481)	(38,240)
Adjustments for:		
Amortisation of right-of-use assets	337	325
Depreciation of property, plant and equipment	71	1,561
Fair value (gain)/loss on investment properties	(670)	(981)
Fair value (gain)/loss on investment securities	4,389	28,303
(Gain)/loss on disposal of subsidiary companies	(655)	-
Share-based payment	3,714	-
Finance Cost	3,142	2,155
Interest Income	(3,501)	(2,969)
Impairment loss on property, plant and equipment	9,071	6,200
Impairment loss on trade receivable	331	265
Impairment loss of inventories	32	-
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	(740)	1,513
Operating profit/(loss) before working capital changes	<u>(2,960)</u>	<u>(5,670)</u>
(Increase)/Decrease in:		
Inventories	1,703	183
Receivables, Deposits & prepayment	(5,622)	15,145
Increase/(Decrease) in:		
Trade payable	228	(1,024)
Other payables	6,227	339
Contract liabilities	(364)	(49)
Cash generated from/(used in) operating activities	<u>(788)</u>	<u>(8,923)</u>
Interest paid	-	(2,155)
Tax paid	111	(133)
Net Cash Generated From/(Used In) Operating Activities	<u>(677)</u>	<u>6,636</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investment securities	-	(45,000)
Acquisition of property, plant and equipment	(20,244)	(16,909)
Additional of other investment	-	(44,918)
Acquisition of Investment properties	(9,500)	(9,500)
Interest received	3,501	2,969
Interest paid	(3,142)	-
Proceeds from disposal of Subsidiary	12,700	-
Net cash outflow from disposal of subsidiary	(16,141)	-
Net cash generated from/ (used in) investing activities	<u>(32,826)</u>	<u>113,358</u>

JOE Holding Berhad**Unaudited Interim Report as at 31 March 2024**

Condensed Consolidated Statement of Cash flows

(The current year figures have not been audited)

	Unaudited	Audited
	As at 31/03/2024	As at 31/03/2023
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Increased in fixed deposits with licensed banks	2,500	-
Increased in fixed deposits pledged	-	(10,683)
Drawdown of term loans	-	4,623
Repayment of lease liabilities	(376)	(319)
Drawdown of loan	-	45,047
Net cash generated from/ (used in) financing activity	<u>2,124</u>	<u>38,668</u>
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(31,376)	(67,618)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>65,738</u>	<u>133,356</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR	<u>34,362</u>	<u>65,738</u>

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 31 March 2024

(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 2023. 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 2023.

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 31st March 2024.

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 March 2024.

9) DIVIDENDS PAID

No dividend was paid during the current quarter ended 31st March 2024.

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 March 2024						
Revenue						
External revenue	16,522	3,685	2,368	-	-	22,575
Results						
Segment results	(13)	691	(3,302)	(9,454)	(11,345)	(23,423)
Unallocated income						8,083
Unallocated expenses						-
Finance Cost						(3,141)
Deferred Tax						(162)
Tax expense						(584)
Profit/ (Loss) for the period						(19,227)
Net assets						
Segment assets	38,365	-	199,534	18,063	(44,475)	211,487
Unallocated assets						29,304
Total assets						240,791
Segment liabilities	5,450	-	241,096	35,628	(205,316)	76,855
Unallocated liabilities						120
Total liabilities						76,975
Other information						
Capital expenditure	-	-	40	20,223	-	20,263
Amortisation of right-of-use asset	212	-	125	-	-	337
Depreciation	28	3	34	6	-	71
	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 31 March 2023						
Revenue						
External revenue	15,325	3,894	1,851	-	-	21,069
Results						
Segment results	186	838	(29,232)	(7,919)	(100)	(36,227)
Unallocated income						165
Unallocated expenses						-
Lease interest						(2,177)
Deferred Tax						(368)
Tax expense						(64)
Profit/ (Loss) for the period						(38,672)
Net assets						
Segment assets	38,493	17,349	181,171	6,940	(45,487)	198,465
Unallocated assets						57,045
Total assets						255,510
Segment liabilities	5,504	754	215,636	15,051	(166,026)	70,923
Unallocated liabilities						72
Total liabilities						70,995
Other information						
Capital expenditure	-	-	12,804	14,470	-	27,274
Amortisation of right-of-use asset	269	-	30	26	-	325
Depreciation	87	6	17	1,452	-	1,561

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 5th February 2024 disposal of 700,000 ordinary shares held by JOE in GP Products Sdn. Bhd. (GPP), representing 70% of the total issued and paid-up ordinary shares of GPP, together with GPP's two subsidiaries, namely GPA Technologies Sdn. Bhd. (100%-owned) (GPAT) and GP Firstpower Technologies Sdn. Bhd. (60%-owned).

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

The Group existing Warrants B issued on 21 May 2021 pursuant to the terms and conditions of the Deed Poll dated 8 April 2021 and will expire on 20 May 2024.

