



JADI IMAGING HOLDINGS BERHAD (526319 - P)

CONDENSED CONSOLIDATED INCOME STATEMENT

For The Second Quarter Ended 30 September 2020

(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 2020 RM'000	30 Sept 2019 RM'000	30 Sept 2020 RM'000	30 Sept 2019 RM'000
Revenue	A8	10,200	15,998	22,108	29,364
Cost of sales		(8,671)	(16,791)	(19,240)	(29,984)
Gross profit/(loss)		1,529	(793)	2,868	(620)
Other income		268	-	399	936
Selling and distribution expenses		(614)	(762)	(1,148)	(1,406)
Administrative expenses	A1	(1,168)	(1,670)	(2,226)	(3,089)
Other expenses	A1	(619)	(602)	(814)	(1,242)
Finance costs	A1	(377)	(242)	(746)	(247)
(Loss)/Profit before taxation		(981)	(4,069)	(1,667)	(5,668)
Income tax expense	B5	27	(29)	86	83
(Loss)/Profit after taxation		(954)	(4,098)	(1,581)	(5,585)
Other comprehensive (loss)/income:					
Exchange translation differences		(3)	(130)	11	(178)
Total comprehensive (loss)/income		(957)	(4,228)	(1,570)	(5,763)
(Loss)/Profit attributable to:					
Equity holders of the Company		(954)	(4,098)	(1,581)	(5,585)
Total comprehensive (loss)/income attributable to:					
Equity holders of the Company		(957)	(4,228)	(1,570)	(5,763)
(Loss)/Earnings per share (sen):					
Basic	B10	(0.09)	(0.40)	(0.15)	(0.55)
Diluted	B10	(0.09)	(0.40)	(0.15)	(0.55)

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 2020.

JADI IMAGING HOLDINGS BERHAD (526319 - P)
CONDENSED CONSOLIDATED BALANCE SHEET
For The Second Quarter Ended 30 September 2020

(The figures have not been audited)

	Current Year Quarter 30 Sept 2020 RM'000	Audited Preceding Year 31 Mar 2020 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	57,082	59,419
Right of use assets	1,787	2,583
Research & development capital	856	-
Investment property	85	86
Other investment	50	50
	<u>59,860</u>	<u>62,138</u>
CURRENT ASSETS		
Inventories	38,225	39,989
Trade receivables	8,599	7,812
Other receivables, prepayments and deposits	19,246	9,730
Tax recoverable	-	-
Fixed deposits with licensed banks	8,408	8,847
Cash and bank balances	10,972	9,695
	<u>85,450</u>	<u>76,073</u>
TOTAL ASSETS	<u>145,310</u>	<u>138,211</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	106,126	106,126
Treasury shares	(22)	(22)
Revaluation reserve	26,603	26,603
Foreign exchange reserve	3,600	3,589
Share option reserve	192	192
Retained profits	(24,969)	(23,388)
TOTAL EQUITY	<u>111,530</u>	<u>113,100</u>
NON-CURRENT LIABILITIES		
Lease liabilities	2,988	3,773
Long-term borrowings	B6 16,288	9,881
Deferred tax liabilities	2,038	2,124
	<u>21,314</u>	<u>15,778</u>
CURRENT LIABILITIES		
Trade payables	3,751	3,603
Other payables and accruals	4,964	2,556
Lease liabilities	1,552	1,551
Short-term borrowings	B6 2,199	1,623
	<u>12,466</u>	<u>9,333</u>
TOTAL LIABILITIES	<u>33,780</u>	<u>25,111</u>
TOTAL EQUITY AND LIABILITIES	<u>145,310</u>	<u>138,211</u>
Net assets per ordinary share (RM)	<u>0.11</u>	<u>0.12</u>

Note:

Net assets per share as at 30 September 2020 is arrived at based on the Group's Net Assets of RM111.53 million over the number of ordinary shares in issue (excluding treasury shares) of 1,035,870,451 shares of RM0.10 each. Net Assets per share as at 31 March 2020 was arrived at based on the Group's Net Assets of RM113.10 million over the number of ordinary shares in issue (excluding treasury shares) of 1,035,870,451 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 2020.

