



**JADI IMAGING HOLDINGS BERHAD (526319 - P)**

**CONDENSED CONSOLIDATED INCOME STATEMENT**

**For The Second Quarter Ended 30 September 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
		30 Sept 2018 RM'000	30 Sept 2017 RM'000	30 Sept 2018 RM'000	30 Sept 2017 RM'000
Revenue	A8	10,535	17,089	20,215	30,689
Cost of sales		(11,061)	(15,061)	(22,661)	(26,946)
Gross (loss)/profit		(526)	2,028	(2,446)	3,743
Other income		2,184	131	2,456	798
Selling and distribution expenses		(607)	(795)	(1,320)	(1,274)
Administrative expenses		(2,534)	(2,287)	(4,591)	(4,443)
Other expenses		312	(847)	(220)	(928)
Finance costs		(42)	(305)	(78)	(512)
<b>(Loss)/profit before taxation</b>		<b>(1,213)</b>	<b>(2,075)</b>	<b>(6,199)</b>	<b>(2,616)</b>
Income tax expense	B5	(14)	(43)	(21)	(184)
<b>(Loss)/profit after taxation</b>		<b>(1,227)</b>	<b>(2,118)</b>	<b>(6,220)</b>	<b>(2,800)</b>
Other comprehensive (loss)/income:					
Exchange translation differences		(393)	1,204	(408)	164
<b>Total comprehensive (loss)/income</b>		<b>(1,620)</b>	<b>(914)</b>	<b>(6,628)</b>	<b>(2,636)</b>
(Loss)/profit attributable to:					
Equity holders of the Company		(1,227)	(2,118)	(6,220)	(2,800)
Total comprehensive (loss)/income attributable to:					
Equity holders of the Company		(1,620)	(914)	(6,628)	(2,636)
<b>(Loss)/earnings per share (sen):</b>					
Basic	B10	(0.13)	0.04	(0.66)	0.08
Diluted	B10	(0.13)	0.04	(0.66)	0.08

**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 2018.

**JADI IMAGING HOLDINGS BERHAD (526319 - P)**
**CONDENSED CONSOLIDATED BALANCE SHEET**
**For The Second Quarter Ended 30 September 2018**

(The figures have not been audited)

	<b>Current Year Quarter 30 Sept 2018 RM'000</b>	<b>Audited Preceding Year 31 Mar 2018 RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	65,773	69,717
Investment property	4,867	4,868
Other investment	50	50
	<u>70,690</u>	<u>74,635</u>
<b>CURRENT ASSETS</b>		
Inventories	43,454	40,523
Trade receivables	5,642	6,629
Other receivables, prepayments and deposits	4,174	3,407
Derivative financial instruments	B7 -	-
Tax recoverable	536	345
Fixed deposits with licensed banks	19,778	56
Cash and bank balances	6,697	10,587
	<u>80,281</u>	<u>61,547</u>
<b>TOTAL ASSETS</b>	<u>150,971</u>	<u>136,182</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	94,185	94,185
Treasury shares	(22)	(22)
Revaluation reserve	14,259	14,260
Foreign exchange reserve	8,982	9,226
Retained profits	3,100	9,320
<b>TOTAL EQUITY</b>	<u>120,504</u>	<u>126,969</u>
<b>NON-CURRENT LIABILITIES</b>		
Long-term borrowings	B6 29	46
Deferred tax liabilities	796	775
	<u>825</u>	<u>821</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	7,259	2,030
Other payables and accruals	21,835	4,513
Short-term borrowings	B6 548	1,849
	<u>29,642</u>	<u>8,392</u>
<b>TOTAL LIABILITIES</b>	<u>30,467</u>	<u>9,213</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>150,971</u>	<u>136,182</u>
Net assets per ordinary share (RM)	<u>0.13</u>	<u>0.13</u>

**Note:**

Net assets per share as at 30 September 2018 is arrived at based on the Group's Net Assets of RM120.50 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 2018 was arrived at based on the Group's Net Assets of RM126.97 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 2018.



