

JF Technology Berhad

(Company No. 747681-H)
(Incorporated in Malaysia)



Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income For the 4th financial quarter ended 30 June 2019

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year 4th Quarter 01-04-2019 to 30-06-19 RM'000	Preceding Year Corresponding Quarter RM'000	Current Year To-date 01-07-2018 to 30-06-19 RM'000	Preceding Year Corresponding Period RM'000
Revenue	5,083	6,024	23,025	24,929
Cost of sales	(1,807)	(1,380)	(6,279)	(6,038)
Gross profit	3,276	4,644	16,746	18,891
Other operating income	83	140	365	396
Operating expenses	(4,106)	(8,919)	(13,805)	(18,823)
Profit from operations	(747)	(4,135)	3,306	464
Finance cost	(10)	(19)	(44)	(86)
Interest Income	70	58	244	205
Profit before taxation	(687)	(4,096)	3,506	583
Tax Expense	31	86	(190)	(255)
Profit for the period	(656)	(4,010)	3,316	328
Other comprehensive income	-	-	-	-
Total comprehensive profit for the period	(656)	(4,010)	3,316	328
Attributable to:				
Owners of the company	(656)	(4,010)	3,316	328
Minority interests	-	-	-	-
	(656)	(4,010)	3,316	328
Earnings Per Share (EPS)				
- Basic (Sen)	(0.31)	(1.91)	1.58	0.16

Notes:

This Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Annual Financial Statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to this interim financial statements.

JF Technology Berhad

(Company No. 747681-H)
(Incorporated in Malaysia)



Unaudited Condensed Consolidated Statement of Financial Position As at 30 June 2019

	(Unaudited) As at 30-06-19 RM'000	(Audited) As at 30-06-18 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	20,450	20,522
Intangible assets	-	-
	20,450	20,522
Current assets		
Inventories	2,426	1,914
Trade receivables	3,417	4,775
Other receivables, deposits and prepayments	6,523	233
Current tax assets	102	447
Fixed deposit with a licensed bank	222	216
Cash and cash equivalents	11,526	12,976
	24,216	20,561
TOTAL ASSETS	44,666	41,083
EQUITY AND LIABILITIES		
Equity attributable to owners of the company		
Share capital	21,253	21,000
Share premium	-	253
Retained Earnings	10,346	7,030
Total equity	31,599	28,283
Non-current liabilities		
Borrowings	768	1,482
Deferred Income	1,636	1,843
Deferred tax liabilities	898	967
	3,302	4,292
Current liabilities		
Trade payables	156	157
Other payables and accruals	8,508	7,392
Borrowings	1,046	904
Current tax liabilities	55	55
Total current liabilities	9,765	8,508
Total liabilities	13,067	12,800
TOTAL EQUITY AND LIABILITIES	44,666	41,083
	-	-
Net assets per share (RM)	0.1487	0.1347

Notes:

This Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Annual Financial Statement for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

JF Technology Berhad

(Company No. 747681-H)
(Incorporated in Malaysia)



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 4th financial quarter ended 30 June 2019

	Share Capital RM'000	Non Distributable Share Premium RM'000	Distributable Retained Earnings RM'000	Total Equity RM'000
Balance as at 01 July 2017	12,600	8,743	9,222	30,565
Issuance of ordinary shares pursuant to bonus issue	8,400	(8,400)		-
Bonus issuing expenses		(90)		(90)
Profit after taxation for the financial period	-	-	328	328
Dividend paid during the financial period	-	-	(2,520)	(2,520)
Balance as at 30 June 2018	21,000	253	7,030	28,283
		-	-	-
Balance as at 01 July 2018	21,000	253	7,030	28,283
Transfer of Share Premium to Share Capital (Pursuant to Section 618(8) and (9) Companies Act 2016)	253	(253)		
Profit after taxation for the financial period	-	-	3,316	3,316
Balance as at 30 June 2019	21,253	-	10,346	31,599
		-	-	-

Notes:

This Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Annual Financial Statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to this interim financial statements.

