



JADI IMAGING HOLDINGS BERHAD (526319 - P)

CONDENSED CONSOLIDATED INCOME STATEMENT

For The Fourth Quarter Ended 31 March 2018

(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
		31 Mar 2018 RM'000	31 Mar 2017 RM'000	31 Mar 2018 RM'000	31 Mar 2017 RM'000
Revenue	A8	12,624	16,422	56,133	76,950
Cost of sales		(21,083)	(16,473)	(62,252)	(69,318)
Gross (loss)/profit		(8,459)	(51)	(6,119)	7,632
Gross profit margin		-67.01%	-0.31%		
Other income		3,053	34	12,370	2,502
Selling and distribution expenses		(609)	(633)	(2,620)	(2,659)
Administrative expenses		(2,174)	(3,335)	(9,015)	(9,939)
Other expenses		(2,531)	(12,374)	(3,988)	(13,319)
Finance costs		(64)	(220)	(773)	(1,113)
(Loss)/profit before taxation		(10,785)	(16,579)	(10,145)	(16,896)
Income tax expense	B5	578	(292)	394	(297)
(Loss)/profit after taxation		(10,207)	(16,871)	(9,751)	(17,193)
Other comprehensive income/(loss):					
Exchange translation differences		(3,756)	(152)	(5,469)	1,875
Realisation of revaluation surplus		9,414	-	9,414	-
Total comprehensive income/(loss)		(4,549)	(17,023)	(5,806)	(15,318)
(Loss)/profit attributable to:					
Equity holders of the Company		(10,207)	(16,871)	(9,751)	(17,193)
Total comprehensive income/(loss) attributable to:					
Equity holders of the Company		(4,549)	(17,023)	(5,806)	(15,318)
(Loss)/earnings per share (sen):					
Basic	B10	(1.08)	(0.02)	(1.04)	(1.92)
Diluted	B10	(1.08)	(0.02)	(1.04)	(1.92)

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 Fourth Quarter Ended 31 March 2018

(The figures have not been audited)

	Current Year Quarter 31 Mar 2018 RM'000	Audited Preceding Year 31 Mar 2017 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	69,717	94,776
Investment property	4,868	5,455
Other investment	50	50
	<u>74,635</u>	<u>100,281</u>
CURRENT ASSETS		
Inventories	35,557	42,404
Trade receivables	7,017	10,605
Other receivables, prepayments and deposits	3,407	2,252
Derivative financial instruments	B7 -	-
Tax recoverable	345	452
Fixed deposits with licensed banks	55	1,941
Cash and bank balances	10,587	8,604
	<u>56,968</u>	<u>66,258</u>
TOTAL ASSETS	<u>131,603</u>	<u>166,539</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	94,185	94,185
Treasury shares	(22)	(22)
Revaluation reserve	14,259	23,673
Foreign exchange reserve	3,692	9,161
Retained profits	10,219	10,557
TOTAL EQUITY	<u>122,333</u>	<u>137,554</u>
NON-CURRENT LIABILITIES		
Long-term borrowings	B6 31	77
Deferred tax liabilities	831	1,409
	<u>862</u>	<u>1,486</u>
CURRENT LIABILITIES		
Trade payables	2,026	7,445
Other payables and accruals	4,518	2,910
Short-term borrowings	B6 1,864	17,144
	<u>8,408</u>	<u>27,499</u>
TOTAL LIABILITIES	<u>9,270</u>	<u>28,985</u>
TOTAL EQUITY AND LIABILITIES	<u>131,603</u>	<u>166,539</u>
Net assets per ordinary share (RM)	<u>0.13</u>	<u>0.15</u>

Note:

Net assets per share as at 31 March 2018 is arrived at based on the Group's Net Assets of RM122.33 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 Fourth Quarter Ended 31 March 2018

(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>12 months ended 31 March 2018</u>								
At 1 April 2017	94,185	(22)	-	23,673	9,161	-	10,557	137,554
Profit for the financial year	-	-	-	-	-	-	(9,751)	(9,751)
Other comprehensive (loss)/income for the financial year:								
- foreign currency translation differences	-	-	-	-	(5,469)	-	-	(5,469)
Total comprehensive (loss)/income	-	-	-	-	(5,469)	-	(9,751)	(15,220)
Realisation of revaluation reserve	-	-	-	(9,414)	-	-	9,414	-
At 31 March 2018	94,185	(22)	-	14,259	3,692	-	10,219	122,333
<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 Fourth Quarter Ended 31 March 2018

