



JOHAN HOLDINGS BERHAD

(Company No. 314-K)
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD FINANCIAL QUARTER ENDED 30 APRIL 2023

	Note	Current Quarter 3 months ended 30 April		Cumulative 9 months ended 30 April	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Continuing operations					
Revenue	K1	4,485	5,645	12,572	8,437
Cost of sales		(5,345)	(5,749)	(18,032)	(7,259)
Gross (loss)/profit		(860)	(104)	(5,460)	1,178
Other income		1,296	1,626	6,647	4,972
Net foreign exchange (loss)/gain		(359)	(323)	(71)	1,950
Net fair value loss on investment securities	M5	(1,534)	(590)	(1,062)	(2,359)
Marketing and distribution expenses		(46)	(60)	(362)	(138)
Administrative expenses		(3,978)	(3,347)	(11,537)	(10,768)
Other expenses	M5	(26,954)	-	(29,526)	-
Loss before interest, tax, depreciation and amortisation		(32,435)	(2,798)	(41,371)	(5,165)
Depreciation and amortisation		(1,233)	(710)	(3,696)	(2,313)
Finance costs		(19)	(20)	(875)	(76)
Loss before tax	K1/K5	(33,687)	(3,528)	(45,942)	(7,554)
Income tax expense	K6	(94)	(19)	(102)	(32)
Loss for the period		(33,781)	(3,547)	(46,044)	(7,586)
Other comprehensive (loss)/income:					
Foreign currency translation gain/(loss)		362	284	(10)	(3,268)
Gain on revaluation of properties		1,620	-	1,620	-
Total comprehensive loss for the period		(31,799)	(3,263)	(44,434)	(10,854)
Loss for the period attributable to :					
Owners of the Company		(21,565)	(2,574)	(29,110)	(4,982)
Non-controlling interests		(12,216)	(973)	(16,934)	(2,604)
		(33,781)	(3,547)	(46,044)	(7,586)
Total comprehensive loss attributable to:-					
Owners of the Company		(20,231)	(2,290)	(28,148)	(8,250)
Non-controlling interests		(11,568)	(973)	(16,286)	(2,604)
		(31,799)	(3,263)	(44,434)	(10,854)
Loss per share attributable to owners of the Company:					
Basic & diluted loss per share for the period (sen)	K13	(1.85)	(0.22)	(2.49)	(0.43)

(The Unaudited Condensed Consolidated Statements of Profit Or Loss And Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 July 2022 and the accompanying explanatory notes attached to the interim financial statements)

**JOHAN HOLDINGS BERHAD**(Company No. 314-K)
(Incorporated in Malaysia)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	As at 30 April 2023 RM'000	Audited As at 31 July 2022 RM'000
Non-current assets			
Property, plant and equipment		169,406	162,822
Investment Properties		40,570	40,570
Inventories-Non current		30	30
Other receivable		-	27,209
Total non-current assets		<u>210,006</u>	<u>230,631</u>
Current assets			
Inventories		8,305	12,283
Receivables		7,375	33,883
Tax recoverable		402	388
Investment securities		11,558	12,620
Cash and bank balances		56,495	49,223
Total current assets		<u>84,135</u>	<u>108,397</u>
Total assets		<u>294,141</u>	<u>339,028</u>
Share capital	M7	413,672	413,672
Reserves			
Warrant reserve		15,963	15,963
Exchange reserve		(2,796)	(2,786)
Revaluation reserve		21,652	20,680
Accumulated losses		(247,731)	(218,621)
Attributable to equity holders of the parent		<u>200,760</u>	<u>228,908</u>
Non-controlling interests		30,766	27,452
Total equity		<u>231,526</u>	<u>256,360</u>
Non-current liabilities			
Lease liabilities	K9	1,810	2,178
Deferred tax liabilities		22,682	22,148
Total non-current liabilities		<u>24,492</u>	<u>24,326</u>
Current liabilities			
Payables		37,565	57,821
Lease liabilities	K9	558	521
Total current liabilities		<u>38,123</u>	<u>58,342</u>
Total liabilities		<u>62,615</u>	<u>82,668</u>
Total equity and liabilities		<u>294,141</u>	<u>339,028</u>
Net assets per share (sen)		<u>19.82</u>	<u>21.95</u>