**JADI IMAGING HOLDINGS BERHAD (526319 - P)**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**For The Second Quarter Ended 30 September 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
<b><u>6 months ended 30 September 2018</u></b>								
<b>At 1 April 2018</b>	94,185	(22)	-	14,259	9,226	-	9,321	126,969
Profit for the financial year	-	-	-	-	-	-	(6,220)	(6,220)
Other comprehensive (loss)/income for the financial year:								
- foreign currency translation differences	-	-	-	-	(244)	-	-	(244)
Total comprehensive (loss)/income	-	-	-	-	(244)	-	(6,220)	(6,464)
Realisation of revaluation reserve	-	-	-	-	-	-	-	-
<b>At 30 September 2018</b>	94,185	(22)	-	14,259	8,982	-	3,100	120,504
<b><u>12 months ended 31 March 2018</u></b>								
<b>At 1 April 2017</b>	94,185	(22)	-	23,673	9,161	-	10,557	137,554
Profit for the financial year	-	-	-	-	-	-	(10,650)	(10,650)
Other comprehensive (loss)/income for the financial year:								
- foreign currency translation differences	-	-	-	-	65	-	-	65
Total comprehensive (loss)/income	-	-	-	-	65	-	(10,650)	(10,585)
Realisation of revaluation reserve	-	-	-	(9,414)	-	-	9,414	-
<b>At 31 March 2018</b>	94,185	(22)	-	14,259	9,226	-	9,321	126,969

**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 2018.



**JADI IMAGING HOLDINGS BERHAD (526319 - P)**

**CONDENSED CONSOLIDATED CASHFLOW STATEMENT**

**For The Second Quarter Ended 30 September 2018**

(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 Sept 2018 RM'000	30 Sept 2017 RM'000	30 Sept 2018 RM'000	30 Sept 2017 RM'000
<b>CASHFLOWS (FOR)/FROM OPERATING ACTIVITIES</b>				
(Loss)/profit before taxation	(1,213)	(2,075)	(6,199)	(2,616)
Adjustments for:				
Depreciation	1,946	2,013	4,309	4,249
Loss on plant & equipment written off	-	-	2	-
Interest expense	42	271	78	447
Unrealised loss/(gain) on foreign exchange	(223)	-	418	(768)
Loss/(gain) on disposal of property	-	-	19	-
Interest income	(9)	(1)	(20)	(35)
Operating profit/(loss) before working capital changes	543	208	(1,393)	1,277
Inventories	(5,526)	(456)	(2,931)	(9,579)
Receivables	(4,099)	(1,952)	(103)	2,499
Payables	3,931	(3,725)	2,513	(330)
Cash (for)/from operations	(5,151)	(5,925)	(1,914)	(6,133)
Interest paid	-	(271)	-	(447)
Tax refund	77	-	314	-
Net income tax refunded/(paid)	-	107	-	117
Net cash (for)/from operating activities	(5,074)	(6,089)	(1,600)	(6,463)
<b>CASHFLOWS FROM/(FOR) INVESTING ACTIVITIES</b>				
Interest received	9	1	20	35
Proceeds from disposal of a subsidiary	19,722	-	19,722	-
Proceeds from disposal of plant & equipment	-	70	-	70
Purchase of property, plant and equipment	(127)	(430)	(226)	(1,029)
Net cash from/(for) investing activities	19,604	(359)	19,516	(924)
<b>CASHFLOWS (FOR)/FROM FINANCING ACTIVITIES</b>				
Net (repayment)/drawdown of trade finance	(1,294)	(1,022)	(1,322)	1,172
Interest paid	(45)	(1)	(78)	(2)
Net (repayment)/drawdown of hire purchase	(9)	(8)	(17)	(15)
Net cash (for)/from financing activities	(1,348)	(1,031)	(1,417)	1,155
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	13,182	(7,479)	16,499	(6,232)
<b>EFFECTS OF CHANGES IN FOREIGN EXCHANGE</b>	275	1,120	(665)	264
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER</b>	13,019	10,936	10,641	10,545
<b>CASH AND CASH EQUIVALENTS AT END OF THE QUARTER</b>	A15 26,475	4,577	26,475	4,577

**Note:**

This is prepared based on the consolidated results of the Group for the financial period ended 30 September 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 2018.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
For The Second Quarter Ended 30 September 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 2018 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 January 2017.

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
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

Adoption of the above amended MFRS did not have any material effect on the financial performances or positions of the Group.

**(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:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
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



JADI IMAGING HOLDINGS BERHAD (526319 - P)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
For The Second Quarter Ended 30 September 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)**

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
MFRS 17, Insurance Contracts	1 January 2021
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 abovementioned 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.

Based on the analysis of the Group's financial assets and liabilities as at 31 March 2018 on the basis of facts and circumstances that existed at that date, the Directors of the Group and of the Company have assessed the impact of MFRS 9 to the Group's and the Company's consolidated financial statements as follows:

**(i) Classification and measurement**

Based on its assessment, the Group believes that the new classification requirements will have no material impact on the Group's financial assets and financial liabilities.