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To date	Preceding Year Corresponding Period
Note	31 Mar 2018 RM'000	31 Mar 2017 RM'000	31 Mar 2018 RM'000	31 Mar 2017 RM'000
CASHFLOWS (FOR)/FROM OPERATING ACTIVITIES				
(Loss)/profit before taxation	(10,785)	(16,579)	(10,145)	(16,896)
Adjustments for:				
Bad debts written off	-	42	-	42
Amortisation	-	-	2	2
Inventories written back	(736)	(1,187)	(736)	(1,187)
Inventories written down	6,432	1,601	6,432	1,601
Depreciation	2,048	3,737	8,447	10,848
Loss on plant & equipment written off	-	(2)	-	-
Impairment loss on trade receivables	-	458	-	458
Impairment on plant, property & equipment	1,385	10,998	1,385	10,998
Interest expense	59	220	713	1,113
Unrealised loss/(gain) on foreign exchange	565	(1,399)	(203)	(1,399)
(Gain)/loss on disposal of a subsidiary	-	(17)	-	(17)
(Gain)/loss on disposal of property	-	(262)	(5,768)	83
Interest income	(15)	(35)	(119)	(120)
Others	(11)	-	(11)	-
Operating (loss)/profit before working capital changes	(1,058)	(2,425)	(3)	5,526
Inventories	9,627	662	1,741	3,569
Receivables	1,338	4,012	2,402	3,866
Payables	2,539	(224)	(3,812)	(3,575)
Cash from/(for) operations	12,446	2,025	328	9,386
Interest paid	(59)	(199)	(711)	(1,092)
Net income tax (paid)/refunded	-	(27)	(543)	(89)
Net cash from/(for) operating activities	12,387	1,799	(926)	8,205
CASHFLOWS (FOR)/FROM INVESTING ACTIVITIES				
Interest received	15	35	119	120
Proceeds from disposal of property	-	-	23,000	-
Proceeds from disposal of plant & equipment	181	594	251	602
Purchase of property, plant and equipment	(223)	(515)	(1,414)	(2,425)
Net cash from/(for) investing activities	(27)	114	21,956	(1,703)
CASHFLOWS (FOR)/FROM FINANCING ACTIVITIES				
Net (repayment)/drawdown of revolving credit	-	(1,000)	(10,000)	-
Net (repayment)/drawdown of trade finance	(3,214)	4,746	(5,052)	(6,828)
Interest paid	-	(21)	(2)	(21)
Net (repayment)/drawdown of hire purchase	(7)	(7)	(29)	(28)
Net cash (for)/from financing activities	(3,221)	3,718	(15,083)	(6,877)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	9,139	5,631	5,947	(375)
EFFECTS OF CHANGES IN FOREIGN EXCHANGE	(4,412)	(2,351)	(5,850)	639
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER	5,914	7,265	10,545	10,281
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	A15 10,641	10,545	10,642	10,545

Note:

This is prepared based on the consolidated results of the Group for the financial year ended 31 March 2018 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 Fourth Quarter Ended 31 March 2018

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 2014 - 2016 cycle	
- Amendments to MFRS 12, Disclosure of Interests in Other Entities	1 January 2017
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

(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 Standards	1 January 2018
- Amendments to MFRS 128, Investment in Associates and Joint Ventures	1 January 2018
Annual improvements to MFRSs 2015 – 2017 cycle	
- Amendments to MFRS 3, Business Combinations	1 January 2019
- Amendments to MFRS 11, Joint Arrangements	1 January 2019
- Amendments to MFRS 112, Income Taxes	1 January 2019
- Amendments to MFRS 123, Borrowing Costs	1 January 2019
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 Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 119, Employee Benefits: Plan Amendment, Curtailment and Settlement	1 January 2019
Amendments to MFRS 2, Share-based Payment	1 January 2020
Amendments to MFRS 3, Business Combinations	1 January 2020
Amendments to MFRS 6, Exploration for and Evaluation of Mineral Resources	1 January 2020
Amendments to MFRS 14, Regulatory Deferral Accounts	1 January 2020
Amendments to MFRS 101, Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108, Accounting Policies, Change in Accounting Estimates and Errors	1 January 2020
Amendments to MFRS 134, Interim Financial Reporting	1 January 2020
Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
Amendments to MFRS 138, Intangible Assets	1 January 2020
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 Customers	1 January 2018
MFRS 16, Leases	1 January 2019
MFRS 17, Insurance Contracts	1 January 2021



JADI IMAGING HOLDINGS BERHAD (526319 - P)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Fourth Quarter Ended 31 March 2018**

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

A1 Basis of preparation (Cont'd)