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 July 2022 and the accompanying explanatory notes attached to the interim financial statements)



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD FINANCIAL QUARTER ENDED 30 APRIL 2023

	←————— Attributable to owners of the Company —————→							
	←————— Non-distributable reserves —————→							
	Share capital RM'000	Warrant RM'000	Exchange reserve RM'000	Properties revaluation reserve RM'000	Accumulated losses RM'000	Equity attributable to owners of the Company total RM'000	Non- controlling interests RM'000	Total RM'000
Balance as at 1 August 2021	413,672	15,963	(996)	18,437	(207,237)	239,839	6,184	246,023
Total comprehensive gain/(loss) for the year	-	-	(3,268)	-	(4,982)	(8,250)	(2,604)	(10,854)
Non-controlling interests arising from investment in a subsidiary	-	-	-	-	-	-	20,000	20,000
Balance as at 30 April 2022	413,672	15,963	(4,264)	18,437	(212,219)	231,589	23,580	255,169
Balance as at 1 August 2022	413,672	15,963	(2,786)	20,680	(218,621)	228,908	27,452	256,360
Total comprehensive loss for the year	-	-	(10)	972	(29,110)	(28,148)	(16,286)	(44,434)
Transactions with owners:								
Non-controlling interests arising from investment in a subsidiary	-	-	-	-	-	-	19,600	19,600
Balance as at 30 April 2023	413,672	15,963	(2,796)	21,652	(247,731)	200,760	30,766	231,526

(The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 July 2022 and the accompanying explanatory notes attached to the interim financial statements)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE
THIRD FINANCIAL QUARTER ENDED 30 APRIL 2023**

	Cumulative 9 months ended 30 April	
	2023 RM'000	2022 RM'000
Cash flows from/(used in) operating activities		
Loss before tax	(45,942)	(7,554)
Adjustments for non-cash and non-operating items:		
- Non-cash items	31,082	2,075
- Investing and financing items	(85)	(719)
Operating cash flows before working capital changes	<u>(14,945)</u>	<u>(6,198)</u>
Changes in working capital:		
- Changes in current assets	57,612	(20,203)
- Changes in current liabilities	(20,259)	5,088
Tax paid	(116)	(92)
Net cash flows from/(used in) operating activities	<u>22,292</u>	<u>(21,405)</u>
Cash flows from/(used in) investing activities		
Interest received	960	795
Purchase of intangible assets	-	(36)
Purchase of property, plant and equipment	(35,119)	(60,533)
Net cash used in investing activities	<u>(34,159)</u>	<u>(59,774)</u>
Cash flows from/(used in) financing activities		
Payment of lease liabilities	(462)	(430)
Subscription of shares by non-controlling interest in a subsidiary	19,600	20,000
Net cash from financing activities	<u>19,138</u>	<u>19,570</u>
Net increase/(decrease) in cash and cash equivalents	7,271	(61,609)
Effects of foreign exchange rate changes	1	42
Cash and cash equivalents at beginning of year	49,070	117,346
Cash and cash equivalents at end of year	<u>56,342</u>	<u>55,779</u>
Analysis of cash and cash equivalents:		
Cash and bank balances	56,495	55,929
Pledged deposit with licensed financial institutions	(153)	(150)
	<u>56,342</u>	<u>55,779</u>

Reconciliation of liabilities arising from financing activities:

	Carrying amount As at 01.08.2022 RM'000	Cash flows RM'000	Others RM'000	Carrying amount As at 30.04.2023 RM'000
Lease Liabilities	2,699	(462)	131	2,368

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 July 2022 and the accompanying explanatory notes attached to the interim financial statements)



NOTES TO THE INTERIM FINANCIAL STATEMENTS

M1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standard Board, and paragraph 9.22 of Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the Group’s annual audited financial statements for the year ended 31 July 2022 and the explanatory notes attached therein.

These explanatory notes attached to these 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 July 2022.