JADI IMAGING HOLDINGS BERHAD (526319 - P)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The Second Quarter Ended 30 September 2020

(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	(Accumulated losses) / Retained profits RM'000	Total RM'000
6 months ended 30 September 2020								
At 1 April 2020	106,126	(22)	-	26,603	3,589	192	(23,388)	113,100
(Loss)/Profit for the financial year	-	-	-	-	-	-	(1,581)	(1,581)
Other comprehensive (loss)/income for the financial year:								
- foreign currency translation differences	-	-	-	-	11	-	-	11
Total comprehensive (loss)/income	-	-	-	-	11	-	(1,581)	(1,570)
Corporate exercise expenses	-	-	-	-	-	-	-	-
Deferred tax on revaluation reserve	-	-	-	-	-	-	-	-
Revaluation of property	-	-	-	-	-	-	-	-
Private placement	-	-	-	-	-	-	-	-
Share options granted under ESOS	-	-	-	-	-	-	-	-
At 30 September 2020	106,126	(22)	-	26,603	3,600	192	(24,969)	111,530
12 months ended 31 March 2020								
At 1 April 2019								
As previously stated	94,185	(22)	-	14,247	3,752	-	9,791	121,953
MFRS 16 adoption (Note A1)	-	-	-	-	-	-	(306)	(306)
As restated	94,185	(22)	-	14,247	3,752	-	9,485	121,647
(Loss)/Profit for the financial year	-	-	-	-	-	-	(32,961)	(32,961)
Other comprehensive (loss)/income for the financial year:								
- foreign currency translation differences	-	-	-	-	(163)	-	-	(163)
Total comprehensive (loss)/income	-	-	-	-	(163)	-	(32,961)	(33,124)
Corporate exercise expenses	(254)	-	-	-	-	-	-	(254)
Realisation of revaluation reserve	-	-	-	(88)	-	-	88	-
Deferred tax on revaluation reserve	-	-	-	(1,405)	-	-	-	(1,405)
Revaluation of property	-	-	-	13,849	-	-	-	13,849
Private placement	12,195	-	-	-	-	-	-	12,195
Share options granted under ESOS	-	-	-	-	-	192	-	192
At 31 March 2020	106,126	(22)	-	26,603	3,589	192	(23,388)	113,100

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 2020.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

CONDENSED CONSOLIDATED CASHFLOW STATEMENT

For The Second Quarter Ended 30 September 2020

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current	Preceding	Current	Preceding
	Year	Year	Year	Year
Note	30 Sept 2020	30 Sept 2019	30 Sept 2020	30 Sept 2019
	RM'000	RM'000	RM'000	RM'000
CASHFLOWS FROM/(FOR) OPERATING ACTIVITIES				
(Loss)/Profit before taxation	(981)	(4,069)	(1,667)	(5,668)
Adjustments for:				
Depreciation on property, plant & equipment	1,250	1,704	2,455	3,406
Depreciation on right of use assets	494	-	796	-
Interest expense	366	242	735	247
Unrealised (gain)/loss on foreign exchange	-	612	(165)	101
(Gain)/Loss on disposal of plant & equipment	48	-	-	-
Interest income	(77)	(7)	(143)	(18)
Operating profit/(loss) before working capital changes	1,100	(1,518)	2,011	(1,932)
Inventories	(1,663)	749	1,764	(3,356)
Receivables	(554)	(1,101)	(304)	(2,448)
Payables	4,151	(2,872)	1,745	(5,617)
Cash from/(for) operations	3,034	(4,742)	5,216	(13,353)
Interest paid	-	(8)	-	(12)
Net cash from/(for) operating activities	3,034	(4,750)	5,216	(13,365)
CASHFLOWS (FOR)/FROM INVESTING ACTIVITIES				
Interest received	77	7	143	18
Downpayment for expansion of manufacturing facilities	(2,107)	(3,716)	(9,022)	(3,716)
Proceeds from disposal of plant & equipment	(48)	-	-	-
Purchase of property, plant and equipment	(102)	(453)	(114)	(463)
Research & development capital	(560)	-	(856)	-
Net cash (for)/from investing activities	(2,740)	7,779	(9,849)	7,780
CASHFLOWS FROM/(FOR) FINANCING ACTIVITIES				
Net drawdown/(repayment) of bills payable	542	-	542	-
Interest paid	(498)	-	(554)	(1)
Net (repayment)/drawdown of hire purchase and lease liabilities	(801)	(230)	(967)	(226)
Net drawdown/(repayment) of term loan	1,340	-	6,441	-
Net cash from/(for) financing activities	583	(230)	5,462	(227)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	877	2,799	829	(5,812)
EFFECTS OF CHANGES IN FOREIGN EXCHANGE	(8)	(50)	9	(171)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER	18,511	6,328	18,542	15,060
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	A15 19,380	9,077	19,380	9,077

