



JADI IMAGING HOLDINGS BERHAD (526319 - P)

CONDENSED CONSOLIDATED INCOME STATEMENT

For The First Quarter Ended 30 June 2016

(The figures have not been audited)

		Current Year Quarter	Current Year To date
	Note	30 Jun 2016 RM'000	30 Jun 2016 RM'000
Revenue	A8	21,872	21,872
Cost of sales		(20,239)	(20,239)
Gross profit		<u>1,633</u>	<u>1,633</u>
Other income		2,048	2,048
Selling and distribution expenses		(622)	(622)
Administrative expenses		(2,475)	(2,475)
Other expenses		(284)	(284)
Finance costs		(400)	(400)
(Loss)/profit before taxation		<u>(100)</u>	<u>(100)</u>
Income tax expense	B5	(30)	(30)
(Loss)/profit after taxation		<u>(130)</u>	<u>(130)</u>
Other comprehensive (loss)/income:			
Exchange translation differences		(156)	(156)
Revaluation of freehold land and buildings		-	-
Total comprehensive (loss)/income		<u>(286)</u>	<u>(286)</u>
(Loss)/profit attributable to:			
Equity holders of the Company		<u>(130)</u>	<u>(130)</u>
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		<u>(286)</u>	<u>(286)</u>
(Loss)/earnings per share (sen):			
Basic	B10	(0.01)	(0.01)
Diluted	B10	<u>(0.01)</u>	<u>(0.01)</u>

Note:

The unaudited condensed consolidated income statement should be read in conjunction with the Notes to the Interim Financial Report and the Group's audited financial statements for the financial year ended 31 March 2016.

JADI IMAGING HOLDINGS BERHAD (526319 - P)
CONDENSED CONSOLIDATED BALANCE SHEET
For The First Quarter Ended 30 June 2016

(The figures have not been audited)

	Current year Quarter 30 Jun 2016 RM'000	Audited 31 Mar 2016 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	118,096	120,702
Investment property	95	96
Other investment	50	50
	<u>118,241</u>	<u>120,848</u>
CURRENT ASSETS		
Inventories	44,333	46,386
Trade receivables	13,956	13,194
Other receivables, prepayments and deposits	3,252	2,251
Derivative financial instruments	B7 -	-
Deferred tax assets	-	-
Tax recoverable	1,302	383
Fixed deposits with licensed banks	1,816	2,426
Cash and bank balances	3,973	7,855
	<u>68,632</u>	<u>72,495</u>
TOTAL ASSETS	<u>186,873</u>	<u>193,343</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	94,182	94,182
Treasury shares	(22)	(22)
Share premium	3	3
Revaluation reserve	23,567	23,568
Foreign exchange reserve	7,124	7,285
Share option reserve	-	-
Retained profits	28,807	28,936
TOTAL EQUITY	<u>153,661</u>	<u>153,952</u>
NON-CURRENT LIABILITIES		
Long-term borrowings	B6 -	106
Deferred tax liabilities	976	948
	<u>976</u>	<u>1,054</u>
CURRENT LIABILITIES		
Trade payables	5,142	8,833
Other payables and accruals	4,680	5,365
Amount due to directors	223	148
Short-term borrowings	B6 22,189	23,991
Provision for taxation	2	-
	<u>32,236</u>	<u>38,337</u>
TOTAL LIABILITIES	<u>33,212</u>	<u>39,391</u>
TOTAL EQUITY AND LIABILITIES	<u>186,873</u>	<u>193,343</u>
Net assets per ordinary share (RM)	<u>0.16</u>	<u>0.16</u>

Note:

Net assets per share as at 30 June 2016 is arrived at based on the Group's Net Assets of RM153.58 million over the number of ordinary shares in issue (excluding treasury shares) of 941,700,411 shares of RM0.10 each. Net Assets per share as at 31 March 2016 was arrived at based on the Group's Net Assets of RM153.95 million over the number of ordinary shares in issue (excluding treasury shares) of 941,700,411 shares of RM0.10 each.