(b) Standards issued but not yet effective (Cont'd)

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
Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128 Investment in Associate and Joint Venture: Sales or Contribution of Assets Between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 140, Investment Property: Transfer of Investment Property	1 January 2018
Amendments to MFRS 9, Financial Instruments: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 128, Investment in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures	1 January 2019
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 IC Interpretation 12, Service Concession Arrangements	1 January 2020
Amendments to IC Interpretation 19, Extinguishing Financial Liabilities with Equity Instruments	1 January 2020
Amendments to IC Interpretation 20, Stripping Costs in the Production Phase of a Surface Mine	1 January 2020
Amendments to IC Interpretation 22, Foreign Currency Transactions and Advance Consideration	1 January 2020
Amendments to IC Interpretation 132, Intangible assets – Web Site Costs	1 January 2020

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 (IFRS 9 issued by IASB in July 2014) replaces earlier versions of MFRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. MFRS 9 when effective will replace MFRS 139 Financial Instruments: Recognition and Measurement. MFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in MFRS 139. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. MFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually uses for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under MFRS 139.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 replaces MFRS 118 Revenue, MFRS 111 Construction Contracts and related IC Interpretations. The Standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

An entity recognises revenue in accordance with the core principle by applying the following steps:

- (1) Identify the contracts with a customer;
- (2) Identify the performance obligation in the contract;
- (3) Determine the transaction price;
- (4) Allocate the transaction price to the performance obligations in the contract; and
- (5) Recognise revenue when the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Fourth Quarter Ended 31 March 2018

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

A1 Basis of preparation (Cont'd)

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: (Cont'd)

MFRS 16 Leases

MFRS 16, which upon the effective date will supersede MFRS 117 Leases, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.

In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

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 Fourth Quarter Ended 31 March 2018

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

A8 Segmental information

Current quarter 31 March 2018

	Manufacturing	Investment Holding	Elimination	Group		
	RM'000	RM'000	RM'000	RM'000		
<u>Revenue</u>						
Revenue from external customers	12,624	-	-	12,624		
Interest income	-	-	-	-		
	<u>12,624</u>	<u>-</u>	<u>-</u>	<u>12,624</u>		
<u>Results</u>						
Segment results	(14,178)	(753)	4,180	(10,751)		
Other unallocated corporate expenses				15		
Interest expense				(64)		
Interest income				15		
Loss before taxation				(10,785)		
Income tax expense				578		
Loss after taxation				<u>(10,207)</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	7,892	3,028	1,704	-	-	12,624
Interest income	-	-	-	-	-	-
	<u>7,892</u>	<u>3,028</u>	<u>1,704</u>	<u>-</u>	<u>-</u>	<u>12,624</u>
<u>Results</u>						
Segment results	(14,046)	(304)	(581)	-	4,180	(10,751)
Other unallocated corporate expenses						15
Interest expense						(64)
Interest income						15
Loss before taxation						(10,785)
Income tax expense						578
Loss after taxation						<u>(10,207)</u>
	Manufacturing	Investment Holding	Elimination			
	RM'000	RM'000	RM'000	RM'000		
<u>Assets</u>						
Segment assets	214,980	97,584	(175,548)	137,016		
Unallocated assets				345		
Consolidated total assets				<u>137,361</u>		
<u>Liabilities</u>						
Segment liabilities	155,031	164	(148,651)	6,544		
Unallocated liabilities				2,725		
Consolidated total liabilities				<u>9,269</u>		



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Fourth Quarter Ended 31 March 2018

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

A8 Segmental information (Cont'd)

Current quarter 31 March 2017

	Manufacturing RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
<u>Revenue</u>				
Revenue from external customers	16,422	-	-	16,422
Interest income	-	-	-	-
	<u>16,422</u>	<u>-</u>	<u>-</u>	<u>16,422</u>

<u>Results</u>				
Segment results	(13,822)	(1,044)	(1,528)	(16,394)
Other unallocated corporate expenses				-
Interest expense				(220)
Interest income				<u>35</u>
Loss before taxation				(16,579)
Income tax expense				<u>(292)</u>
Loss after taxation				<u>(16,871)</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	12,570	2,846	1,006	-	-	16,422
Interest income	-	-	-	-	-	-
	<u>12,570</u>	<u>2,846</u>	<u>1,006</u>	<u>-</u>	<u>-</u>	<u>16,422</u>