M2 Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements of the Group for the financial year ended 31 July 2022 except for the adoption of the relevant new MFRSs, amendments to MFRSs and IC Interpretations that are effective for annual periods beginning on or after 1 January 2022. The adoption of the new MFRSs, amendments to MFRSs and IC Interpretations did not have any material impact on the financial position and results of the Group.

M3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited financial statements for the year ended 31 July 2022 was unqualified.

M4 Seasonal or Cyclical Factors

Overall, the business operations of the Group were not significantly affected by any seasonal or cyclical factors.

M5 Unusual Items Due to Their Nature, Size or Incidence

i) In current quarter, Dynacare has reviewed the carrying amount of its plant and machinery and has recognised an impairment loss of RM26.954 million.

ii) Included in investment securities as of 31 July 2022 was investment in the quoted shares of George Kent (Malaysia) Berhad of RM12.620 million, measured at the market value of RM0.535 per share. As of 30 April 2023, the market value of the said investment has dropped to RM0.49 per share, resulting in a fair value loss of RM1,062,000.

M6 Changes in Accounting Estimates

During the financial quarter, there was no change in accounting estimates adopted by the Group.

M7 Share Capital, Debt and Equity Securities

During the financial quarter, there were no issuance, cancellations, repurchase, resales and repayments of debt and equity securities.

M8 Dividend Paid

During the financial quarter, no dividend was paid by the Company.

M9 Segmental Information

	<u>General Trading</u>		<u>Property</u>		<u>Hospitality and card services</u>		<u>Investment holding & secretarial services</u>		<u>Healthcare</u>		<u>Elimination</u>		<u>Total</u>	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
9 months ended 30 April														
Revenue:														
External customers	3,643	4,574	-	-	3,584	2,934	378	511	4,967	418	-	-	12,572	8,437
Inter-segment	-	-	-	-	-	-	150	159	-	-	(150)	(159)	-	-
Total revenue	3,643	4,574	-	-	3,584	2,934	528	670	4,967	418	(150)	(159)	12,572	8,437

Results :

Interest income	-	-	2	3	17	-	891	756	62	56	(12)	(20)	960	795
Depreciation and amortisation	-	-	-	-	1,545	1,721	404	443	1,747	149	-	-	3,696	2,313
Finance costs	-	-	-	-	8	-	66	96	813	-	(12)	(20)	875	76
Earnings/(loss) before interest, tax, depreciation and	(152)	166	(71)	(133)	877	452	11,545	1,611	(38,602)	(5,504)	(14,972)	(1,757)	(41,375)	(5,165)
Segment profit / (loss)	(152)	166	(71)	(133)	(676)	(1,269)	11,075	1,072	(41,162)	(5,653)	(14,960)	(1,737)	(45,946)	(7,554)

	<u>General Trading</u>		<u>Property</u>		<u>Hospitality and card services</u>		<u>Investment holding & secretarial services</u>		<u>Healthcare</u>		<u>Elimination</u>		<u>Total</u>	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
9 months ended 30 April														
Assets :														
Additions to non-current assets	-	-	-	-	814	52	8	2	34,297	60,515	-	-	35,119	60,569
Segment assets	2,230	4,085	21,547	21,549	84,186	80,670	82,224	128,584	104,015	81,777	(61)	5	294,141	316,670
Segment liabilities	1,289	3,847	5,451	5,450	12,680	11,463	9,320	8,940	32,186	28,061	1,689	3,740	62,615	61,501



NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT'D)

M10 Event Subsequent to the end of the reporting period

There was no event subsequent to the end of the financial quarter that require to be reflected in the financial statements for the current financial quarter.

M11 Changes in Composition of the Group

There were no changes in the composition of the Group during the financial quarter under review.

M12 Changes in Contingent Liabilities

There were no contingent liabilities as at the reporting date.