Note:

This is prepared based on the consolidated results of the Group for the financial period ended 30 September 2020 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 2020.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Second Quarter Ended 30 September 2020

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 2020 and accompanying explanatory notes attached to this interim financial report.

These financial statements are presented in the Ringgit Malaysia (“RM”), which is the Group’s functional and presentation currency.

(a) Standards issued and effective

On 1 April 2019, the Group has also adopted the following amended MFRS which are mandatory for annual financial periods beginning on or after 1 January 2019.

Description

- MFRS 16 Leases
- Annual improvements to MFRSs 2015 - 2017 cycle
- Amendments to MFRS 3 Business Combinations
- Amendments to MFRS 11 Joint Arrangements
- Amendments to MFRS 112 Income Taxes
- Amendments to MFRS 123 Borrowing Costs
- Amendments to MFRS 119 Employee Benefits: Plan Amendment, Curtailment and Settlement
- Amendments to MFRS 9 Financial Instruments: Prepayment Features with Negative Compensation
- Amendments to MFRS 128 Investment in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures
- IC Interpretation 23 Uncertainty over Income Tax Treatments

Adoption of the above accounting standards, amendments and interpretation did not have any material impact on the financial performance and position of the Group and the Company except for changes in accounting policies as disclosed in Note A1(c).

(b) Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
• Amendments to References to the Conceptual Framework in MFRS Standards	
- 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 to MFRS 138 Intangible Assets	1 January 2020
- 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
- Amendments to MFRS 3 Business Combinations: Definition of Business	1 January 2020
- Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material	1 January 2020



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Second Quarter Ended 30 September 2020

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
• Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement and MFRS 7 Financial Instruments: Disclosures: Interest Rate Benchmark Reform	1 January 2020
• Amendment to MFRS 16 Leases: Covid-19-Related Rent Concessions	1 June 2020
• Amendments to MFRS 101 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2022
• Annual improvements to MFRSs 2018 - 2020 cycle	
- Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022
- Amendments to MFRS 9 Financial Instruments	1 January 2022
- Amendments to MFRS 16 Leases	1 January 2022
- Amendments to MFRS 141 Agriculture	1 January 2022
• Amendments to MFRS 3 Business Combinations: Reference to the Conceptual Framework	1 January 2022
• Amendments to MFRS 116 Property, Plant and Equipment: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
• Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
• Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investment in Associates and Joint Ventures: Sales and Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
• MFRS 17 Insurance Contract	1 January 2021

The initial application of the abovementioned accounting standards, amendments or interpretations are not expected to have any material impacts to the financial statement of the Group.

(c) Explanation on change in accounting policy

MFRS 16 Leases

In the current financial year, the Group has adopted MFRS 16 Leases (“MFRS 16”) effective for the annual financial period beginning on or after 1 January 2019. The Group has elected not to restate comparatives for the financial year ended 31 March 2019 and recognise the cumulative effect of initial applying MFRS 16 as an adjustment to the opening balance of retained earnings.

