



JADI IMAGING HOLDINGS BERHAD (526319 - P)

CONDENSED CONSOLIDATED INCOME STATEMENT

For The Second Quarter Ended 30 September 2019

(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 2019 RM'000	30 Sept 2018 RM'000	30 Sept 2019 RM'000	30 Sept 2018 RM'000
Revenue	A8	15,998	10,535	29,364	20,215
Cost of sales		(16,791)	(11,061)	(29,984)	(22,661)
Gross (loss)/profit		(793)	(526)	(620)	(2,446)
Other income		-	2,184	936	2,456
Selling and distribution expenses		(762)	(607)	(1,406)	(1,320)
Administrative expenses	A1	(1,670)	(2,534)	(3,089)	(4,591)
Other expenses	A1	(602)	312	(1,242)	(220)
Finance costs	A1	(242)	(42)	(247)	(78)
(Loss)/Profit before taxation		(4,069)	(1,213)	(5,668)	(6,199)
Income tax expense	B5	(29)	(14)	83	(21)
(Loss)/Profit after taxation		(4,098)	(1,227)	(5,585)	(6,220)
Other comprehensive (loss)/income:					
Exchange translation differences		(130)	(393)	(178)	(408)
Total comprehensive (loss)/income		(4,228)	(1,620)	(5,763)	(6,628)
(Loss)/Profit attributable to:					
Equity holders of the Company		(4,098)	(1,227)	(5,585)	(6,220)
Total comprehensive (loss)/income attributable to:					
Equity holders of the Company		(4,228)	(1,620)	(5,763)	(6,628)
(Loss)/Earnings per share (sen):					
Basic	B10	(0.40)	(0.13)	(0.54)	(0.66)
Diluted	B10	(0.40)	(0.13)	(0.54)	(0.66)

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 2019.

JADI IMAGING HOLDINGS BERHAD (526319 - P)
CONDENSED CONSOLIDATED BALANCE SHEET
For The Second Quarter Ended 30 September 2019

(The figures have not been audited)

	Current Year Quarter 30 Sept 2019 RM'000	Audited Preceding Year 31 Mar 2019 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	56,306	59,256
Right of use assets	7,682	-
Investment property	87	88
Other investment	50	50
	<u>64,125</u>	<u>59,394</u>
CURRENT ASSETS		
Inventories	52,305	48,949
Trade receivables	9,525	8,932
Other receivables, prepayments and deposits	7,338	2,966
Derivative financial instruments	B7 -	-
Tax recoverable	-	4
Fixed deposits with licensed banks	5,786	536
Cash and bank balances	3,291	14,524
	<u>78,245</u>	<u>75,911</u>
TOTAL ASSETS	<u>142,370</u>	<u>135,305</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	106,126	94,185
Treasury shares	(22)	(22)
Revaluation reserve	14,247	14,247
Foreign exchange reserve	3,574	3,752
Retained profits	4,155	9,791
TOTAL EQUITY	<u>128,080</u>	<u>121,953</u>
NON-CURRENT LIABILITIES		
Lease liabilities	6,020	-
Long-term borrowings	B6 -	14
Deferred tax liabilities	657	760
	<u>6,677</u>	<u>774</u>
CURRENT LIABILITIES		
Trade payables	4,352	7,655
Other payables and accruals	1,478	4,891
Lease liabilities	1,753	-
Short-term borrowings	B6 30	32
	<u>7,613</u>	<u>12,578</u>
TOTAL LIABILITIES	<u>14,290</u>	<u>13,352</u>
TOTAL EQUITY AND LIABILITIES	<u>142,370</u>	<u>135,305</u>
Net assets per ordinary share (RM)	<u>0.12</u>	<u>0.13</u>

Note:

Net assets per share as at 30 September 2019 is arrived at based on the Group's Net Assets of RM128.08 million over the number of ordinary shares in issue (excluding treasury shares) of 1,035,870,452 shares of RM0.10 each. Net Assets per share as at 31 March 2019 was arrived at based on the Group's Net Assets of RM121.95 million over the number of ordinary shares in issue (excluding treasury shares) of 941,700,411 shares of RM0.10 each.

