



Joe Holding Berhad (493897-V)  
Lot 5031 – 5032,  
Jalan Teratai, Off Jalan Meru,  
41050 Klang, Selangor  
Tel : +603 3392 7180

6 September 2021

Minority Shareholders Watch Group  
Tingkat 11, Bangunan KWSP  
No 3 Changkat Raja Chulan  
Off Jalan Raja Chulan  
50200 Kuala Lumpur

Attn: Mr Devanesan Evanson

Dear Sirs,

**JOE HOLDING BERHAD (FORMERLY KNOWN AS GPA HOLDINGS BERHAD) (“JOE” OR “THE GROUP”)  
RE: 22<sup>nd</sup> Annual General Meeting (“AGM”) of JOE to be held on Wednesday, 8 September 2021**

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We refer to the questions raised by the Minority Shareholders Watch Group’s letter dated 31<sup>st</sup> August 2021. We set out below our replies to the questions raised.

	<b><u>Operational and Financial Matters</u></b>
<b>1.</b>	<p><b>Based on the Statement of Cash Flows for FY2021, there was a purchase of investment securities amounting to RM15.7 million (2020: Nil) and a fair value loss on investment securities amounting to RM0.4 million (2020: Nil) (page 51 of AnnualReport 2021 (“AR2021”)).</b></p> <p><b>(a) The said investment securities were quoted shares in Malaysia at fair value of RM15.3 million as of 31 March 2021 (Note 9, page 83 of AR2021). To which quoted shares do the fair value loss relate to?</b></p> <p><b>(b) What is the Board’s decision making/approval process in relation to the purchase of quoted shares in Malaysia?</b></p>
	<p>(a) The fair value loss related to quoted shares PNE PCB BHD.</p> <p>(b) The Board will always scout out potential quoted shares which may have some direct benefit to the Group’s business in the future.</p>
<b>2.</b>	<p><b>As at 31 March 2021, the Group placed an amount of RM20 million (2020: Nil), being the cash deposit placed in a securities account opened with a stock broking firm in Hong Kong, for investment purposes (Note 14, page 86 of AR2021).</b></p> <p><b>(a) To-date, has the Group made any purchase of foreign quoted securities via the stock broking firm in Hong Kong? If yes, please provide brief details of the investment.</b></p>



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	<p><b>(b) What is the Group’s plans for the said RM20 million, is it meant for trading or long-term investment?</b></p> <p><b>(c) The Group’s main business is in sale of automotive batteries and Valve Regulated Lead Acid (“VRLA”) batteries. It is also in the process of diversifying into glove manufacturing.</b></p> <p><b>What is the rationale for placing RM20 million to be used for investment in foreign quoted securities rather than utilising the cash for the Group’s main business, particularly in the glove business?</b></p>
	<p>(a) The company did not make any purchase of foreign quoted securities via the stock broking firm in Hong Kong as to date.</p> <p>(b) It is meant for long term strategic investment which may have a long-term benefits to the Group.</p> <p>(c) The Group is of the view to raise additional capital to cushion any uncertainties in entering a new business rather than using its existing capital which should be preserved for existing business or opportune investments.</p>
<p><b>3.</b></p>	<p><b>On 15 July 2021, JOE Holding had invested in Pasukhas Group Berhad (“Pasukhas”) for a total purchase consideration of approximately RM25 million via rights issue with a substantial shareholding of 21.58% equity interest in Pasukhas (Note 37(d), page 113 of AR2021).</b></p> <p><b>(a) What was the hurdle rate adopted and approved by the Board in evaluating the investment in Pasukhas?</b></p> <p><b>(b) What is the expected minimum percentage of return on investment for the Pasukhas investment?</b></p> <p><b>(c) Given that Pasukhas is a loss-making company for the past 3 years up to 31 December 2020, how will the Board ensure that the investment is in the best interest of the Company and shareholders interest can be safeguarded?</b></p>
	<p>(a) As mentioned above, the Group ‘s decision to invest in quoted shares are mainly related to the long terms prospects viz-a-viz the Group existing business and as such has not determined any hurdle rate in this respect.</p> <p>(b) As mentioned above, the Group ‘s decision to invest in quoted shares are mainly related to the long terms prospects viz-a-viz the Group existing business and as such has not determined any minimum percentage return in this respect.</p> <p>(c) The Acquisition is part of the Group’s initiatives to invest in companies that have growth prospects, and the Group is confident that the Acquisition would provide a positive return in medium to long term. As stated in the Abridged Prospectus of PGB dated 21 June 2021, PGB is principally involved the activities of Mechanical &amp; Electrical Engineering Services, Civil Engineering and Construction Services, Manufacturing of Low Voltages Switchboards, Trading of Coal, River Sand and Equipment, Renewable Energy, Rental Property and Property Development segments whereas the Group is in the process of converting its existing factories</p>