JF Technology Berhad

(Company No. 747681-H)
(Incorporated in Malaysia)



Unaudited Condensed Consolidated Statement of Cash Flows For the 4th financial quarter ended 30 June 2019

	(Unaudited) As at 30-06-19 RM'000	(Audited) As at 30-06-18 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	3,506	583
Adjustments for :		
Depreciation of property, plant and equipment	1,385	1,337
Interest expense	45	40
Inventories written off	62	26
Property, plant and equipment written off	-	3
Provision for damages	-	6,115
Amortisation of deferred income	(206)	(206)
Loss on disposal of property, plant and equipment	(7)	(59)
Interest income from short-term funds	(244)	(205)
Unrealised gain on foreign exchange	(46)	(35)
Unrealised loss on foreign exchange	36	79
Operating profit before working capital changes	4,531	7,678
Changes in working capital:		
Decrease/(Increase) in inventories	(575)	(378)
Decrease/(Increase) in receivables	1,327	489
(Decrease) / Increase in payables	(5,144)	75
Cash generated from/(used in) operating activities	139	7,864
Income tax refund/(paid)	87	(540)
Net cash generated from/ (used in) operating activities	226	7,324
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	244	205
Increase in pledged deposit with a licensed bank	(6)	(7)
Purchase of property, plant and equipment	(1,306)	(1,589)
Proceeds from disposal of property, plant and equipment	-	342
Net cash from/ (used in) investing activities	(1,068)	(1,049)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(45)	(40)
Repayment of hire-purchase payables	(178)	(417)
Repayment of term loans	(925)	(930)
Additional hire purchase loan	530	
Payment of expenses related to bonus issue	-	(90)
Dividends paid	-	(2,520)
Net cash (used in)/ from financing activities	(618)	(3,997)
Net (decrease)/ increase in cash and cash equivalents	(1,460)	2,278
Cash and cash equivalents at beginning of period	12,976	10,803
Effects of exchange rate changes	10	(105)
Cash and cash equivalents at end of period	11,526	12,976
	-	-
<u>Cash and cash equivalents consist of:</u>		
Money market unit trust fund in Malaysia	7,366	5,944
Cash and bank balances	4,160	7,032
	11,526	12,976

Notes:

This Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Annual Financial Statement for the year ended 30 June 2018 and the explanatory notes attached to the interim financial statements.

JF Technology Berhad

(Company No. 747681-H)
(Incorporated in Malaysia)



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 ("MFRS 134") : INTERIM FINANCIAL REPORTING

A1 Basis of Preparation

The unaudited interim financial statements have been prepared in accordance with MFRS 134 : Interim Financial Reporting issued by Malaysian Accounting Standards Board ("MASB") and Rule 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The unaudited interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 June 2018. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2018.

A2 Summary of Significant Accounting Policies

The significant accounting policies and methods of computation adopted are consistent with those of the audited financial statements for the year ended 30 June 2018, except for the adoption of the following new MFRSs, Amendments to MFRSs and Interpretations which are effective for annual periods beginning on or after 1 January 2018 :

	Effective Date
MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23 Uncertainty Over Income Tax Treatments	1 January 2019
Amendments to MFRS 2 : Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4 : Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 9 : Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 10 and MFRS 128 : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 15 : Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 15 : Clarifications to MFRS 15 " Revenue from Contracts with Customers"	1 January 2018
Amendments to MFRS 119 : Plan Amendment, Curtailment of Settlement	1 January 2019
Amendments to MFRS 128 : Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 140 : Transfers of Investment Property	1 January 2018
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2014-2016 Cycles :	
- Amendments to MFRS 1 : Deletion of Short-term Exemptions for First-time Adopters	
- Amendments to MFRS 128 : Measuring an Associate of Joint Venture at Fair Value	1 January 2018
Annual Improvements to MFRS Standards 2015-2017 Cycles	1 January 2019

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application except as follows :-

JF Technology Berhad

(Company No. 747681-H)
(Incorporated in Malaysia)



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

A2 Summary of Significant Accounting Policies (continued)

MFRS 9 Financial Instruments

MFRS 9 introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group has performed a detailed impact assessment of all three aspects of MFRS 9. The Group has determined that, based on its assessment on the market information currently available, the reputation and past credit history of the counterparties with which the Group transacted with, the impacts of "expected credit loss" on trade and other receivables (including related party balances) are insignificant upon the initial application of MFRS 9.

There was no material impact on the accounting for Group's financial assets upon initial application of the new classification requirements.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under this Standard, revenue will be recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Based on the assessment undertaken to date, the Group has determined that the impact on its financial statements upon the initial application of MFRS 15 is insignificant as the timing and amount of revenue to be recognised for the sales of products under the new standard are unlikely to be materially different from its current practice.