**(ii) Impairment**

The Group has chosen to apply the simplified approach prescribed by MFRS 9, which requires a lifetime expected credit loss to be recognised from initial recognition of the trade and non-trade receivables, including financial assets. Due to the strong creditworthiness of the Group's receivables, the Group believes that the new impairment model will not have any significant impact on the Group's financial statements.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**For The Second Quarter Ended 30 September 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)**

MFRS 9 Financial Instruments (Cont'd)

(iii) Hedge accounting

As the Group does not apply hedge accounting, applying the hedging requirements of MFRS 9 will not have a significant impact on the Group's consolidated financial statements.

The assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group in the financial year ending 31 March 2019 when the Group adopts MFRS 9.

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.

The Group intends to adopt the standard using modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 April 2018 and that comparatives will not be restated.

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.

Based on the assessment, the Group recognised revenue based on the transfer of the goods to customer which is similar to the principal of MFRS 15 whereby revenue is recognise based on satisfaction of performance obligation, therefore, the Group does not expect the application of MFRS 15 to have a significant impact on its consolidated financial statements.

The assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group in financial year ending 31 March 2019 when the Group adopts MFRS 15.

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.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**For The Second Quarter Ended 30 September 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)**

MFRS 16 Leases (Cont'd)

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.

The adoption of MFRS 16 will result in a change in accounting policy. The Group is currently assessing the financial impact of adopting MFRS 16.

**A2 Audit report of preceding annual financial statements**

The preceding year annual audited financial statements for the financial year ended 31 March 2018 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 Second Quarter Ended 30 September 2018

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

A8 Segmental information

Current quarter 30 September 2018

	Manufacturing	Investment Holding	Elimination	Group		
	RM'000	RM'000	RM'000	RM'000		
<u>Revenue</u>						
Revenue from external customers	10,535	-	-	10,535		
Interest income	-	-	-	-		
	<u>10,535</u>	<u>-</u>	<u>-</u>	<u>10,535</u>		
<u>Results</u>						
Segment results	(3,753)	61	2,511	(1,181)		
Other unallocated corporate expenses				1		
Interest expense				(42)		
Interest income				9		
Loss before taxation				(1,213)		
Income tax expense				(14)		
Loss after taxation				<u>(1,227)</u>		
	<b>Malaysia</b>	<b>China</b>	<b>UK</b>	<b>USA</b>	<b>Elimination</b>	<b>Group</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Revenue</u>						
Revenue from external customers	6,363	3,341	831	-	-	10,535
Interest income	-	-	-	-	-	-
	<u>6,363</u>	<u>3,341</u>	<u>831</u>	<u>-</u>	<u>-</u>	<u>10,535</u>
<u>Results</u>						
Segment results	(2,514)	(1,020)	(158)	-	2,511	(1,181)
Other unallocated corporate expenses						1
Interest expense						(42)
Interest income						9
Loss before taxation						(1,213)
Income tax expense						(14)
Loss after taxation						<u>(1,227)</u>
	<b>Manufacturing</b>	<b>Investment Holding</b>	<b>Elimination</b>	<b>Group</b>		
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>		
<u>Assets</u>						
Segment assets	240,291	94,177	(184,033)			150,435
Unallocated assets						536
Consolidated total assets						<u>150,971</u>
<u>Liabilities</u>						
Segment liabilities	182,271	341	(153,517)			29,095
Unallocated liabilities						1,372
Consolidated total liabilities						<u>30,467</u>



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS  
For The Second Quarter Ended 30 September 2018

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

A8 Segmental information (Cont'd)

Current quarter 30 September 2017

	Manufacturing RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
<u>Revenue</u>				
Revenue from external customers	17,089	-	-	17,089
Interest income	-	-	-	-
	<u>17,089</u>	<u>-</u>	<u>-</u>	<u>17,089</u>
<u>Results</u>				
Segment results	(1,192)	(276)	(300)	(1,768)
Other unallocated corporate expenses				(2)
Interest expense				(306)
Interest income				<u>1</u>
Loss before taxation				(2,075)
Income tax expense				<u>(43)</u>
Loss after taxation				<u>(2,118)</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	9,649	5,993	1,447	-	-	17,089
Interest income	-	-	-	-	-	-
	<u>9,649</u>	<u>5,993</u>	<u>1,447</u>	<u>-</u>	<u>-</u>	<u>17,089</u>
<u>Results</u>						
Segment results	(2,274)	1,111	(305)	-	(300)	(1,768)
Other unallocated corporate expenses						(2)
Interest expense						(306)
Interest income						<u>1</u>
Loss before taxation						(2,075)
Income tax expense						<u>(43)</u>
Loss after taxation						<u>(2,118)</u>



