



JADI IMAGING HOLDINGS BERHAD (526319 - P)

CONDENSED CONSOLIDATED INCOME STATEMENT

For The First Quarter Ended 30 June 2017

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To date	Preceding Year Corresponding Period
		30 Jun 2017 RM'000	30 Jun 2016 RM'000	30 Jun 2017 RM'000	30 Jun 2016 RM'000
Revenue	A8	13,600	21,872	13,600	21,872
Cost of sales		(11,885)	(20,239)	(11,885)	(20,239)
Gross profit/(loss)		1,715	1,633	1,715	1,633
Other income		667	2,048	667	2,048
Selling and distribution expenses		(479)	(622)	(479)	(622)
Administrative expenses		(2,156)	(2,475)	(2,156)	(2,475)
Other expenses		(81)	(284)	(81)	(284)
Finance costs		(207)	(400)	(207)	(400)
(Loss)/profit before taxation		(541)	(100)	(541)	(100)
Income tax expense	B5	(141)	(30)	(141)	(30)
(Loss)/profit after taxation		(682)	(130)	(682)	(130)
Other comprehensive (loss)/income:					
Exchange translation differences		(1,040)	(156)	(1,040)	(156)
Total comprehensive (loss)/income		(1,722)	(286)	(1,722)	(286)
(Loss)/profit attributable to:					
Equity holders of the Company		(682)	(130)	(682)	(130)
Total comprehensive (loss)/income attributable to:					
Equity holders of the Company		(1,722)	(286)	(1,722)	(286)
(Loss)/earnings per share (sen):					
Basic	B10	(0.07)	(0.02)	(0.07)	(0.02)
Diluted	B10	(0.07)	(0.02)	(0.07)	(0.02)

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 2017.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

CONDENSED CONSOLIDATED BALANCE SHEET

For The First Quarter Ended 30 June 2017

(The figures have not been audited)

	Current Year Quarter 30 Jun 2017 RM'000	Audited Preceding Year 31 Mar 2017 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	93,086	94,776
Investment property	5,185	5,455
Other investment	50	50
	<u>98,321</u>	<u>100,281</u>
CURRENT ASSETS		
Inventories	51,527	42,404
Trade receivables	7,763	10,605
Other receivables, prepayments and deposits	1,323	2,252
Derivative financial instruments	B7 -	-
Tax recoverable	443	452
Fixed deposits with licensed banks	-	1,941
Cash and bank balances	10,936	8,604
	<u>71,992</u>	<u>66,258</u>
TOTAL ASSETS	<u>170,313</u>	<u>166,539</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	94,185	94,185
Treasury shares	(22)	(22)
Revaluation reserve	23,673	23,673
Foreign exchange reserve	8,122	9,161
Retained profits	9,875	10,557
TOTAL EQUITY	<u>135,833</u>	<u>137,554</u>
NON-CURRENT LIABILITIES		
Long-term borrowings	B6 70	77
Deferred tax liabilities	1,410	1,409
	<u>1,480</u>	<u>1,486</u>
CURRENT LIABILITIES		
Trade payables	10,450	7,445
Other payables and accruals	3,300	2,910
Short-term borrowings	B6 19,250	17,144
Provision for taxation	-	-
	<u>33,000</u>	<u>27,499</u>
TOTAL LIABILITIES	<u>34,480</u>	<u>28,985</u>
TOTAL EQUITY AND LIABILITIES	<u>170,313</u>	<u>166,539</u>
Net assets per ordinary share (RM)	<u>0.14</u>	<u>0.15</u>

Note:

Net assets per share as at 30 June 2017 is arrived at based on the Group's Net Assets of RM135.83 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 2017 was arrived at based on the Group's Net Assets of RM137.55 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 2017.