The Group has also elected not to reassess whether a contract is, or contains, a lease at 1 April 2019 (date of initial application). Instead, the Group relied on their assessment made applying MFRS 117 Leases (“MFRS 117”) and IC Interpretation 4 Determining whether an Arrangement contains a Lease for contracts entered into (or changed) before the date of initial application.

As a lessee

At the date of initial application, for leases previously classified as an operating lease applying MFRS 117, lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group’s incremental borrowing rate at the date of initial application.

On 1 January 2019, the weighted average incremental borrowing rate of the Group applied to the lease liabilities is 6.90%.

The right-of-use assets are measured at either their carrying amount as if MFRS 16 has been applied since the commencement date, but discounted using the lessee’s incremental borrowing rate at the date of initial application.

The following practical expedients have been applied to leases previously classified as operating leases applying MFRS 117:

- applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relied on previous assessment on whether leases are onerous as an alternative to perform impairment review – there were no onerous contracts as at 1 April 2019;
- accounted for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases;
- excluded initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Second Quarter Ended 30 September 2020

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

A1 Basis of preparation (Cont'd)

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

For leases previously classified as finance leases applying MFRS 117, the carrying amount of the right-of-use assets and the lease liabilities as at 1 April 2019 are determined to be the same as the carrying amount of the lease assets and lease liabilities under MFRS 117.

As a lessor

Group entities reassessed the classification of subleases that previously classified as operating leases applying MFRS 117 and concluded that the subleases are finance leases under MFRS 16. The subleases are accounted as new finance leases entered into at the date of initial application.

A2 Audit report of preceding annual financial statements

The preceding year annual audited financial statements for the financial year ended 31 March 2020 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 2020

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

A8 Segmental information

Current quarter 30 September 2020

	Manufacturing	Investment Holding	Elimination	Group		
	RM'000	RM'000	RM'000	RM'000		
<u>Revenue</u>						
Revenue from external customers	10,200	-	-	10,200		
Interest income	-	-	-	-		
	<u>10,200</u>	<u>-</u>	<u>-</u>	<u>10,200</u>		
<u>Results</u>						
Segment results	(566)	(72)	(43)	(681)		
Other unallocated corporate expenses				-		
Interest expense				(377)		
Interest income				<u>77</u>		
Loss before taxation				(981)		
Income tax expense				<u>27</u>		
Loss after taxation				<u>(954)</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	3,564	6,636	-	-	-	10,200
Interest income	-	-	-	-	-	-
	<u>3,564</u>	<u>6,636</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,200</u>
<u>Results</u>						
Segment results	(551)	(87)	-	-	(43)	(681)
Other unallocated corporate expenses						-
Interest expense						(377)
Interest income						<u>77</u>
Loss before taxation						(981)
Income tax expense						<u>27</u>
Loss after taxation						<u>(954)</u>
	Manufacturing	Investment Holding	Elimination			
	RM'000	RM'000	RM'000	Group		
<u>Assets</u>						
Segment assets	175,878	117,420	(147,988)	145,310		
Unallocated assets				-		
Consolidated total assets				<u>145,310</u>		
<u>Liabilities</u>						
Segment liabilities	139,113	64	(125,922)	13,255		
Unallocated liabilities				<u>20,525</u>		
Consolidated total liabilities				<u>33,780</u>		



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Second Quarter Ended 30 September 2020

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

A8 Segmental information (Cont'd)

Current quarter 30 September 2019

	Manufacturing RM'000	Investment Holding RM'000	Elimination RM'000	Group 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				<u>7</u>		
Loss before taxation				(4,069)		
Income tax expense				<u>(29)</u>		
Loss after taxation				<u>(4,098)</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	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						<u>7</u>
Loss before taxation						(4,069)
Income tax expense						<u>(29)</u>
Loss after taxation						<u>(4,098)</u>



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Second Quarter Ended 30 September 2020

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

A8 Segmental information (Cont'd)