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS  
For The Second Quarter Ended 30 September 2018

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

A8 Segmental information (Cont'd)

Current year to date 30 September 2018

	Manufacturing	Investment Holding	Elimination	Group
	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>				
Revenue from external customers	20,215	-	-	20,215
Interest income	-	-	-	-
	<u>20,215</u>	<u>-</u>	<u>-</u>	<u>20,215</u>

<u>Results</u>				
Segment results	(7,789)	61	1,583	(6,145)
Other unallocated corporate expenses				4
Interest expense				(78)
Interest income				20
Loss before taxation				<u>(6,199)</u>
Income tax expense				(21)
Loss after taxation				<u>(6,220)</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	10,576	7,580	2,059	-	-	20,215
Interest income	-	-	-	-	-	-
	<u>10,576</u>	<u>7,580</u>	<u>2,059</u>	<u>-</u>	<u>-</u>	<u>20,215</u>

<u>Results</u>						
Segment results	(6,351)	(1,318)	(59)	-	1,583	(6,145)
Other unallocated corporate expenses						4
Interest expense						(78)
Interest income						20
Loss before taxation						<u>(6,199)</u>
Income tax expense						(21)
Loss after taxation						<u>(6,220)</u>



JADI IMAGING HOLDINGS BERHAD (526319 - P)

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

A8 Segmental information (Cont'd)

Current year to date 30 September 2017

	Manufacturing RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
<u>Revenue</u>				
Revenue from external customers	30,689	-	-	30,689
Interest income	-	-	-	-
	<u>30,689</u>	<u>-</u>	<u>-</u>	<u>30,689</u>

<u>Results</u>				
Segment results	(782)	(595)	(759)	(2,136)
Other unallocated corporate expenses				(3)
Interest expense				(512)
Interest income				<u>35</u>
Loss before taxation				(2,616)
Income tax expense				<u>(184)</u>
Loss after taxation				<u>(2,800)</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	18,981	8,788	2,920	-	-	30,689
Interest income	-	-	-	-	-	-
	<u>18,981</u>	<u>8,788</u>	<u>2,920</u>	<u>-</u>	<u>-</u>	<u>30,689</u>

<u>Results</u>						
Segment results	(1,634)	753	(496)	-	(759)	(2,136)
Other unallocated corporate expenses						(3)
Interest expense						(512)
Interest income						<u>35</u>
Loss before taxation						(2,616)
Income tax expense						<u>(184)</u>
Loss after taxation						<u>(2,800)</u>



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**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 2018.

**A10 Material events subsequent to the end of the quarter**

On 10 August 2018, the Group has entered into a conditional share sale agreement (“SSA”) with Xue Chengcai and Xu Xuehua (“Purchasers”) for the proposed disposal of its entire equity interest in Jadi Suzhou for a total cash consideration of RMB 32,800,000, including the amount of funds in Jadi Suzhou’s bank accounts as at 10 August 2018 of RMB3.9 million (“Consideration”).

With effective 10 September 2018, the shareholders of Jadi Suzhou have been changed from JADI to the Purchasers. Zhuhai Jadi Imaging Technologies Co Ltd, a wholly-owned subsidiary of JADI, has received the total proceeds of RM20,336,000 (RMB32,800,000) (“Proceeds”) paid by the Purchasers. Currently, the Group is processing the submission to the State Administration of Taxation in China for the payment of tax in relation to the Proposed Disposal. Upon completion of the Proposed Disposal, the Proceeds will be remitted to JADI in Malaysia. The Proposed Disposal is expected to be completed by the 4th quarter of 2018 (i.e. 31 December 2018).

**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 20 November 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**

	<b>As At</b>
	<b>30 Sept 2018</b>
	<b>RM'000</b>
Cash and bank balances	6,697
Fixed deposits with licensed banks	19,778
	<u>26,475</u>



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**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
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**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 Sept 2018 RM'000	30 Sept 2017 RM'000	(%)	30 Sept 2018 RM'000	30 Sept 2017 RM'000	(%)
Revenue	10,535	17,089	-38%	20,215	30,689	-34%
Gross (loss)/profit	(526)	2,028	-126%	(2,446)	3,743	-165%
(Loss)/profit before taxation	(1,213)	(2,075)	-42%	(6,199)	(2,616)	137%
(Loss)/profit after taxation	(1,227)	(2,118)	-42%	(6,220)	(2,800)	122%

The Group's revenue has decreased by 38% 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 decrease in sales and lower productivity.