The unaudited condensed consolidated balance sheet should be read in conjunction with the Notes to the Interim Financial Report and the Group's audited financial statements for the financial year ended 31 March 2016.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The First Quarter Ended 30 June 2016

(The figures have not been audited)

	-----Non-distributable-----					<-Distributable->		
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Foreign Exchange Reserve RM'000	Share option Reserve RM'000	Retained profits RM'000	Total RM'000
3 months ended 30 June 2016								
At 1 April 2016 (audited)	94,182	(22)	3	23,567	7,285	-	28,937	153,952
Total comprehensive income	-	-	-	-	(161)	-	(130)	(291)
Corporate exercise expenses	-	-	-	-	-	-	-	-
Amortisation of revaluation reserve	-	-	-	-	-	-	-	-
ESOS exercised	-	-	-	-	-	-	-	-
Bonus issue	-	-	-	-	-	-	-	-
Private placement	-	-	-	-	-	-	-	-
Warrant conversion	-	-	-	-	-	-	-	-
Share options granted under ESOS	-	-	-	-	-	-	-	-
Share options granted under Free Warrant	-	-	-	-	-	-	-	-
Distribution of treasury shares	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-
At 30 June 2016	94,182	(22)	3	23,567	7,124	-	28,807	153,661

Note:

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the Notes to the Interim Financial Report and the Group's audited financial statements for the financial year ended 31 March 2016.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

**CONDENSED CONSOLIDATED CASHFLOW STATEMENT
For The First Quarter Ended 30 June 2016**

(The figures have not been audited)

	Current Year To date
Note	30 Jun 2016 RM'000
CASHFLOWS (FOR)/FROM OPERATING ACTIVITIES	
(Loss)/profit before taxation	(100)
Adjustments for:	
Allowance for impairment losses on trade receivables	-
Bad debts written off	-
Amortisation	1
Inventories written back	-
Inventories written down	-
Depreciation	2,400
Plant & equipment written off	-
Goodwill on consolidation written off	-
Interest expense	400
Unrealised loss/(gain) on foreign exchange	-
Unrealised loss/(gain) on derivative	-
(Gain)/loss on disposal of equipment	188
Interest income	(9)
Others	13
Operating profit before working capital changes	2,893
Inventories	2,429
Receivables	(2,752)
Payables	(4,693)
Derivative financial instruments	-
Cash (for)/from operations	(2,123)
Interest paid	(400)
Net income tax (paid)/refunded	(30)
Net cash (for)/from operating activities	(2,553)
CASHFLOWS (FOR)/FROM INVESTING ACTIVITIES	
Interest received	9
Net cash outflow from acquisition of a subsidiary	-
Proceeds from disposal of plant & equipment	-
Purchase of property, plant and equipment	(18)
Net cash (for)/from investing activities	(9)
CASHFLOWS FROM/(FOR) FINANCING ACTIVITIES	
Net (repayment)/drawdown of revolving credit	3,000
Drawdown of term loan	-
Net drawdown/(repayment) of trade finance	(4,900)
Proceeds from exercise of warrants	-
Corporate exercise expenses	-
Dividend paid	-
Net proceeds from issuance of shares	-
Net (repayment)/drawdown of hire purchase	(8)
Net (repayment)/drawdown of term loan	-
Advance from/(repayment) to directors	75
Net cash from/(for) financing activities	(1,833)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(4,395)
EFFECTS OF CHANGES IN FOREIGN EXCHANGE	(97)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER	10,281
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	5,789

Note:

This is prepared based on the consolidated results of the Group for the financial period ended 30 June 2016 and is to be read in conjunction with the Notes to the Interim Financial Report and the Group's audited financial statements for the financial year ended 31 March 2016.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

For The First Quarter Ended 30 June 2016

A NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

During the current financial period, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):

MFRSs and IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 119: Defined Benefit Plans - Employee Contributions

Annual Improvements to MFRSs 2010 - 2012 Cycle

Annual Improvements to MFRSs 2011 - 2013 Cycle

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial period:-

MFRSs and IC Interpretations (Including The Consequential Amendments)

	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 14 Regulatory Deferral Accounts	1 January 2016
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
Amendments to MFRS 11 : Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities - Applying the Consolidation Exception	1 January 2016
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 101: Presentation of Financial Statements - Disclosure Initiative	1 January 2016
Amendments to MFRS 107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

MFRS 9 (IFRS 9 issued by IASB in July 2014)

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in MFRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking 'expected loss' impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held. Therefore, it is expected that the Group's investments in unquoted shares that are currently stated at cost less accumulated impairment losses will be measured at fair value through other comprehensive income upon the adoption of MFRS 9.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

For The First Quarter Ended 30 June 2016

A NOTES TO THE INTERIM FINANCIAL REPORT (Cont'd)

A2 Audit report of preceding annual financial statements and Change of financial year end

The preceding year annual audited financial statements for the financial year ended 31 March 2016 were not subjected to any audit qualification.

A3 Seasonal or cyclical factors

The Group's operations are not materially affected by seasonal or cyclical changes during the current quarter under review.