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	into glove production purposes and in this respect, PGB would have the relevant expertise and capacities which would be able to provide potential valuable business synergies with regards to the construction services.
<b>4.</b>	<b>The Company's investment securities of quoted shares in Malaysia, investment in Pasukhas and cash deposit placed in a securities account with a stock broking firm in Hong Kong adds up to approximately RM60.7 million which is 31% of the total assets of the Company, why is the Company using 31% of its cash for non-core business?</b>
	As mentioned above, the investments in quoted shares namely PNE PCB and Pasukhas are somehow of assistance in growing the Group's new glove business as mentioned in the respective announcements.
<b>5.</b>	<b>How does the Board manage the risk associated with investing in quoted shares in Malaysia and foreign quoted securities? Does the Board have an investment policy for investment in securities?</b>
	As mentioned above, the Group is not in the business of securities trading and as such does not have investment policy. All our quoted investments are somehow strategic enough for our Group's glove business in future.
<b>6.</b>	<b>'Administrative expenses' increased significantly to RM5.3 million (2020: RM2.9million) (page 46 of AR2021).  What is the reason for the huge increase in administrative expenses?</b>
	Reason of huge increase in administrative expenses was due to increase in legal fees, professional fees and listing fees related to company private placement.
<b>7.</b>	<b>The Company had on 16 November 2020, obtained shareholders' approval for diversification of the Group's business to include Glove Business and has contracted a company to construct glove production line during the financial year. The construction work has yet to be commenced at the end of reporting period (Note 36(c), page 112 of AR2021).  (a) When is the construction of glove production line expected to commence?  (b) If construction has commenced, to-date, what is the status and progress of the construction of the glove production line?  (c) When will the glove business commence production?</b>
	(a) The Group are still doing the current market cost calculation on the project to operate the factory and exploring the most cost effective to build our glove line to match with the current market selling price. The Group targeted to finalise the process by October or November 2021.  (b) Kindly refer the reply 7(a) above.  (c) Kindly refer the reply 7(a) above.



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<p>8.</p>	<p><b>The Group’s business segment which is ‘Investment holding’ - provision of warehouse storage service recorded significant decrease in revenue to RM0.3 million (2020: RM1.6 million) and loss of RM0.9 million as compared to a profit of approximately RM1.0 million in the previous year. (Note 29(a), pages 98, 99 &amp; 101 of AR2021).</b></p> <p><b>What is the reason for the huge decrease in revenue and loss registered from the provision of warehouse storage services?</b></p>
	<p>Reason for the huge decrease in revenue and loss registered from the provision of warehouse storage services was due to reduce in rental income for GP Marketing Sdn Bhd/GPA Plastic Industries Sdn Bhd/GPA Technologies Sdn Bhd and GBH Bathroom Products Sdn Bhd as the tenancy agreement ended on 1 September 2020 and not renewed.        There was 50% rental rebate given to GBH Bathroom Products Sdn Bhd due to COVID 19 pandemic.</p> <p>As the warehouse is currently being evaluated to either house the production of glove or reinventing into different rental usage and as such the Group terminated some of the other services during the financial year pending new development.</p>
	<p><b><u>Corporate Governance Matters</u></b></p>
<p>1.</p>	<p><b>Chapter 9, Paragraph 9.21(2) of the Main Market Listing Requirements requires companies to publish the summary of Key Matters Discussed at the previous AGM onto the companies’ website. As at 29 August 2021, the Company has not published the summary of Key Matters Discussed at its 21st AGM held in 29 September 2020 onto its website.</b></p> <p><b>Please explain.</b></p>
	<p>The Company take note of the comment and will ensure that the summary of Key Matters Discussed/Minutes of the General Meeting will be published onto the Company’s website moving forward. Nevertheless, the AGM minutes for year 2020 has been uploaded onto the Company’s website on 6 September 2021.</p>
<p>2.</p>	<p><b>Mr. Koo Kien Yoon, the Executive Director of JOE Holding (“Mr. Koo”) was appointed to the Board on 27 August 2020. He is also the Executive Director of Lambo Group Berhad and Vsolar Group Berhad.</b></p> <p><b>As the Executive Director of the Company, Mr. Koo is expected to devote his full- time commitment to JOE Holding as he is drawing salary, bonus and other benefits under the contract of service with the Company.</b></p> <p><b>(a) Please explain how Mr. Koo manages his time commitment to the Company vis-à-vis his position as Executive Director of Lambo Group Berhad and Vsolar Group Berhad given that all three are executive positions that require full-time commitment.</b></p> <p><b>(b) Given that Mr. Koo is the Executive Director of two other public listed companies, what is the rationale for the Nomination Committee to recommend Mr. Koo to the Board and the reason for the Board to approve his appointment?</b></p>



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	<p>(a) Mr Koo's role in our Group is very specific which is to spearhead the glove business. He is assisted by a team of professionals in JOE to manage the glove business via his vast contacts and networks. The Group's existing battery business which is still actively managed by a team of professionals.</p> <p>(b) Since the Group intends to venture into glove business, the Company appointed Mr Koo' in light of his vast contacts and networks in spearheading the glove business in particular reengineering of its existing factories to cater for glove production.</p>
<b>3.</b>	<p><b>On page 4 of the Corporate Governance Report, the Company states that it has departed from Practice 1.2 and the Company does not presently have a designated Chairman since the resignation of the previous Chairman, Tan Sri Dato' Tan Hua Choon on 26 August 2020.</b></p> <p><b>What are the challenges the Company is facing in identifying the right candidate as Chairman? What is the targeted timeline for the appointment of a permanent Chairman?</b></p>
	<p>The Group is still actively pursuing a suitable candidate to lead the Board as the Board intends to fill this position with some high-profile individuals as in the previous Chairman. The Group hopes that it will be able to fill the vacancy before the end of the year.</p>

We trust the above answers address all your questions. Should you require any further information or clarification, please do not hesitate to write to us.

We will present the questions and answers to the shareholders at the forthcoming AGM.

Yours sincerely

For and behalf of the Board of Directors

**JOE Holding Berhad (Formerly known as GPA Holding Berhad)**

**KOO KIEN YOON**  
Executive Director