Current year to date 30 September 2020

	Manufacturing	Investment Holding	Elimination	Group
	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>				
Revenue from external customers	22,108	-	-	22,108
Interest income	-	-	-	-
	<u>22,108</u>	<u>-</u>	<u>-</u>	<u>22,108</u>

<u>Results</u>				
Segment results	(1,073)	(195)	204	(1,064)
Other unallocated corporate expenses				-
Interest expense				(746)
Interest income				143
Loss before taxation				<u>(1,667)</u>
Income tax expense				86
Loss after taxation				<u>(1,581)</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	8,425	13,683	-	-	-	22,108
Interest income	-	-	-	-	-	-
	<u>8,425</u>	<u>13,683</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,108</u>

<u>Results</u>						
Segment results	(1,071)	(197)	-	-	204	(1,064)
Other unallocated corporate expenses						-
Interest expense						(746)
Interest income						143
Loss before taxation						<u>(1,667)</u>
Income tax expense						86
Loss after taxation						<u>(1,581)</u>



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Second Quarter Ended 30 September 2020

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

A8 Segmental information (Cont'd)

Current year to date 30 September 2019

	Manufacturing RM'000	Investment Holding RM'000	Elimination RM'000	Group 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				<u>18</u>
Loss before taxation				(5,668)
Income tax expense				<u>83</u>
Loss after taxation				<u>(5,585)</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	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						<u>18</u>
Loss before taxation						(5,668)
Income tax expense						<u>83</u>
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 2020

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 2020.

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 12 November 2020 (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 2020 RM'000
Approved and contracted for:	
Purchase of plant & equipment	3,857,722
	<u>3,857,722</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 2020 RM'000
Cash and bank balances	10,972
Fixed deposits with licensed banks	8,408
	<u>19,380</u>



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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 2020 RM'000	30 Sept 2019 RM'000	(%)	30 Sept 2020 RM'000	30 Sept 2019 RM'000	(%)
Revenue	10,200	15,998	-36%	22,108	29,364	-25%
Gross profit/(loss)	1,529	(793)	293%	2,868	(620)	-563%
(Loss)/Profit before taxation	(981)	(4,069)	-76%	(1,667)	(5,668)	-71%
(Loss)/Profit after taxation	(954)	(4,098)	-77%	(1,581)	(5,585)	-72%

For the current quarter, the Group's revenue has decreased by 36% mainly attributed to COVID-19 pandemic which has put many countries under unprecedented lockdown including Malaysia.

Segmental review for current quarter and financial year to date:

The performance of the business segments for the current quarter ended 30 September 2020 as compared to preceding quarter ended 30 September 2019 is as below:

- a) Manufacturing
Despite lower sales impacted by COVID-19 pandemic, operation overhead in UK has been trimmed therefore resulted in lower loss before taxation.
- b) Investment Holding
There were fixed deposits placed with financial institutions.

The performance of the geographical segments for the current quarter 30 September 2020 as compared to preceding quarter 30 September 2019 is as below:

- a) Malaysia
For the current quarter, the overall decrease sales volume in the Malaysian operation mainly coming from international market, impacted by COVID-19 pandemic which has put many countries under unprecedented lockdown including Malaysia.
- b) China
There has been a slight decrease in the sales volume contributed by slower global economic impacted by COVID-19 pandemic which has put many countries under unprecedented lockdown.
- c) UK
The Group has ceased its UK operation as part of the Group's restructuring to maximise cost efficiency.



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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 2020 RM'000	Immediate Preceding Quarter 30 Jun 2020 RM'000	Changes (%)
Revenue	10,200	11,908	-14%
Gross profit/(loss)	1,529	1,339	-14%
(Loss)/Profit before taxation	(981)	(686)	-43%
(Loss)/Profit after taxation	<u>(954)</u>	<u>(627)</u>	-52%

Compared to preceding quarter ended 30 June 2020, the Group has recorded lower revenue in the current quarter under review with a decrease of 14%. The Group has reported a slight higher loss before tax in the current quarter partly due to the depreciation of USD.