A4 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 for the current quarter under review.

A5 Material changes in estimates

There were no changes in estimates of amounts reported in prior interim period or financial year which have a material effect in the current quarter under review.

A6 Debt and equity securities

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

A7 Dividend paid

There were no dividends paid during the current quarter under review.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

For The First Quarter Ended 30 June 2016

A NOTES TO THE INTERIM FINANCIAL REPORT (Cont'd)

A8 Segmental information (Cont'd)

Current quarter 30 June 2016 / Current year to date 30 June 2016

	Manufacturing RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
<u>Revenue</u>				
Revenue from external customers	21,872	-	-	21,872
Interest income	-	-	-	-
	21,872	-	-	21,872

<u>Results</u>				
Segment results	219	(137)	212	294
Other unallocated corporate expenses				(2)
Interest expense				(400)
Interest income				8
Loss before taxation				(100)
Income tax expense				(30)
Loss after taxation				(130)

	Malaysia RM'000	China RM'000	UK RM'000	USA RM'000	Elimination RM'000	Group RM'000
<u>Revenue</u>						
Revenue from external customers	18,049	2,883	940	-	-	21,872
Interest income	-	-	-	-	-	-
	18,049	2,883	940	-	-	21,872

<u>Results</u>						
Segment results	202	(154)	34	-	212	294
Other unallocated corporate expenses						(2)
Interest expense						(400)
Interest income						8
Loss before taxation						(100)
Income tax expense						(30)
Loss after taxation						(130)



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

For The First Quarter Ended 30 June 2016

A NOTES TO THE INTERIM FINANCIAL REPORT (Cont'd)

A9 Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current quarter under review. The valuation of property, plant and equipment has been brought forward without amendments from the financial statements for the financial year ended 31 December 2014.

A10 Material events subsequent to the end of the quarter

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

A11 Changes in the composition of the Group

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

A12 Changes in contingent liabilities or contingent assets

The Directors are of the opinion that there were no changes in contingent liabilities or contingent assets since the last annual balance sheet date which, upon crystallisation would have a material impact on the financial position and business of the Group as at 19 Aug 2016 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

A13 Capital commitments

Capital expenditure of the Group approved by the Directors but not provided for in the condensed financial statements are as follows:

	As at 30 Jun 2016 RM'000
Approved and contracted for:	
Purchase of plant & equipment	459
	<u>459</u>

A14 Significant related party transactions

There was no significant related party transaction for the current quarter under review.

A15 Cash and cash equivalents

	As At 30 Jun 2016 RM'000
Cash and bank balances	3,973
Fixed deposits with licensed banks	1,816
	<u>5,789</u>



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS For The First Quarter Ended 30 June 2016

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B1 Detailed Analysis

The Group has achieved revenue of RM21.87 mil for the current quarter under review mainly contributed by increase in sales volume of black and colour toner and weaker Ringgit vis-a-vis the US Dollar.

The higher production cost due to the lower production productivity as a result contributed to higher overhead cost. The Group has recorded a lower loss before taxation amounted to RM100k mainly contributed by the weaker Ringgit vis-à-vis the US Dollar.

Current quarter results

The performance of the two business segments for Q1 2017 is as below:

a) Manufacturing

The Group has achieved revenue of RM21.87 mil for the current quarter under review mainly attributed to the increase in sales volume of black and colour toner and weaker Ringgit vis-a-vis the US Dollar.

The Group has recorded a loss before taxation of RM100k for the current quarter under review mainly due to the weaker Ringgit vis-à-vis the US Dollar.

b) Investment Holding

There were no fixed deposit placements with any financial institutions.

B2 Variation of results against preceding quarter

Compared to preceding quarter ended 31 March 2016, the Group has recorded higher revenue in the current quarter under review with an increase of 15.7% or RM2.97 mil from RM18.90 mil to RM21.87 mil. The increase in revenue is contributed by higher sales volume of black and colour toner, despite the strengthening of Ringgit in the current quarter ended 30 June 2016 as compared to preceding quarter ended 31 March 2016.

The Group has recorded a lower loss before taxation for the current quarter amounted to RM100k as compared to RM1.17 mil in the previous quarter. This was mainly contributed by the inventories written down in the previous quarter.

B3 Prospects

The global economic outlook continues to remain weak and uncertain, therefore, adversely affecting market demand across different geographical regions including the United States, Europe and China. Despite the gradual decline in consumer printing demand, particularly in the home and small office end-user segment, the Group shall continue to intensify its efforts in R&D, placing greater emphasis on the development of higher value colour toners for use in colour and business printing, which is still experiencing growth in demand. Since the start of resin production in early 2013, the Group has converted up to 90% of its toner formulations with its own in-house produced resin, thus reducing its reliance on imported resins, and enabling further cost savings to be derived once economies of scale is achieved.