JADI IMAGING HOLDINGS BERHAD (526319 - P)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The First Quarter Ended 30 June 2017

(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
<u>3 months ended 30 June 2017</u>								
At 1 April 2017	94,185	(22)	-	23,673	9,161	-	10,557	137,554
Loss for the financial year	-	-	-	-	-	-	(682)	(682)
Other comprehensive income for the financial year:								
- foreign currency translation differences	-	-	-	-	(1,039)	-	-	(1,039)
Total comprehensive income	-	-	-	-	(1,039)	-	(682)	(1,721)
Realisation of revaluation reserve	-	-	-	-	-	-	-	-
At 30 June 2017	94,185	(22)	-	23,673	8,122	-	9,875	135,833
<u>12 months ended 31 March 2017</u>								
At 1 April 2016								
As previously stated	94,182	(22)	3	23,567	7,286	-	28,936	153,952
Prior year adjustment	-	-	-	-	-	-	(1,080)	(1,080)
At 1 April 2016 (restated)	94,182	(22)	3	23,567	7,286	-	27,856	152,872
Transfer in accordance to Section 74 of the Company Act 2016	3	-	(3)	-	-	-	-	-
Loss for the financial year	-	-	-	-	-	-	(17,193)	(17,193)
Other comprehensive income for the financial year:								
- foreign currency translation differences	-	-	-	-	1,875	-	-	1,875
Total comprehensive income	-	-	-	-	1,875	-	(17,193)	(15,318)
Realisation of revaluation reserve	-	-	-	106	-	-	(106)	-
At 31 March 2017	94,185	(22)	-	23,673	9,161	-	10,557	137,554

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 2017.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

CONDENSED CONSOLIDATED CASHFLOW STATEMENT

For The First Quarter Ended 30 June 2017

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding Quarter	To date	Corresponding Period
Note	30 Jun 2017	30 Jun 2016	30 Jun 2017	30 Jun 2016
	RM'000	RM'000	RM'000	RM'000
CASHFLOWS (FOR)/FROM OPERATING ACTIVITIES				
(Loss)/profit before taxation	(541)	(100)	(541)	(100)
Adjustments for:				
Amortisation	-	1	-	1
Depreciation	2,236	2,400	2,236	2,400
Interest expense	176	400	176	400
Unrealised (gain)/loss on foreign exchange	(768)	-	(768)	-
Loss/(gain) on disposal of equipment	-	188	-	188
Interest income	(34)	(9)	(34)	(9)
Others	-	13	-	13
Operating profit/(loss) before working capital changes	1,069	2,893	1,069	2,893
Inventories	(9,123)	2,429	(9,123)	2,429
Receivables	4,451	(2,752)	4,451	(2,752)
Payables	3,395	(4,618)	3,395	(4,618)
Cash (for)/from operations	(208)	(2,048)	(208)	(2,048)
Interest paid	(176)	(400)	(176)	(400)
Net income tax refunded/(paid)	10	(30)	10	(30)
Net cash (for)/from operating activities	(374)	(2,478)	(374)	(2,478)
CASHFLOWS (FOR)/FROM INVESTING ACTIVITIES				
Interest received	34	9	34	9
Purchase of property, plant and equipment	(599)	(18)	(599)	(18)
Net cash (for)/from investing activities	(565)	(9)	(565)	(9)
CASHFLOWS FROM/(FOR) FINANCING ACTIVITIES				
Net drawdown of revolving credit	-	3,000	-	3,000
Net drawdown/(repayment) of trade finance	2,194	(4,900)	2,194	(4,900)
Interest paid	(1)	-	(1)	-
Net (repayment)/drawdown of hire purchase	(7)	(8)	(7)	(8)
Net cash from/(for) financing activities	2,186	(1,908)	2,186	(1,908)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,247	(4,395)	1,247	(4,395)
EFFECTS OF CHANGES IN FOREIGN EXCHANGE	(856)	(97)	(856)	(97)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER	10,545	10,281	10,545	10,281
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	A15 10,936	5,789	10,936	5,789

Note:

This is prepared based on the consolidated results of the Group for the financial period ended 30 June 2017 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 2017.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The First Quarter Ended 30 June 2017**

A NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting, paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited consolidated financial statements of the Group for the financial year ended 31 March 2017 and accompanying explanatory notes attached to this interim financial report.

(a) Standards issued and effective

The Group has adopted the following new and amended MFRSs which are mandatory for annual financial periods beginning on or after 1 April 2016.