The unaudited condensed consolidated balance sheet should be read in conjunction with the Notes to the Interim Financial Report and the Group's audited financial statements for the financial year ended 31 March 2019.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Second Quarter Ended 30 September 2019

(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
6 months ended 30 September 2019								
At 1 April 2019								
As previously stated	94,185	(22)	-	14,247	3,752	-	9,791	121,953
MFRS 16 adoption (Note A1)	-	-	-	-	-	-	(51)	(51)
As restated	94,185	(22)	-	14,247	3,752	-	9,740	121,902
(Loss)/Profit for the financial year	-	-	-	-	-	-	(5,585)	(5,585)
Other comprehensive (loss)/income for the financial year:								
- foreign currency translation differences	-	-	-	-	(178)	-	-	(178)
Total comprehensive (loss)/income	-	-	-	-	(178)	-	(5,585)	(5,763)
Corporate exercise expenses	(254)	-	-	-	-	-	-	(254)
Private placement	12,195	-	-	-	-	-	-	12,195
At 30 September 2019	106,126	(22)	-	14,247	3,574	-	4,155	128,080
12 months ended 31 March 2019								
At 1 April 2018								
Profit for the financial year	-	-	-	-	-	-	458	458
Other comprehensive (loss)/income for the financial year:								
- foreign currency translation differences	-	-	-	-	(5,474)	-	-	(5,474)
Total comprehensive (loss)/income	-	-	-	-	(5,474)	-	458	(5,016)
Realisation of revaluation reserve	-	-	-	(12)	-	-	12	-
At 31 March 2019	94,185	(22)	-	14,247	3,752	-	9,791	121,953

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 2019.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

CONDENSED CONSOLIDATED CASHFLOW STATEMENT

For The Second Quarter Ended 30 September 2019

(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 2019 RM'000	30 Sept 2018 RM'000	30 Sept 2019 RM'000	30 Sept 2018 RM'000
CASHFLOWS (FOR)/FROM OPERATING ACTIVITIES					
(Loss)/Profit before taxation		(4,069)	(1,213)	(5,668)	(6,199)
Adjustments for:					
Depreciation		1,704	1,946	3,406	4,309
Loss/(Gain) on plant & equipment written off		-	-	-	2
Interest expense		242	42	247	78
Unrealised loss/(gain) on foreign exchange		612	(223)	101	418
Loss/(Gain) on disposal of property		-	-	-	19
Interest income		(7)	(9)	(18)	(20)
Operating (loss)/profit before working capital changes		(1,518)	543	(1,932)	(1,393)
Inventories		749	(5,526)	(3,356)	(2,931)
Receivables		(1,101)	(4,099)	(2,448)	(103)
Payables		(2,872)	3,931	(5,617)	2,513
Cash (for)/from operations		(4,742)	(5,151)	(13,353)	(1,914)
Interest paid		(8)	-	(12)	-
Tax refund		-	77	-	314
Net cash (for)/from operating activities		(4,750)	(5,074)	(13,365)	(1,600)
CASHFLOWS FROM/(FOR) INVESTING ACTIVITIES					
Interest received		7	9	18	20
Downpayment for expansion of manufacturing facilities		(3,716)	-	(3,716)	-
Net cash inflow from private placement		11,941	-	11,941	-
Net cash inflow from disposal of a subsidiary		-	19,722	-	19,722
Proceeds from disposal of plant & equipment		-	-	-	-
Purchase of property, plant and equipment		(453)	(127)	(463)	(226)
Net cash from/(for) investing activities		7,779	19,604	7,780	19,516
CASHFLOWS (FOR)/FROM FINANCING ACTIVITIES					
Net (repayment)/drawdown of trade finance		-	(1,294)	-	(1,322)
Interest paid		-	(45)	(1)	(78)
Net (repayment)/drawdown of hire purchase and lease liabilities		(230)	(9)	(226)	(17)
Net cash (for)/from financing activities		(230)	(1,348)	(227)	(1,417)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		2,799	13,182	(5,812)	16,499
EFFECTS OF CHANGES IN FOREIGN EXCHANGE		(50)	275	(171)	(664)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER		6,328	13,019	15,060	10,641
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	A15	9,077	26,475	9,077	26,475