<u>Results</u>						
Segment results	(13,273)	(1,413)	(180)	-	(1,528)	(16,394)
Other unallocated corporate expenses						-
Interest expense						(220)
Interest income						<u>35</u>
Loss before taxation						(16,579)
Income tax expense						<u>(292)</u>
Loss after taxation						<u>(16,871)</u>

	Manufacturing RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
<u>Assets</u>				
Segment assets	215,692	107,126	(156,731)	166,087
Unallocated assets				452
Consolidated total assets				<u>166,539</u>

<u>Liabilities</u>				
Segment liabilities	112,447	7,952	(110,043)	10,356
Unallocated liabilities				18,629
Consolidated total liabilities				<u>28,985</u>



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Fourth Quarter Ended 31 March 2018

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

A8 Segmental information (Cont'd)

Current year to date 31 March 2018

	Manufacturing	Investment Holding	Elimination	Group
	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>				
Revenue from external customers	56,133	-	-	56,133
Interest income	-	-	-	-
	<u>56,133</u>	<u>-</u>	<u>-</u>	<u>56,133</u>

<u>Results</u>				
Segment results	(13,787)	(1,754)	6,037	(9,504)
Other unallocated corporate expenses				13
Interest expense				(773)
Interest income				119
Loss before taxation				<u>(10,145)</u>
Income tax expense				394
Loss after taxation				<u>(9,751)</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	36,000	13,716	6,417	-	-	56,133
Interest income	-	-	-	-	-	-
	<u>36,000</u>	<u>13,716</u>	<u>6,417</u>	<u>-</u>	<u>-</u>	<u>56,133</u>

<u>Results</u>						
Segment results	(12,454)	(1,748)	(1,339)	-	6,037	(9,504)
Other unallocated corporate expenses						13
Interest expense						(773)
Interest income						119
Loss before taxation						<u>(10,145)</u>
Income tax expense						394
Loss after taxation						<u>(9,751)</u>



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Fourth Quarter Ended 31 March 2018

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

A8 Segmental information (Cont'd)

Current year to date 31 March 2017

	Manufacturing	Investment	Elimination	Group
	RM'000	Holding	RM'000	RM'000
		RM'000		
<u>Revenue</u>				
Revenue from external customers	76,950	-	-	76,950
Interest income	-	-	-	-
	<u>76,950</u>	<u>-</u>	<u>-</u>	<u>76,950</u>

<u>Results</u>				
Segment results	(13,052)	(1,378)	(1,467)	(15,897)
Other unallocated corporate expenses				(6)
Interest expense				(1,113)
Interest income				<u>120</u>
Loss before taxation				(16,896)
Income tax expense				<u>(297)</u>
Loss after taxation				<u>(17,193)</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	59,383	11,081	6,486	-	-	76,950
Interest income	-	-	-	-	-	-
	<u>59,383</u>	<u>11,081</u>	<u>6,486</u>	<u>-</u>	<u>-</u>	<u>76,950</u>

<u>Results</u>						
Segment results	(12,900)	(1,211)	(319)	-	(1,467)	(15,897)
Other unallocated corporate expenses						(6)
Interest expense						(1,113)
Interest income						<u>120</u>
Loss before taxation						(16,896)
Income tax expense						<u>(297)</u>
Loss after taxation						<u>(17,193)</u>



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Fourth Quarter Ended 31 March 2018

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 May 2018 (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
	31 Mar 2018
	RM'000
Cash and bank balances	10,587
Fixed deposits with licensed banks	55
	<u>10,642</u>



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Fourth Quarter Ended 31 March 2018

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 31 Mar 2018 RM'000	Preceding Year Corresponding Quarter 31 Mar 2017 RM'000	Changes (%)	Current Year To date 31 Mar 2018 RM'000	Preceding Year Corresponding Period 31 Mar 2017 RM'000	Changes (%)
Revenue	12,624	16,422	-23%	56,133	76,950	-27%
Gross (loss)/profit	(8,459)	(51)	16486%	(6,119)	7,632	-180%
(Loss)/profit before taxation	(10,785)	(16,579)	-35%	(10,145)	(16,896)	-40%
(Loss)/profit after taxation	(10,207)	(16,871)	-40%	(9,751)	(17,193)	-43%

The Group's revenue has decreased by 23% mainly contributed by restructuring a range 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 finished toner cartridges.

The Group reported a loss before tax during the current quarter mainly due to lower productivity, stock provision amounted to RM5.76mil, impairment of plant & machinery amounted to approximately RM1.39mil after offset with RM5.8mil of gain on disposal of a detached factory cum three (3) storey office at No. 1, Jalan Peguam U1/25, Seksyen U1, Hicom-Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan.