Description	Effective for annual periods beginning on or after
Annual improvements to MFRSs 2012 - 2014 cycle	
- MFRS 5, Non-Current Assets Held for Sales and Discontinued Operations	1 January 2016
- Amendments to MFRS 7, Financial Instruments: Disclosure	1 January 2016
- MFRS 119, Employee Benefits	1 January 2016
- Amendments to MFRS 134, Interim Financial Reporting	1 January 2016
MFRS 14, Regulator Deferral Accounts	1 January 2016
Amendments to MFRS 11, Joint Arrangement: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 101, Presentation of Financial Statements: Disclosure Initiative	1 January 2016
Amendments to MFRS 116, Property, Plant and Equipment and MFRS 138, Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116, Property, Plant and Equipment and MFRS 141, Agriculture: Bearer plants	1 January 2016
Amendments to MFRS 127, Separate Financial Statements: Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 10, Consolidated Financial Statements, MFRS 12, Disclosure of Interests in Other Entities and MFRS 128, Investment in Associates and Joint ventures: Investments Entities-Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 138, Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The First Quarter Ended 30 June 2017

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

A1 Basis of preparation (Cont'd)

(b) Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Annual improvements to MFRSs 2014 - 2016 cycle	
- Amendments to MFRS 1, First-time Adoptions of Malaysian Financial Reporting	1 January 2018
- Amendments to MFRS 12, Disclosure of Interests in Other Entities	1 January 2017
- Amendments to MFRS 128, Investment in Associates and Joint Ventures	1 January 2018
Amendments to MFRS 2, Share-based Payment: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4, Insurance Contracts: Applying MFRS 9 Financial Instrument with MFRS 4 Insurance Contracts	1 January 2018
MFRS 9, Financial Instruments	1 January 2018
MFRS 15, Revenue from Contract with Customers	1 January 2018
Clarifications to MFRS 15, Revenue from Contract with Customer	1 January 2018
MFRS 16, Leases	1 January 2019
Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128 Investment in Associate: Sales or Contribution of Assets Between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 107, Statement of Cash Flow: Disclosure Initiative	1 January 2017
Amendments to MFRS 112, Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 140, Investment Property: Transfer of Investment Property	1 January 2018
IC Interpretation 22, Foreign Currency Transactions and Advance Consideration	1 January 2018

The initial application of the above mentioned accounting standards, amendments or interpretations are not expected to have any material impact to the financial statements of the Group except as mentioned below:

MFRS 9 Financial Instruments

MFRS 9 replaces the guidance in MFRS 139, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets. Upon adoption of MFRS 9, financial assets will be measured at either fair value or amortised cost. It is expected that the Group's and the Company's investment in unquoted shares will be measured at fair value through other comprehensive income. The adoption of MFRS 9 will result in a change in accounting policy. The Group and the Company are currently assessing the financial impact of adopting MFRS 9.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 replaces the guidance in MFRS 111, Construction Contracts, MFRS 118, Revenue, IC Interpretation 13, Customer Loyalty Programmes, IC Interpretation 15, Agreements for Construction of Real Estate, IC Interpretation 18, Transfers of Assets from Customers and IC Interpretation 131, Revenue – Barter Transactions Involving Advertising Services. Upon adoption of MFRS 15, it is expected that the timing of revenue recognition might differ as compared with the current practices. The adoption of MFRS 15 will result in a change in accounting policy. The Group and the Company are currently assessing the financial impact of adopting MFRS 15.

MFRS 16 Leases

MFRS 16 replaces the guidance in MFRS 117 Leases, IC Interpretation 4 Determining Whether an Arrangement Contains a Lease, IC Interpretation 115 Operating Leases – Incentives, and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The Company are currently assessing the financial impact that may arise from the adoption of MFRS 16.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The First Quarter Ended 30 June 2017**

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

A2 Audit report of preceding annual financial statements

The preceding year annual audited financial statements for the financial year ended 31 March 2017 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 2017

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

A8 Segmental information

Current quarter 30 June 2017 / Current year to date 30 June 2017

	Manufacturing	Investment Holding	Elimination	Group
	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>				
Revenue from external customers	13,600	-	-	13,600
Interest income	-	-	-	-
	<u>13,600</u>	<u>-</u>	<u>-</u>	<u>13,600</u>
<u>Results</u>				
Segment results	410	(319)	(459)	(368)
Other unallocated corporate expenses				(1)
Interest expense				(206)
Interest income				34
Loss before taxation				(541)
Income tax expense				(141)
Loss after taxation				<u>(682)</u>