Note:

This is prepared based on the consolidated results of the Group for the financial period ended 30 September 2019 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 2019.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Second Quarter Ended 30 September 2019

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 2019 and accompanying explanatory notes attached to this interim financial report.

(a) Standards issued and effective

The Group has adopted the following amended MFRS which are mandatory for annual financial periods beginning on or after 1 January 2018.

Description	Effective for annual periods beginning on or after
Annual improvements to MFRSs 2014 - 2016 cycle	
- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards	1 January 2018
- Amendments to MFRS 128, Investments 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 Contracts with Customers	1 January 2018
Clarifications to MFRS 15, Revenue from Contracts with Customers	1 January 2018
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

Adoption of the new and amended MFRSs and interpretation above will have no impact on the financial statements of the Group. The changes of accounting policies for the Group for the newly effective standards has been stated in Note 1(c).

(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 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 119, Employee Benefits: Plan Amendment, Curtailment or 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, Changes 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 MFRS 138, Intangible Assets	1 January 2020



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Second Quarter Ended 30 September 2019

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

A1 Basis of preparation (Cont'd)

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

Description	Effective for annual periods beginning on or after
MFRS 16, Leases	1 January 2019
MFRS 17, Insurance Contracts	1 January 2021
Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128 Investment in Associate and Joint Ventures: Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	Deferred
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 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.

(c) Explanation on change in accounting policy

MFRS 15 Revenue from Contracts with Customers

In the current financial year, the Group and the Company have adopted MFRS 15 Revenue from Contracts with Customers ("MFRS 15") effective for the annual financial period beginning on or after 1 January 2018. The date of initial application is as of the beginning of the MFRS reporting period in which the Company first applies MFRS 15, i.e. 1 January 2018.

The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is recognised when a customer obtains control of goods or services, i.e. when the customer has the ability to direct the use of (or prevent other entities from directing the use of), and obtain substantially all of the remaining benefits (or prevent other entities from obtaining the benefits) from the goods and services.

The Group and the Company elect to retrospectively apply MFRS 15 to contracts that are not complete at the date of initial application and recognise the cumulative effect of initially applying MFRS 15 as an adjustment to the opening balance of the retained earnings (or other component or equity, as appropriate) of the annual reporting period that includes the date at initial application.

MFRS 9 Financial Instruments

In the current financial year, the Group and the Company have adopted MFRS 9 Financial Instruments ("MFRS 9") effective for the annual financial period beginning on or after 1 January 2018. The date of initial application is as of the beginning of the MFRS reporting period in which the Company first applies MFRS 9, i.e. 1 January 2018.

- (i) Under adoption of MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments.

In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statements of financial position, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the statements of financial position.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Second Quarter Ended 30 September 2019**

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

A1 Basis of preparation (Cont'd)

(c) Explanation on change in accounting policy (Cont'd)

- (ii) New expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, this Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.

The adoption of the above MFRSs does not have any significant impact to the Group and the Company.