The analysis above are based on the assessments undertaken to date and maybe subject to changes arising from further detailed analysis or additional reasonable and supportable information being made available to the Group in the future.

A3 Auditors' report on preceding annual financial statements

The preceding year annual audited financial statements were not subject to any qualification.

A4 Seasonal or cyclical factors

The Group's operations are not materially affected by seasonal or cyclical factors.

A5 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter to date.

A6 Material changes in estimates

There were no changes in estimates of amounts reported that have a material effect in the current quarter under review.

A7 Debt and equity securities

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities, share buy backs, share cancellations, shares held as treasury share and resale of treasury shares for the current quarter under review.

A8 Dividend declared or paid

There were no dividends paid by the company during the current financial quarter under review and current financial year-to-date.

JF Technology Berhad

(Company No. 747681-H)
(Incorporated in Malaysia)



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

A9 Segmental information

Segment analysis has not been prepared as the Group's business is focused only in manufacturing and trading of electronic products, components and test probes, including production, packaging, marketing and distribution of its products principally in Malaysia, and this forms the focus of the Group's internal reporting system.

The chief operating decision maker reviews the business performance of the Group as a whole and management monitors the operating results of its business for the purpose of making decisions on resources allocation and performance assessment.

Geographical information

For the purpose of disclosing geographical information, revenue is based on the geographical location of the customers from which the sales transactions originated.

Revenue by countries

	Current year quarter	Current year to date	Current year to date
	01-04-2019 to 30-06-19 RM'000	01-07-2018 to 30-06-19 RM'000	01-07-2018 to 30-06-19 %
Malaysia	1,323	6,722	29%
China	1,410	6,250	27%
United States	957	2,580	11%
Taiwan	477	2,143	9%
Thailand	487	1,836	8%
Others	429	3,494	15%
Total	5,083	23,025	100%

The Group does not have any non-current assets that are located in countries other than Malaysia.

A10 Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current quarter.

A11 Material events subsequent to the end of the quarter

There are no material events subsequent to the end of the current quarter under review that have not been reflected in the financial statements.

A12 Changes in the composition of the Group

There were no material changes in the composition of the Group for the current quarter under review.

A13 Contingent liabilities

The Directors are of the opinion that the Group has no contingent liabilities which, upon crystallisation would have a material impact on the financial position and business of the Group as at reporting date.

JF Technology Berhad

(Company No. 747681-H)
(Incorporated in Malaysia)



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

A14 Capital commitments

As at 30 June 2019, the Group has no material capital commitments in respect of property, plant and equipment.

A15 Significant related party transactions

The Group has entered into the following transactions with related parties during the current financial quarter under review and current financial year-to-date :

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current year 4th Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	01-04-2019 to 30-06-19 RM	01-04-2018 to 30-06-18 RM	01-07-2018 to 30-06-19 RM	01-07-2017 to 30-06-18 RM
* SKRINE				
Professional Fees	-	-	3,825	-
Disbursement	-	-	91	-
Total	-	-	3,916	-

* Fees and disbursements paid to Skrine of which a Director is a member. However, it is to be noted that the interested Director is not the partner of Skrine personally providing the legal services to the Group.

JF Technology Berhad

(Company No. 747681-H)
(Incorporated in Malaysia)



B DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING REQUIREMENTS

B1 Review of performance

	INDIVIDUAL PERIOD		Changes QoQ %	CUMULATIVE PERIOD		Changes YoY %
	Current Year 4th Quarter	Preceding Year Corresponding Quarter		Current Year To-date	Preceding Year Corresponding Period	
	01-04-2019 to 30-06-19 RM'000	01-04-2018 to 30-06-18 RM'000		01-07-2018 to 30-06-19 RM'000	01-07-2017 to 30-06-18 RM'000	
Revenue	5,083	6,024	-16%	23,025	24,929	-8%
Operating (Loss)/Profit	(747)	(4,135)	82%	3,306	464	613%
(Loss)/Profit before tax	(687)	(4,096)	83%	3,506	583	501%
(Loss)/Profit after tax	(656)	(4,010)	84%	3,316	328	911%
(Loss)/Profit attributable to ordinary equity holders of the parent	(656)	(4,010)	84%	3,316	328	911%
Forex (gain)/loss	(15)	(229)	-93%	72	369	80%
Legal fees for the litigations with JTI	639	602	-6%	1,886	1,417	-33%
Provision of damages with JTI	-	6115	100%	-	6,115	100%
(LBITDA)/EBITDA	(325)	(3,749)	91%	4,936	1,962	152%