**Segmental review for current quarter and financial year to date:**

The performance of the business segments for the current quarter ended 30 September 2018 as compared to preceding quarter ended 30 September 2017 is as below:

a) Manufacturing

The Group has recorded a loss before taxation of RM1.21mil for the current quarter under review mainly due to the decrease in sales volume and lower productivity.

b) Investment Holding

There were no fixed deposit placements with any financial institutions.

The performance of the geographical segments for the current quarter 30 September 2018 as compared to preceding quarter 30 September 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 lower sales and lower productivity.

b) China

The segmental result has recorded a loss before taxation during the current quarter mainly contributed by operating expenses incurred for final compensation payout to Jadi Suzhou personnel and other expenses prior to its disposal.

c) UK

Segmental result has recorded a lower loss before taxation during the quarter after the downsizing of UK operation.



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**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:

	<b>Current Quarter 30 Sept 2018 RM'000</b>	<b>Immediate Preceding Quarter 30 Jun 2018 RM'000</b>	<b>Changes (%)</b>
Revenue	10,535	9,680	9%
Gross (loss)/profit	(526)	(1,920)	-73%
(Loss)/profit before taxation	(1,213)	(4,986)	-76%
(Loss)/profit after taxation	<u>(1,227)</u>	<u>(4,993)</u>	-75%

Compared to preceding quarter ended 30 June 2018, the Group has recorded higher revenue in the current quarter under review with an increase of 9% in overall sales volume. In current quarter, the Group has recorded a lower Loss Before Taxation due to appreciation of USD and the improved productivity comparatively to previous 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**

	<b>Current quarter 30 Sept 2018 RM'000</b>	<b>Current year To date 30 Sept 2018 RM'000</b>
Income tax		
Current year	-	-
Under provision in prior years	-	-
Deferred tax expense		
Current year	14	21
	<u>14</u>	<u>21</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 Second Quarter Ended 30 September 2018

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

**B6 Group's borrowings and debt securities**

As at 30 Sept 2018, the Group had total borrowings of approximately RM577k, details of which are set out below:

	30 Sept 2018 RM'000	31 Mar 2018 RM'000
Interest bearing borrowings:		
<i>Long term borrowings</i>		
Secured:		
Hire purchase	29	46
	<u>29</u>	<u>46</u>
<i>Short term borrowings</i>		
Unsecured:		
Revolving credit	-	-
Secured:		
Hire purchase	31	31
Trade finance (in RM)	517	1,458
Trade finance (in USD)	-	360
Trade finance (in JPY)	-	-
	<u>548</u>	<u>1,849</u>

**B7 Derivatives**

As at 30 September 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 30 Sept 2018	Current year To date 30 Sept 2018
<i>(a) Basic (loss)/earnings per share</i>		
(Loss)/profit attributable to ordinary equity holders of the Company (RM'000)	(1,227)	(6,220)
Issued ordinary shares at 1 April 2018 ('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>(0.13)</u>	<u>(0.66)</u>
<i>(b) Diluted (loss)/earnings per share</i>		
(Loss)/profit attributable to ordinary equity holders of the Company (RM'000)	(1,227)	(6,220)
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>(0.13)</u>	<u>(0.66)</u>





JADI IMAGING HOLDINGS BERHAD (526319 - P)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
For The Second Quarter Ended 30 September 2018

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

**B11 Status of corporate proposals**

There is no pending corporate proposal apart from the disposal of the entire equity interest in JADI Suzhou as stated in Note A10.

**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 Sept 2018 RM'000	As at 31 Mar 2018 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	4,881	9,847
- Unrealised	(378)	(195)
	<u>4,503</u>	<u>9,652</u>
Less: Consolidation adjustments	(1,403)	(332)
	<u>3,100</u>	<u>9,320</u>

**B13 Profit/(loss) before taxation**

	Current quarter 30 Sept 2018 RM'000	Current year To date 30 Sept 2018 RM'000
Profit/(loss) before taxation is arrived at after charging/(crediting):-		
Interest income	(9)	(20)
Other income	(3)	(54)
Interest expense	42	78
Depreciation and amortisation	1,946	4,309
Foreign exchange (gain)/loss	(519)	(1,068)

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**  
27 November 2018