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.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Second Quarter Ended 30 September 2019

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

A1 Basis of preparation (Cont'd)

(c) Explanation on change in accounting policy (Cont'd)

The effect of adopting MFRS 16 to the Group as at 1 April 2019 was as follows:

Group	Increase/ (decrease)
Statement of financial position	RM'000
Fixed assets	
Right of use assets	8,291
Liabilities and Equity	
Deferred tax liabilities	(16)
Lease liabilities	8,358
Retained profits	(51)

A summary of the effect to statement of comprehensive income on Q2 2020 as follows:

	Q2 2020 (With MFRS16)	(A) Q2 2020 (Without MFRS16)	Impact of MFRS16	(B) Q2 2019 (Without MFRS16)	(A) - (B) Variance without MFRS16	
	RM'000	RM'000	RM'000	RM'000	RM'000	(%)
Revenue	15,998	15,998	-	10,535	5,463	51.9%
Cost of sales	(16,791)	(16,891)	(100)	(11,061)	(5,830)	52.7%
Gross profit/(loss)	(793)	(893)		(526)		
Other income	-	-	-	2,184	(2,184)	-100.0%
Selling and distribution expenses	(762)	(762)	-	(607)	(155)	25.5%
Administrative expenses	(1,670)	(2,389)	719	(2,534)	145	-5.7%
Other expenses	(602)	6	(608)	312	(306)	-98.1%
Finance costs	(242)	(8)	234	(42)	34	-81.0%
(Loss)/Profit before taxation	(4,069)	(4,046)	(23)	(1,213)	(2,833)	233.6%
Income tax expense	(29)	(29)	-	(14)	(15)	107.1%
(Loss)/Profit after taxation	(4,098)	(4,075)	(23)	(1,227)	(2,848)	232.1%
EBITDA	(2,123)	(2,336)	213	775	(3,111)	-401.4%

A2 Audit report of preceding annual financial statements

The preceding year annual audited financial statements for the financial year ended 31 March 2019 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 2019

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

A8 Segmental information

Current quarter 30 September 2019

	Manufacturing	Investment Holding	Elimination	Group
	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>				
Revenue from external customers	15,998	-	-	15,998
Interest income	-	-	-	-
	<u>15,998</u>	<u>-</u>	<u>-</u>	<u>15,998</u>

<u>Results</u>				
Segment results	(3,014)	184	(1,004)	(3,834)
Other unallocated corporate expenses				-
Interest expense				(242)
Interest income				7
Loss before taxation				(4,069)
Income tax expense				(29)
Loss after taxation				<u>(4,098)</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	8,430	7,062	506	-	-	15,998
Interest income	-	-	-	-	-	-
	<u>8,430</u>	<u>7,062</u>	<u>506</u>	<u>-</u>	<u>-</u>	<u>15,998</u>

<u>Results</u>						
Segment results	(2,541)	(98)	(191)	-	(1,004)	(3,834)
Other unallocated corporate expenses						-
Interest expense						(242)
Interest income						7
Loss before taxation						(4,069)
Income tax expense						(29)
Loss after taxation						<u>(4,098)</u>

	Manufacturing	Investment Holding	Elimination	Group
	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>				
Segment assets	190,816	116,744	(165,190)	142,370
Unallocated assets				-
Consolidated total assets				<u>142,370</u>
<u>Liabilities</u>				
Segment liabilities	159,625	149	(146,171)	13,603
Unallocated liabilities				687
Consolidated total liabilities				<u>14,290</u>



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Second Quarter Ended 30 September 2019

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

A8 Segmental information (Cont'd)

Current quarter 30 September 2018

	Manufacturing RM'000	Investment Holding RM'000	Elimination RM'000	Group 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				<u>9</u>
Loss before taxation				(1,213)
Income tax expense				<u>(14)</u>
Loss after taxation				<u>(1,227)</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	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						<u>9</u>
Loss before taxation						(1,213)
Income tax expense						<u>(14)</u>
Loss after taxation						<u>(1,227)</u>



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Second Quarter Ended 30 September 2019

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

A8 Segmental information (Cont'd)

Current year to date 30 September 2019

	Manufacturing	Investment Holding	Elimination	Group
	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>				
Revenue from external customers	29,364	-	-	29,364
Interest income	-	-	-	-
	<u>29,364</u>	<u>-</u>	<u>-</u>	<u>29,364</u>