For the current quarter ended 30 June 2019, the Group recorded a turnover of RM5.08 million and loss before tax ("LBT") of RM0.69 million as compared with the preceding year corresponding quarter turnover of RM6.02 million and LBT of RM4.10 million. The 16% decrease in revenue was mainly due to lower sales arising from challenging market conditions and volatility in the global trade environment. The 83% decrease in LBT was mainly from one off provision of damages of RM6.12 million was provided in the preceding year corresponding quarter for the material litigation with Johnstech International Corp. ("JTI") in United States.

For the current year to date ended 30 June 2019, the Group achieved a turnover of RM23.03 million and profit before tax ("PBT") of RM3.51 million as compared to RM24.93 million turnover and PBT of RM0.58 million in the preceding year, representing a decrease of 8% in turnover and 501% increase in PBT respectively. The increase in the year-to-date PBT was mainly from one off provision of damages of RM6.12 million was provided in the preceding year corresponding period for the material litigation with JTI in United States.

B2 Financial review for current quarter compared with immediate preceding quarter

	Current Year 4th Quarter	Immediate Preceding Quarter	Changes QoQ %
	01-04-2019 to 30-06-19 RM'000	01-01-19 to 31-03-19 RM'000	
Revenue	5,083	4,700	8%
Operating (Loss)/Profit	(747)	128	-684%
(Loss)/Profit before tax ("LBT")/PBT")	(687)	184	-473%
(Loss)/Profit after tax ("LAT")/PAT")	(656)	100	-756%
Profit attributable to ordinary equity holders of the parent	(656)	100	-756%
Forex (gain)/loss	(15)	90	117%
Legal fees for the material litigations with JTI	639	469	-36%
EBITA	(325)	534	-161%

JF Technology Berhad

(Company No. 747681-H)
(Incorporated in Malaysia)



B DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING REQUIREMENTS

B2 Financial review for current quarter compared with immediate preceding quarter (continued)

When compared to the preceding quarter, the Group's revenue increased by 8% from RM4.7 million to RM5.08 million and PBT decreased by 473% from PBT of RM0.18 million to LBT of RM0.69 million. The decrease in PBT was mainly due to higher operating expenses and legal fees incurred of RM0.64 million as compare with RM0.47 million in the preceding quarter for the material litigations with JTI in United States.

B3 Prospects for the next financial year ending 30 June 2020.

The Board will continue to adopt a cautious approach with the current business outlook remains challenging for the industry. The Group will focus on developing next generation products and solutions for strategic applications, strengthening distribution channels and expanding into core markets in the next financial year.

B4 Profit forecast, profit guarantee and internal targets

The Group does not provide any profit forecast, profit guarantee or internal targets in any publicly available document or announcement.

B5 Notes to the statement of comprehensive income

PBT is arrived at after charging/(crediting) :

	Current Year 4th Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	01-04-2019 to 30-06-19 RM'000	01-04-2018 to 30-06-18 RM'000	01-07-2018 to 30-06-19 RM'000	01-07-2017 to 30-06-18 RM'000
Other Income - Amortisation of government grant	(51)	(52)	(206)	(206)
Gain on disposal of property, plant and equipment	(7)	0	(7)	(59)
Depreciation of property, plant and equipment	352	341	1,385	1,339
Inventories written off	62	24	62	25
Interest expense	10	20	45	40
Interest income from short term funds	(69)	(57)	(244)	(205)
Net loss/(gain) on realised and unrealised foreign exchange	(15)	(229)	72	369
Provision of damages for the material litigations with JTI	-	6,115	-	6,115
Legal fees for the material litigations with JTI	639	602	1,886	1,417
Sales Commission	338	222	1,332	1,230

JF Technology Berhad

(Company No. 747681-H)
(Incorporated in Malaysia)



B DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING REQUIREMENTS

B6 Taxation

	Current Year 4th Quarter	Current Year To-date
	01-04-2019 to 30-06-19 RM'000	01-07-2018 to 30-06-19 RM'000
Current tax	100	(121)
Deferred tax	(69)	(69)
In respect of prior years	-	-
Total	31	(190)

Current tax is provided for profitable subsidiary as there is no claiming of the tax group relief over the loss making companies within the Group

B7 The Group's borrowings which are all secured as at 30 June 2019 is as follows :

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowing	1,046	-	1,046
Long term borrowing	768	-	768
Total	1,814	-	1,814

The Group does not have any foreign currency borrowings.