B4 Profit forecast and profit guarantee

No profit forecast or profit guarantee has been issued by the Group.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The First Quarter Ended 30 June 2016

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS (Cont'd)

B5 Income tax expense

	Current quarter	Current year
	30 Jun 2016	To date
	RM'000	30 Jun 2016
	RM'000	RM'000
Income tax		
Current year	-	-
Under provision in prior years	-	-
Deferred tax expense		
Current year	(30)	(30)
	<u>(30)</u>	<u>(30)</u>

The effective tax rate for the current quarter is lower than the statutory tax rate principally due to tax savings arising from tax incentive and tax allowance available.

B6 Group's borrowings and debt securities

As at 30 Jun 2016, the Group had total borrowings of approximately RM22.19 million, details of which are set out below:

	RM'000
Interest bearing borrowings:	
<i>Short term borrowings</i>	
Unsecured:	
Revolving credit	13,000
Secured:	
Term loan	-
Hire purchase	126
Trade finance	9,063
	<u>22,189</u>
<i>Long term borrowings</i>	
Secured:	
Term loan	-
Hire purchase	-
	<u>-</u>
Total	<u>22,189</u>

As at 30 Jun 2016, the Group does not have any foreign currency denominated borrowings.

B7 Derivatives

As at 30 Jun 2016, the Group does not have any outstanding derivatives.

B8 Material litigation

Neither the Company nor its subsidiary companies is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiary companies and the Board does not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiary companies.

B9 Dividends

The Board of Directors do not recommend the payment of any dividend for the current quarter under review.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

For The First Quarter Ended 30 June 2016

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS (Cont'd)

B10 Earnings per share

	Current quarter 30 Jun 2016	Current year To date 30 Jun 2016
<i>(a) Basic earnings per share</i>		
(Loss)/profit attributable to ordinary equity holders of the Company (RM'000)	(130)	(130)
Issued ordinary shares at 1 April 2016 ('000)	941,700	941,700
Effect of bonus issue ('000)	-	-
Effect of distribution of treasury shares ('000)	-	-
Effect of employee share option scheme ('000)	-	-
Effect of private placement ('000)	-	-
Effect of warrant conversion ('000)	-	-
Weighted average number of ordinary shares in issue ('000)	<u>941,700</u>	<u>941,700</u>
Basic (loss)/earnings per share (sen)	<u>(0.01)</u>	<u>(0.01)</u>
<i>(b) Diluted earnings per share</i>		
(Loss)/profit attributable to ordinary equity holders of the Company (RM'000)	(130)	(130)
Weighted average number of ordinary shares for basic earnings per share ('000)	941,700	941,700
Effect of dilution under employee share option scheme ('000)	-	-
Effect of dilution under warrant conversion ('000)	-	-
Weighted average number of ordinary shares in issue ('000)	<u>941,700</u>	<u>941,700</u>
Diluted (loss)/earnings per share (sen)	<u>(0.01)</u>	<u>(0.01)</u>

B11 Status of corporate proposals

There were no pending corporate proposals.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

For The First Quarter Ended 30 June 2016

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS (Cont'd)

B12 Realised and unrealised profits/losses disclosure

The breakdown of the retained profits of the Group as at the end of the reporting period into realised and unrealised profits are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	As at 30 Jun 2016 RM'000	As at 31 Mar 2016 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	30,309	30,454
- Unrealised	(976)	(882)
	<u>29,333</u>	<u>29,572</u>
Less: Consolidation adjustments	(527)	(636)
	<u>28,806</u>	<u>28,936</u>

B13 Profit/(loss) before taxation

	Current quarter 30 Jun 2016 RM'000	Current year To date 30 Jun 2016 RM'000
Profit/(loss) before taxation is arrived at after charging/(crediting):-		
Interest income	(9)	(9)
Other income	(389)	(389)
Interest expense	400	400
Depreciation and amortisation	2,401	2,401
Redundancy Cost	-	-
Foreign exchange (gain)/loss	(1,659)	(1,659)

The following items are not applicable for the quarter/year:

1. Provision for and write off of receivables
2. (Gain)/loss on derivatives
3. (Gain)/loss on disposal of quoted or unquoted investments or properties
4. Impairment of assets
5. Exceptional items

B14 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors.

Jadi Imaging Holdings Berhad

26 Aug 2016