	Malaysia	China	UK	USA	Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>						
Revenue from external customers	9,332	2,795	1,473	-	-	13,600
Interest income	-	-	-	-	-	-
	<u>9,332</u>	<u>2,795</u>	<u>1,473</u>	<u>-</u>	<u>-</u>	<u>13,600</u>
<u>Results</u>						
Segment results	640	(358)	(191)	-	(459)	(368)
Other unallocated corporate expenses						(1)
Interest expense						(206)
Interest income						34
Loss before taxation						(541)
Income tax expense						(141)
Loss after taxation						<u>(682)</u>

	Manufacturing	Investment Holding	Elimination	Group
	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>				
Segment assets	244,534	107,069	(181,733)	169,870
Unallocated assets				443
Consolidated total assets				<u>170,313</u>
<u>Liabilities</u>				
Segment liabilities	139,960	7,982	(134,259)	13,683
Unallocated liabilities				20,797
Consolidated total liabilities				<u>34,480</u>



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The First Quarter Ended 30 June 2017

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	-	-	-	-
	<u>21,872</u>	<u>-</u>	<u>-</u>	<u>21,872</u>

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

	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	-	-	-	-	-	-
	<u>18,049</u>	<u>2,883</u>	<u>940</u>	<u>-</u>	<u>-</u>	<u>21,872</u>

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

	Manufacturing RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
<u>Assets</u>				
Segment assets	226,235	107,575	(146,956)	186,854
Unallocated assets				17
Consolidated total assets				<u>186,871</u>
<u>Liabilities</u>				
Segment liabilities	104,837	7,178	(102,124)	9,891
Unallocated liabilities				23,319
Consolidated total liabilities				<u>33,210</u>



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The First Quarter Ended 30 June 2017

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 March 2017.

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 18 August 2017 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

A13 Capital commitments

There were no capital commitments for the current quarter under review.

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 2017 RM'000
Cash and bank balances	10,936
Fixed deposits with licensed banks	-
	<u>10,936</u>



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The First Quarter Ended 30 June 2017

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

B1 Detailed Analysis

Financial review for current quarter and financial year to date:

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	Current Year To date	Preceding Year Corresponding Period	Changes
	30 Jun 2017 RM'000	30 Jun 2016 RM'000	(%)	30 Jun 2017 RM'000	30 Jun 2016 RM'000	(%)
Revenue	13,600	21,872	-38%	13,600	21,872	-38%
Gross profit/(loss)	1,715	1,633	5%	1,715	1,633	5%
(Loss)/profit before taxation	(541)	(100)	441%	(541)	(100)	441%
(Loss)/profit after taxation	(682)	(130)	425%	(682)	(130)	425%

The Group's revenue has decreased by 38% mainly contributed by restructuring of product pricing and customer base. Generally, there has been a drop in hardcopy printing attributed to the change in consumer behaviour and a drop in demand for bulk toner as remanufacturers are changing their business model from manufacturing to concentrate on the distribution of Chinese-made finished toner cartridges due to the competitive prices of these compatible toner cartridges from China.

Segmental review for current quarter and financial year to date:

The performance of the business segments for the current quarter ended 30 June 2017 as compared to preceding quarter ended 30 June 2016 is as below:

a) Manufacturing

The Group's revenue has decreased for the current quarter under review mainly due to the decrease in sales volume of black and colour toner in the Malaysia operation.

The Group has recorded a loss before taxation of RM541k for the current quarter under review mainly due to the increased admin and setup cost for UK and Zhuhai office.

b) Investment Holding

There were no fixed deposit placements with any financial institutions.

The performance of the geographical segments for the current quarter 30 June 2017 as compared to preceding quarter 30 June 2016 is as below:

a) Malaysia

There has been a decrease in revenue for the Malaysia operation mainly due to restructuring of product pricing and customer base.

b) China

The Group has newly setup a trading office and warehouse in Zhuhai in December 2016. Revenue increased mainly due to the increase in market demand since the setup of Zhuhai office. Yet the segmental result has shown higher loss due to the initial setup cost incurred for Zhuhai office.

c) UK

Segmental result has shown a loss position mainly due to cost incurred for setting up and launching the e-commerce platform for the UK office. However, there has been an increase in revenue contributed from the e-commerce platform.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The First Quarter Ended 30 June 2017

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

B2 Variation of results against preceding quarter

Financial review for current quarter compared with immediate preceding quarter:

	Current Quarter 30 Jun 2017 RM'000	Immediate Preceding Quarter 31 Mar 2017 RM'000	Changes (%)
Revenue	13,600	16,422	-17%
Gross profit/(loss)	1,715	(51)	-3463%
(Loss)/profit before taxation	(541)	(16,579)	-97%
(Loss)/profit after taxation	<u>(682)</u>	<u>(16,871)</u>	-96%

Compared to preceding quarter ended 31 March 2017, the Group has recorded lower revenue in the current quarter under review with a decrease of 17% in overall sales volume. The decrease in revenue is mainly resulted from the restructuring of product pricing and customer base in the current quarter ended 30 June 2017.