B8 Dividends

In view of the Group's financial performance, the Board proposes a final dividend of 0.5 sen per ordinary share amounting to RM1,049,998 in respect of financial year ended 30 June 2019 and subject to the approval of the shareholders at the forthcoming Annual General Meeting.

B9 Material litigations

Save as disclosed below, the Group does not have any material litigation as at the date of this quarterly report:

Information on the Complaint for Patent Infringement

The Company - Complaint for Patent Infringement, Jury Trial Demanded

Plaintiff : Johnstech International Corp. ("JTI")

Defendant : JF Microtechnology Sdn Bhd

(hereinafter collectively referred to as "The Company" or "the Defendant")

On 20 June 2014, an action for patent infringement ("Complaint") was filed against JF Technology Berhad, JF Microtechnology Sdn Bhd and J Foong Technologies Sdn Bhd. (collectively referred as "the Group") by Johnstech International Corp. ("JTI") in the United States District Court for the Northern District of California, Case No. : 3:14-cv-02864. In this action, JTI asserted claims of infringement of United States Patent No. 7,059,866 ("the 866 Patent"), entitled "Integrated Circuit Test Contact to Test Apparatus," in connection with test contact products sold under the brand name ZIGMA (collectively referred as "Complaint")

On 5 August 2014, the Group had officially accepted the suit following the appointment of a local Intellectual Property ("IP") consultant and lawyers in United States, namely Advanz Fidelis Sdn. Bhd. and Nixon Peabody LLP respectively.

The amount of claim was not indicated in Complaint. In view thereof, the Group could not ascertain the maximum exposure to liabilities in relation to the Complaint.

JF Technology Berhad

(Company No. 747681-H)
(Incorporated in Malaysia)



B DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING REQUIREMENTS

B9 Material litigations (continued)

As United States patent laws do not apply outside the United States, the manufacture, use, sale, and offering for sale of the ZIGMA products outside the United States are not affected by this case.

On 3 October 2014, the Group had through its US Lawyers filed the motion to dismiss and related papers in the court. The hearing on the motion was on 12 November 2014.

The Court dismissed the Complaint against JF Technology Berhad and J Foong Technologies Sdn Bhd for lack of jurisdiction and also dismissed JTI's claim for inducement of infringement due to insufficiency of the allegations regarding the specific intent required for inducement.

The Complaint proceeded only against JF Microtechnology Sdn Bhd.

An application for summary judgement was filed on 4 March 2016. Both Parties had attended the hearing on 7 April 2016.

Before the hearing of the application for summary judgment mediation was held with Judge Gonzalez in San Diego on 21 April 2016. Both parties had attended the mediation with the appointed representative and their respective counsels. The mediation concluded with no settlement.

In relation to the Company's application for summary judgements on a finding of non-infringement of USA Patent No 7,059,866, the Court ordered summary judgment on its finding that there is no literal infringement of the said patent. The Court also made a finding and ordered summary judgment against JTI's claim for pre-suit damages based on JTI's failure to mark its products with the '866 patent number or to provide sufficient notice of infringement of the '866 patent. However, the Court refused to order summary judgment on the issue of infringement under the doctrine of equivalents and on inducement, and it also deferred its ruling on willfulness. The Court ordered that these issues go to trial. This does not mean that the Court ruled against the Company on these issues. Rather, it means that the Court determined that there are facts material to these issues that are genuinely disputed and as such these issues should be decided by the jury. The trial date was set on 19 September 2016.

In relation to JTI's application for summary judgment against the Company's counterclaims in the United States, the Court ordered summary judgment against the Company's defamation claims and related counterclaims in the United States.

The Board wishes to inform that the trial of the above suit was heard from 19 September 2016 to 27 September 2016. On the 27 September 2016, the jury returned a verdict that all 4 claims of the JTI '866 Patent were infringed by Zigma product. The jury awarded damages of USD636,807 against the Defendant. We were informed by our attorneys in the United States that the jury's verdicts regarding willfulness and obviousness are advisory only, as these are issues the Court will decide.