Segmental review for current quarter and financial year to date:

The performance of the business segments for the current quarter ended 31 March 2018 as compared to preceding quarter ended 31 March 2017 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 overall operation.

The Group has recorded a loss before taxation of RM10.79mil for the current quarter under review mainly due to lower productivity, stock provision amounted to RM5.76mil, impairment of plant & machinery amounted to RM1.39mil after offset with gain on disposal of factory amounted to approximately RM5.8mil.

b) Investment Holding

There were no fixed deposit placements with any financial institutions.

The performance of the geographical segments for the current quarter 31 March 2018 as compared to preceding quarter 31 March 2017 is as below:

a) Malaysia

There has been a decrease in revenue in the Malaysian operations mainly due to restructuring a range of product pricing and customer base. The segmental result has recorded a loss before taxation during the quarter mainly due to the impairment of plant & machinery amounted to approximately RM1.38mil.

b) China

The segmental result has recorded a loss before taxation during the current quarter mainly contributed by operating expenses.

c) UK

Segmental result has shown a loss position mainly due stock written-off to the net realisable value.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Fourth Quarter Ended 31 March 2018

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 31 Mar 2018 RM'000	Immediate Preceding Quarter 31 Dec 2017 RM'000	Changes (%)
Revenue	12,624	12,820	-2%
Gross (loss)/profit	(8,459)	(1,403)	503%
(Loss)/profit before taxation	(10,785)	3,255	-431%
(Loss)/profit after taxation	<u>(10,207)</u>	<u>3,255</u>	-414%

Compared to preceding quarter ended 31 December 2017, the Group has recorded lower revenue in the current quarter under review with a decrease of 2% in overall sales volume. This was contributed by the change of consumer behaviour and remanufacturer's business model.

The Group has recorded a loss before taxation for the current quarter amounted to RM10.79mil due to stock provision amounted to RM5.76mil and impairment of plant & machinery amounted to RM1.39mil. The previous quarter profit was mainly contributed from the gain on disposal of factory amounted to approximately RM5.8mil.

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 31 Mar 2018 RM'000	Current year To date 31 Mar 2018 RM'000
Income tax		
Current year	-	-
Under provision in prior years	-	-
Deferred tax expense		
Current year	(578)	(394)
	<u>(578)</u>	<u>(394)</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 Fourth Quarter Ended 31 March 2018**

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

B6 Group's borrowings and debt securities

As at 31 Mar 2018, the Group had total borrowings of approximately RM1.895 million, details of which are set out below:

	31 Mar 2018 RM'000	31 Mar 2017 RM'000
Interest bearing borrowings:		
<i>Long term borrowings</i>		
Secured:		
Hire purchase	31	77
	<u>31</u>	<u>77</u>
<i>Short term borrowings</i>		
Unsecured:		
Revolving credit	-	10,000
Secured:		
Hire purchase	46	30
Trade finance (in RM)	1,462	3,108
Trade finance (in USD)	356	3,198
Trade finance (in JPY)	-	808
	<u>1,864</u>	<u>17,144</u>

B7 Derivatives

As at 31 March 2018, 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.

B10 Earnings/(loss) per share

	Current quarter 31 Mar 2018	Current year To date 31 Mar 2018
<i>(a) Basic (loss)/earnings per share</i>		
(Loss)/profit attributable to ordinary equity holders of the Company (RM'000)	(10,207)	(9,751)
Issued ordinary shares at 1 Jan 2018 / 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>(1.08)</u>	<u>(1.04)</u>
<i>(b) Diluted (loss)/earnings per share</i>		
(Loss)/profit attributable to ordinary equity holders of the Company (RM'000)	(10,207)	(9,751)
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>(1.08)</u>	<u>(1.04)</u>



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Fourth Quarter Ended 31 March 2018

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

B11 Status of corporate proposals

There were no pending corporate proposals.

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 31 Mar 2018 RM'000	As at 31 Mar 2017 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	16,860	12,122
- Unrealised	(831)	(54)
	<u>16,029</u>	<u>12,068</u>
Less: Consolidation adjustments	(5,810)	(1,511)
	<u>10,219</u>	<u>10,557</u>

B13 Profit/(loss) before taxation

	Current quarter 31 Mar 2018 RM'000	Current year To date 31 Mar 2018 RM'000
Profit/(loss) before taxation is arrived at after charging/(crediting):-		
Interest income	(15)	(119)
Other income	(825)	(6,649)
Interest expense	59	713
Depreciation and amortisation	2,048	8,449
Foreign exchange loss/(gain)	(3,065)	392

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
31 May 2018