M13 Capital Commitments

The capital commitment for the purchase of property, plant, equipment and computer systems not provided for in the interim financial statements is as follows :

	As at 30 April 2023 RM'000
Approved and contracted for	103,449

M14 Related Party Transactions

	Current Quarter 3 months ended 30 April		Cumulative 9 months ended 30 April	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Transactions with corporations in which three Directors are also directors and/or deemed interested				
Design and Build - Dipping line glove plant	8,020	27,791	19,141	27,791
Recovery of secretarial and share registration fees	10	11	33	34
	10	11	33	34

The Directors of the Company are of the opinion that the above transactions were in the normal course of business and have been established under terms that are no less favourable than those arranged with independent parties. The Design and Build contract had been approved by the shareholders of Johan Holdings Berhad at an Extraordinary General Meeting on 31st May 2021.

**ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS****K1 Review of Performance**

Continuing operations:

- a) For the financial quarter under review, the Group registered a revenue of RM4.485 million compared to corresponding quarter of RM5.645 million, lower by RM1.16 million.
- b) The Group recorded a higher loss before tax of RM33.687 million in current quarter compared to corresponding quarter loss of RM3.528 million, mainly due to:-
 - i) Dynacare registered loss before tax of RM29.972 million for current quarter as compared to a loss of RM2.230 million in corresponding quarter mainly due to impairment loss on plant and machinery of RM26.954 million in current quarter.
 - ii) Investment holding & secretarial services segment recorded a higher loss before tax of RM2.910 million in current quarter compared to corresponding quarter loss of RM1.428 million mainly due to higher fair value loss on investment securities of RM1.534 million in current quarter.

The loss attributable to shareholders for the current quarter was RM21.565 million.

K2 Variation of Results Against Preceding Quarter

	Current Quarter 3 months ended		Changes (Amount/%)
	30.04.2023 RM'000	31.01.2023 RM'000	
Revenue from continuing operations	4,485	4,447	0.85%
Loss before tax from continuing operations	(33,687)	(5,514)	-510.94%
Loss after tax	(33,781)	(5,517)	-512.31%
Loss for the period attributable to owners of the Company	<u>(21,565)</u>	<u>(2,780)</u>	<u>-675.72%</u>

Total revenue for the current financial quarter was RM4.485 million compared to preceding quarter's of RM4.447 million. The Group recorded a higher loss after tax of RM33.781 million compared to preceding quarter loss of RM5.517 million mainly due to impairment loss on plant and machinery of Dynacare as mentioned earlier.

K3 Prospects

- i) The glove industry will remain extremely challenging for the rest of the year. Selling price remains low from an over supply market. However going forward in the medium to longer term, the board is confident that the selling price will start to move higher when the market is more stabilised.
- ii) With the continued recovery of tourism industry, Orient Star Resort is expected to show further growth in business for the Financial Year 2023. The Company will continue to improve operational efficiencies to mitigate the impact from rising cost of doing business.



ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS (CONT'D)

K4 Profit Forecast

No profit forecast was issued by the Group.

K5 Profit Before Tax

	Current Quarter 3 months ended 30 April		Cumulative 9 months ended 30 April	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after crediting/(charging) :				
a) Interest income	429	191	960	795
b) Other income	29	429	3,132	1,704
c) Bad debts recovered	838	1,006	2,555	2,473
d) Interest expense	(19)	(20)	(875)	(76)
e) Depreciation and amortisation	(1,233)	(710)	(3,696)	(2,313)
f) Impairment loss on plant and machinery	(26,954)	-	(26,954)	-
g) Net foreign exchange gain/(loss)	(359)	(323)	(71)	1,950

K6 Income Tax Expense

	Current Quarter 3 months ended 30 April		Cumulative 9 months ended 30 April	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Tax (expense)/credit based on results for continuing operations: -				
Current				
- Malaysian tax	(94)	(19)	(102)	(32)

The tax expense for the 9 months ended 30 April 2023 is mainly due to certain non-tax deductible expenses.



ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS (CONT'D)

K7 Status of Corporate Proposals Announced

a) Proposed Disposal of Land by Prestige Assets Sdn Bhd (Formerly known as Prestige Ceramics Sdn Bhd)

Under the terms of the Sale & Purchase Agreement dated 27 November 2019 entered into between Prestige Assets Sdn Bhd (formerly Prestige Ceramics Sdn Bhd) (“PASB”) and Aspect Potential Sdn Bhd (the “Purchaser”), the Deferred Cash Payment of RM45 million is payable via 3 equal instalments of RM15 million each, receivable by 26/11/2022, 26/11/2023 & 26/11/2024. The Purchaser had on 25/11/2022 settled the 1st instalment of RM15 million, with the Deferred Cash Payment balance of RM30 million as outstanding.