The presiding judge, Judge Donato, indicated that he would not enter a final judgment in the case until after all post-trial motions are resolved and ordered JTI and the Defendant ("the parties") to meet and confer on a proposed schedule for such motions. The proposed schedule was to be filed by 4 October 2016. It was anticipated that it may be early 2017 when the post-trial motions are decided and final judgment is entered. The damages award will not be required to be paid until final judgment is entered, at the soonest.

Judge Donato had ordered parties to participate in another mandatory mediation before the hearing on the post-trial motions. Both parties attended the mediation hearing before Judge Conley on 14 November 2016 and there was no final judgment entered.

Judge Donato had another mandatory mediation with both parties on 18 May 2017 and there was no final judgment entered yet. He had ordered both the Plaintiff and Defendant to submit and exchange the post-trial motions and responses on the briefings to Judge Donato latest by 13 July 2017. The post-trial motions hearing had originally been set on 28 September 2017 but the date had been adjourned by the Court. The Court had further rescheduled the motions hearing to 18 January 2018.

On 9 January 2018, the Court had further adjourned the post-trial motions hearing date and has now further rescheduled the motions hearing to 22 March 2018.

On 7 March 2018, the Court had further rescheduled the post-trial motions hearing to 26 April 2018.

JF Technology Berhad

(Company No. 747681-H)
(Incorporated in Malaysia)



B DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING REQUIREMENTS

B9 Material litigations (continued)

The post-trial motions was heard on 26 April 2018, and on 19 June 2018 the motion was dismissed by the Court, and the jury verdict finding infringement against the Defendant is sustained.

In its judgement on 19 June 2018, the Court also made an order permanently enjoining the Defendant from infringing or inducing the infringement of the United States Patent No. 7,059,866, ("US'866 Patent") until the expiration of the patent, by :

1. Making, using, offering to sell or importing into the United States any product that infringes claims 1-4 of the US' Patent, including the Zigma product, and those no more colorably different from the Zigma product ("Enjoined Products");
2. Assisting others in advertising, marketing, promoting, licensing, designing, making, using, offering to sell, importing into the United States, any Enjoined Products.

In its order, the Court also retains its jurisdiction to enforce, modify, extend or dissolve this injunction and to decide all disputes about whether a specific product or feature is more than colorably different from the Zigma product.

The Court had made an order dated 6 August 2018 awarding JTI damages in the sum of USD1,514,429 and refusing JTI's motion for attorney's fees to be paid to JTI.

The Defendant had given instructions to its US counsel to appeal against the judgment of the Court and, if necessary, to apply for a stay of enforcement of the judgement.

The Group had made a provision of damages for the amount of USD1,514,429 or RM6,114,507 as at 30 June 2018.

The Defendant's US counsel had filed an appellant's response and reply brief to the United States Court of Appeals for the Federal Circuit on 11 January 2019. The Court had scheduled the oral argument on 10 July 2019.

On 16 July 2019, United States Court of Appeals for the Federal Circuit had issued an order affirming the judgement in all respects of the District Court's decision on 19 June 2018 and dismissing the Defendant's appeal and JTI's cross-appeal with no additional damages and costs. With this order, the case had officially come to an end.

B10. Earnings per share (EPS)

	Current year 4th Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	01-04-2019 to 30-06-19	01-04-2018 to 30-06-18	01-07-2018 to 30-06-19	01-07-2017 to 30-06-18
Profit after taxation (RM'000)	(656)	(4,010)	3,316	328
Weighted average number of ordinary shares of RM0.10 each in issue ('000)	210,000	210,000	210,000	210,000
Basic Earnings Per Share based on weighted average number of ordinary shares of RM0.10 each in issue (sen)	(0.31)	(1.91)	1.58	0.16

Diluted earnings per share is not computed as the Company does not have any convertible financial instruments as at 30 June 2019

JF Technology Berhad

(Company No. 747681-H)
(Incorporated in Malaysia)



B DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING REQUIREMENTS

B11. Corporate Proposals

There was no corporate proposal announced during the current quarter or the current financial period-to-date.

B12. Authorisation for issue

The interim financial report has been authorised for issue by the Board of Directors ("Board") in accordance with a resolution of the Board on 23rd August 2019.

On Behalf of the Board

Dato' Foong Wei Kuong
Managing Director

23rd August 2019