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 March 2024

(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 RM4.26 million in turnover in this quarter as compared to RM4.93 million in the preceding year corresponding quarter which is consistent with preceding year corresponding quarter.

The Group recorded a Loss after tax (“LAT”) of RM17.67 million compared to Loss after tax (“LAT”) of RM1.01 million in the preceding year corresponding quarter. This was mainly due:

- Net fair value loss of quoted investments of RM8.70 million registered in this quarter as compared with net fair value gain of RM3.36 million registered in the preceding year corresponding quarter.
- Impairment of property, plant and equipment of RM9.07 million registered in this quarter as compared with impairment of property, plant and equipment of RM6.2 million registered in the preceding year corresponding quarter.

2) COMPARISON WITH IMMEDIATE PRECEDING QUARTER’S RESULTS

	Current Quarter As at 31 March 2024 RM’000	Previous Quarter As at 31 December 2023 RM’000
Revenue	4,262	6,430
Profit/ (loss) after tax	(17,669)	1,295

The Group registered RM4.26 million in turnover in this quarter as compared to RM6.43 million in the preceding quarter. This was mainly due to lower demand from the local market and shorter working quarter from festive break.

The Group registered a Loss after tax (“LAT”) of RM17.67 million compared to Profit after tax (“PAT”) of RM1.29 million in the preceding quarter. This was mainly due to:

- Net fair value loss of quoted investments of RM8.70 million registered in this quarter as compared with net fair value gain of RM5.41 million registered in the preceding quarter.
- Impairment of property, plant and equipment of RM9.07 million registered in this 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.

3) CURRENT YEAR PROSPECTS (CONT'D)

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 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 31/03/2024 RM'000</i>	<i>3 months ended 31/03/2023 RM'000</i>
In respect of current period:		
- Income Tax	(584)	(64)
- Deferred Tax	(162)	(368)
Total	<u>(746)</u>	<u>(432)</u>

The effective tax rate on the Group's profit before tax for the financial year-to-date ended 31st March 2024 is the statutory tax rate of 24.0% .

6) STATUS OF CORPORATE PROPOSALS

On 21 August 2023, the Company had announced and submitted to Bursa Securities on 22 August 2023 to undertake proposed consolidation of every 10 existing ordinary shares in JOE (“JOE Share(s)” or “Share(s)”) held by the Company’s shareholders on an entitlement date 23 October 2023, into 1 JOE Share (“Proposed Share Consolidation”).

Saved for the above, there were no corporate proposals announced but not completed as at the date of this report.

7) STATUS OF UTILISATION OF PROCEEDS

a) 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)	Reallocation of Utilisation (RM'000)	Balance available (RM'000)
Investment in the Glove Business	Within 48 months	26,324	(5,419)	-	20,905
Estimated expenses	Immediate	300	(300)	-	-
Total		26,624	(5,719)	-	20,905

b) 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 48 months	40,000	-	-	40,000
Working capital	Within 48 months	35,678	-	158	35,836
Estimated expenses	Immediate	800	(642)	(158)	-
Total		76,478	(642)	-	75,836

8) BANK BORROWINGS

There was bank overdraft of RM 12.82 million, bank loan of RM3.80 million and loan from financial services firm of RM47.30 million as at the end of the current financial quarter.

9) 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.

9) MATERIAL LITIGATION (CONT'D)

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

10) GAIN/(LOSS) PER SHARE

		<i>Current Quarter</i>		<i>Cumulative Quarter</i>	
		<i>31/03/2024</i>	<i>31/03/2023</i>	<i>31/03/2024</i>	<i>31/03/2023</i>
(i) Basic loss per share					
Net Profit/(loss) attributable to owner of the company	(RM'000)	(17,679)	(1,068)	(19,424)	(38,878)
<hr/>					
		<i>Current Quarter</i>		<i>Cumulative Quarter</i>	
		<i>31/03/2024</i>	<i>31/03/2023</i>	<i>31/03/2024</i>	<i>31/03/2023</i>
Weighted average number of shares in issue	('000)	305,912 *	3,059,119	305,912 *	3,059,119
<hr/>					
		<i>Current Quarter</i>		<i>Cumulative Quarter</i>	
		<i>31/03/2024</i>	<i>31/03/2023</i>	<i>31/03/2024</i>	<i>31/03/2023</i>
Basic earnings/ (loss) per share	(sen)	(5.78)	(0.03)	(6.35)	(1.27)

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.

*Share consolidation exercise carried out during the year.

(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.

11) PROFIT/(LOSS) BEFORE TAXATION

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

	Current Quarter (RM'000)	YTD (RM'000)
Interest income	(819)	(3,501)
Other (gain)/loss including investment income	7,374	5,033
Depreciation and amortization	92	408
Unrealised forex (gain)/loss	20	(6)