The Group has recorded a loss before taxation for the current quarter amounted to RM541k as compared to a loss before taxation of RM16.58 mil in the previous quarter. This was mainly contributed by impairment of PPE approx RM10.99mil and inventories written-off approx RM413k in the previous quarter as compared to the current quarter.

B3 Prospects

As the global toner demand is projected to remain flat, the Group anticipates the competition within the aftermarket toner industry to intensify leading to more consolidations within the industry. The Group has embarked on a transformation exercise by moving downstream to distribute its monochrome bulk toners, colour bulk toners and finished toner cartridges to retail buyers and small distributors. Embracing change for growth, the Group is tapping into the e-commerce platforms across all the 3 distribution hubs in Malaysia, China and UK, to channel directly to these retail buyers and small distributors. The Group has also started to sell under its own private label jaditoner.com to create JADI branding awareness.

B4 Profit forecast and profit guarantee

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

B5 Income tax expense

	Current quarter 30 Jun 2017 RM'000	Current year To date 30 Jun 2017 RM'000
Income tax		
Current year	-	-
Under provision in prior years	-	-
Deferred tax expense		
Current year	141	141
	<u>141</u>	<u>141</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.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The First Quarter Ended 30 June 2017

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

B6 Group's borrowings and debt securities

As at 30 Jun 2017, the Group had total borrowings of approximately RM19.34 million, details of which are set out below:

	30 Jun 2017	31 Mar 2017
	RM'000	RM'000
Interest bearing borrowings:		
<i>Long term borrowings</i>		
Secured:		
Hire purchase	70	77
	<hr/>	<hr/>
	70	77
<i>Short term borrowings</i>		
Unsecured:		
Revolving credit	10,000	10,000
Secured:		
Hire purchase	29	30
Trade finance (in RM)	6,419	3,108
Trade finance (in USD)	1,791	3,198
Trade finance (in JPY)	1,035	808
	<hr/>	<hr/>
	19,274	17,144

B7 Derivatives

As at 30 Jun 2017, 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 2017

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

B10 (Loss)/earnings per share

	Current year Current quarter 30 Jun 2017	To date 30 Jun 2017
<i>(a) Basic (loss)/earnings per share</i>		
(Loss)/profit attributable to ordinary equity holders of the Company (RM'000)	(682)	(682)
Issued ordinary shares at 1 April 2017 ('000)	941,700	941,700
Weighted average number of ordinary shares in issue ('000)	<u>941,700</u>	<u>941,700</u>
Basic (loss)/earnings per share (sen)	<u>(0.07)</u>	<u>(0.07)</u>
<i>(b) Diluted (loss)/earnings per share</i>		
(Loss)/profit attributable to ordinary equity holders of the Company (RM'000)	(682)	(682)
Weighted average number of ordinary shares for basic earnings per share ('000)	941,700	941,700
Weighted average number of ordinary shares in issue ('000)	<u>941,700</u>	<u>941,700</u>
Diluted (loss)/earnings per share (sen)	<u>(0.07)</u>	<u>(0.07)</u>

B11 Status of corporate proposals

There were no pending corporate proposals.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The First Quarter Ended 30 June 2017

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 2017 RM'000	As at 31 Mar 2017 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	10,758	12,122
- Unrealised	(642)	(54)
	10,116	12,068
Less: Consolidation adjustments	(241)	(1,511)
	9,875	10,557

B13 Profit/(loss) before taxation

	Current year Current quarter 30 Jun 2017 RM'000	Current year To date 30 Jun 2017 RM'000
Profit/(loss) before taxation is arrived at after charging/(crediting):-		
Interest income	(34)	(34)
Other income	(343)	(343)
Interest expense	176	176
Depreciation and amortisation	2,236	2,236
Foreign exchange (gain)/loss	(304)	(304)

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
25 August 2017