<u>Results</u>				
Segment results	(4,345)	(523)	(571)	(5,439)
Other unallocated corporate expenses				-
Interest expense				(247)
Interest income				18
Loss before taxation				<u>(5,668)</u>
Income tax expense				83
Loss after taxation				<u>(5,585)</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	14,090	14,040	1,234	-	-	29,364
Interest income	-	-	-	-	-	-
	<u>14,090</u>	<u>14,040</u>	<u>1,234</u>	<u>-</u>	<u>-</u>	<u>29,364</u>

<u>Results</u>						
Segment results	(4,762)	304	(410)	-	(571)	(5,439)
Other unallocated corporate expenses						-
Interest expense						(247)
Interest income						18
Loss before taxation						<u>(5,668)</u>
Income tax expense						83
Loss after taxation						<u>(5,585)</u>



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Second Quarter Ended 30 September 2019

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

A8 Segmental information (Cont'd)

Current year to date 30 September 2018

	Manufacturing RM'000	Investment Holding RM'000	Elimination RM'000	Group 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				<u>20</u>
Loss before taxation				(6,199)
Income tax expense				<u>(21)</u>
Loss after taxation				<u>(6,220)</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	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						<u>20</u>
Loss before taxation						(6,199)
Income tax expense						<u>(21)</u>
Loss after taxation						<u>(6,220)</u>



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QUARTERLY REPORT ON CONSOLIDATED RESULTS
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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 2019.

A10 Material events subsequent to the end of the quarter

During the quarter under review, the Group has completed the Employees' Share Option Scheme ("ESOS") and Proposed Subscription by Static Control Holdings Limited ("SCC").

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 21 November 2019 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

A13 Capital commitments

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

	Current year To date 30 Sept 2019 RM'000
Approved and contracted for:	
Purchase of plant & equipment	12,500,500
	<u>12,500,500</u>

A14 Significant related party transactions

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

A15 Cash and cash equivalents

	As At 30 Sept 2019 RM'000
Cash and bank balances	3,291
Fixed deposits with licensed banks	5,786
	<u>9,077</u>



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QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Second Quarter Ended 30 September 2019

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 2019 RM'000	30 Sept 2018 RM'000	(%)	30 Sept 2019 RM'000	30 Sept 2018 RM'000	(%)
Revenue	15,998	10,535	52%	29,364	20,215	45%
Gross (loss)/profit	(793)	(526)	-51%	(620)	(2,446)	-75%
(Loss)/Profit before taxation	(4,069)	(1,213)	235%	(5,668)	(6,199)	-9%
(Loss)/Profit after taxation	(4,098)	(1,227)	234%	(5,585)	(6,220)	-10%

For the current quarter, the Group's revenue has increased by 52% mainly contributed by the increase in sales volume from China. Despite the increase in sales volume, the Group reported a loss before tax during the current quarter mainly due to competitive price for monochrome toner in China market and depreciation of RMB resulted in foreign exchange loss.

Segmental review for current quarter and financial year to date:

The performance of the business segments for the current quarter ended 30 September 2019 as compared to preceding quarter ended 30 September 2018 is as below:

- a) Manufacturing
Current quarter's gross loss is attributed by the competitive price for monochrome toner in China market and depreciation of RMB resulted in foreign exchange loss.
- b) Investment Holding
There were fixed deposits placed with financial institutions.

The performance of the geographical segments for the current quarter 30 September 2019 as compared to preceding quarter 30 September 2018 is as below:

- a) Malaysia
For the current quarter, the overall sales volume in the Malaysian operation has increased.
- b) China
Despite the increase in sales volume, the Group has reported a loss before tax during the current quarter mainly due to competitive price for monochrome toner in China market and depreciation of RMB resulted in foreign exchange loss.
- c) UK
The segmental result has recorded a loss before taxation due to decrease in sales volume.