On 16 January 2023, PASB and the Purchaser entered into a Supplemental Letter wherein it was agreed that the Purchaser shall by 31 January 2023, remit to PASB a discounted lump sum of RM27,427,603 as early settlement of the remaining Deferred Cash Payment balance of RM30 million.

The Purchaser had on 31 January 2023 remitted to PASB the full sum of RM27,427,603, following which the Proposed Disposal is deemed completed on 31 January 2023.

Utilisation of the RM105.428 million cash proceeds up to 30 April 2023 were as follows:-

Purpose	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance Unutilised (RM'000)
Repayment of term loan	14,750	14,750	-
Investment/ business opportunities	26,000	26,000	-
General working capital of Johan Group	10,084	10,084	-
Estimated expenses for the Disposal	12,166	12,166	-
General working capital	42,428	3,333	39,095
Total	105,428	66,333	39,095

b) Proposed Acquisition, Proposed Diversification, Proposed Rights Issue with Warrants, Proposed Offer To Subscribe and Proposed Right To Execute the Works.

The balance sum of RM11.067 million from the cash proceeds from Right Issue of approximately RM38.934 million was fully utilised as at 30 April 2023 for funding of Glove Business.

**ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS (CONT'D)****K8 Trade Receivables**

The Group's credit period generally ranges from 30 to 90 days. Other credit terms are assessed and approved on a case by case basis.

a) Ageing of trade receivables not impaired

	As at 30 April 2023 RM'000	As at 31 July 2022 RM'000
Not past due	1,287	9,740
Past due 30 days	25	438
Past due 31-90 days	16	103
Past due more than 90 days	944	3,432
	<u>2,272</u>	<u>13,713</u>

b) The Group's trade receivables that are subject to collective/individual impairment review at the end of the reporting period are as follows:

	As at 30 April 2023 RM'000	As at 31 July 2022 RM'000
Trade receivables - gross amounts	63,982	77,855
Less: Allowance for doubtful debts	(61,710)	(64,142)
	<u>2,272</u>	<u>13,713</u>

K9 Borrowings and Debt Securities

	As at 30 April 2023 RM'000	As at 31 July 2022 RM'000
a) Short term borrowings		
Secured		
- Lease creditors	<u>558</u>	<u>521</u>
b) Long term borrowings		
Secured		
- Lease creditors	<u>1,810</u>	<u>2,178</u>

**ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS (CONT'D)****K10 Off Balance Sheet Financial Instruments**

The Group does not have any financial instrument with off balance sheet risk as at 15 June 2023.

K11 Changes in Material Litigation

There were no material litigation for the financial period.

K12 Dividend

The Board does not recommend any dividend for the financial quarter ended 30 April 2023 (30 April 2022: Nil).

K13 (Loss)/Earning per Share**Basic & diluted**

Basic and diluted (loss)/earning per share are calculated by dividing (loss)/earning for the period attributable to ordinary equity holders of the Company by the number of ordinary shares in issue as at the end of the financial quarter.

Diluted (loss)/earning per share is the same as basic (loss)/earning per share.

	Current Quarter 3 months ended 30 April		Cumulative 9 months ended 30 April	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Loss for the period attributable to ordinary equity holders of the Company	<u>(21,565)</u>	<u>(2,574)</u>	<u>(29,110)</u>	<u>(4,982)</u>
Weighted average number of ordinary shares ('000) in issue	<u>1,168,028</u>	<u>1,168,028</u>	<u>1,168,028</u>	<u>1,168,028</u>
Basic & diluted loss per share (sen)	<u>(1.85)</u>	<u>(0.22)</u>	<u>(2.49)</u>	<u>(0.43)</u>

BY ORDER OF THE BOARD**Teh Yong Fah**Group Secretary
Kuala Lumpur
16 June 2023