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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:

	Current Quarter 30 Sept 2019 RM'000	Immediate Preceding Quarter 30 Jun 2019 RM'000	Changes (%)
Revenue	15,998	13,366	20%
Gross (loss)/profit	(793)	173	558%
(Loss)/Profit before taxation	(4,069)	(1,599)	-154%
(Loss)/Profit after taxation	<u>(4,098)</u>	<u>(1,487)</u>	-176%

Compared to preceding quarter ended 30 June 2019, the Group has recorded higher revenue in the current quarter under review with an increase of 20% in sales volume in China. Despite the increase in sales volume, the Group reported a loss before tax during the current quarter mainly due to competitive price for monochrome toner in China market and depreciation of RMB resulted in foreign exchange loss.

B3 Prospects

The Group anticipates the demand for bulk toners in China to continue to surpass the rest of the markets globally. This is very much contributed by the nature of the location of Zhuhai as the hub for the manufacturing of aftermarket compatible cartridges. With the recently announced completion of JADI's share subscription by Static Control Holdings Limited on 20th August 2019, the Group is poised to make further progress in the Chinese market.

To date, the sales revenue contributed by the Group's e-commerce business, Jaditoner remains small in comparison to its export sales. Jaditoner is on track to expand its product and service offerings to cater to a larger customer base. Notwithstanding, Jaditoner continues to explore collaboration opportunities with numerous partners to become the preferred office solution platform.

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 Sept 2019 RM'000	Current year To date 30 Sept 2019 RM'000
Income tax		
Current year	-	-
Under provision in prior years	1	4
Deferred tax expense		
Current year	-	-
Over provision in prior years	28	(87)
	<u>29</u>	<u>(83)</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.



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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 2019, the Group had total borrowings of approximately RM38k, details of which are set out below:

	30 Sept 2019 RM'000	31 Mar 2019 RM'000
Interest bearing borrowings:		
<i>Long term borrowings</i>		
Secured:		
Hire purchase	-	14
	-	14
<i>Short term borrowings</i>		
Secured:		
Hire purchase	30	32
	30	32

B7 Derivatives

As at 30 Sept 2019, 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 per share

	Current quarter 30 Sept 2019	Current year To date 30 Sept 2019
<i>(a) Basic earnings per share</i>		
(Loss)/Profit attributable to ordinary equity holders of the Company (RM'000)	(4,098)	(5,585)
Issued ordinary shares at 1 July 2019/1 April 2019 ('000)	941,700	941,700
Effect of bonus issue ('000)	-	-
Effect of distribution of treasury shares ('000)	-	-
Effect of employee share option scheme ('000)	-	-
Effect of private placement ('000)	94,170	94,170
Effect of warrant conversion ('000)	-	-
Weighted average number of ordinary shares in issue ('000)	1,035,870	1,035,870
Basic earnings per share (sen)	(0.40)	(0.54)
<i>(b) Diluted earnings per share</i>		
(Loss)/Profit attributable to ordinary equity holders of the Company (RM'000)	(4,098)	(5,585)
Weighted average number of ordinary shares for basic earnings per share ('000)	1,035,870	1,035,870
Weighted average number of ordinary shares in issue ('000)	1,035,870	1,035,870
Diluted earnings per share (sen)	(0.40)	(0.54)



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For The Second Quarter Ended 30 September 2019

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 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 2019 RM'000	As at 31 Mar 2019 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	5,447	13,008
- Unrealised	(758)	(327)
	<u>4,689</u>	<u>12,681</u>
Less: Consolidation adjustments	(535)	(2,890)
	<u>4,154</u>	<u>9,791</u>
Total group retained profits as per consolidated accounts		

B13 Profit before taxation

	Current quarter 30 Sept 2019 RM'000	Current year To date 30 Sept 2019 RM'000
Profit before taxation is arrived at after charging/(crediting):-		
Interest income	(7)	(18)
Other income	(894)	(597)
Interest expense	242	247
Depreciation and amortisation	1,704	3,406
Foreign exchange (gain)/loss	1,263	749

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
28 November 2019