B3 Prospects

Global economic prospects for year 2020 are negatively impacted by COVID-19 pandemic with most business environments are adversely affected by lockdowns in several parts of the world and in Malaysia, the unprecedented movement control order imposed by the government to contain the pandemic. Additionally, China government has eased the lockdown since April and business operations are gradually normalised.

The Group anticipates the demand for bulk toners in China to continue to surpass the rest of the markets globally. The chemical toner production plant is completing in the 2nd half of 2020, which is expected to position the Group with favourable prospects in the toner manufacturing industry globally. 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 2020 RM'000	Current year To date 30 Sept 2020 RM'000
Income tax		
Current year	-	-
Under provision in prior years	-	-
Deferred tax expense		
Current year	(27)	(86)
(Over)/Under provision in prior years	-	-
	<u>(27)</u>	<u>(86)</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 2020, the Group had total borrowings of approximately RM18.48mil, details of which are set out below:

	30 Sept 2020 RM'000	31 Mar 2020 RM'000
Interest bearing borrowings:		
<i>Long term borrowings</i>		
Secured:		
Term loan	16,288	9,881
	<hr/> 16,288	<hr/> 9,881
<i>Short term borrowings</i>		
Secured:		
Term loan	1,657	1,623
Bills payable (in RM)	542	-
	<hr/> 2,199	<hr/> 1,623
Total	<hr/> <hr/> 18,487	<hr/> <hr/> 11,504

B7 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.

B8 Dividends

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

B9 Earnings per share

	Current quarter 30 Sept 2020	Current year To date 30 Sept 2020
<i>(a) Basic earnings per share</i>		
(Loss)/Profit attributable to ordinary equity holders of the Company (RM'000)	(954)	(1,581)
Issued ordinary shares at 1 July 2020 / 1 April 2020 ('000)	1,035,870	1,035,870
Effect of bonus issue ('000)	-	-
Effect of distribution of treasury shares ('000)	-	-
Effect of employee share option scheme ('000)	-	-
Effect of private placement ('000)	-	-
Effect of warrant conversion ('000)	-	-
Weighted average number of ordinary shares in issue ('000)	<hr/> 1,035,870	<hr/> 1,035,870
Basic earnings per share (sen)	<hr/> <hr/> (0.09)	<hr/> <hr/> (0.15)



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

B9 Earnings per share (Cont'd)

	Current quarter 30 Sept 2020	Current year To date 30 Sept 2020
<i>(b) Diluted earnings per share</i>		
(Loss)/Profit attributable to ordinary equity holders of the Company (RM'000)	(954)	(1,581)
Weighted average number of ordinary shares for basic earnings per share ('000)	1,035,870	1,035,870
Effect of dilution under employee share option scheme ('000)	9,342	9,342
Effect of dilution under private placement ('000)	-	-
Effect of dilution under warrant conversion ('000)	-	-
Weighted average number of ordinary shares in issue ('000)	<u>1,045,212</u>	<u>1,045,212</u>
Diluted earnings per share (sen)	<u>(0.09)</u>	<u>(0.15)</u>

B10 Status of corporate proposals

There were no pending corporate proposals.

B11 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 2020 RM'000	As at 31 Mar 2020 RM'000
Total (accumulated losses) / retained profits of the Company and its subsidiaries:		
- Realised	(23,057)	(22,320)
- Unrealised	<u>(2,203)</u>	<u>(1,959)</u>
	(25,260)	(24,279)
Less: Consolidation adjustments	<u>291</u>	<u>891</u>
Total group (accumulated losses) / retained profits as per consolidated accounts	<u>(24,969)</u>	<u>(23,388)</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
(Cont'd)

B12 Profit before taxation

	Current quarter	Current year
	30 Sept 2020	To date
	RM'000	30 Sept 2020
		RM'000
Profit before taxation is arrived at after charging/(crediting):-		
Interest income	(77)	(143)
Other income	-	(208)
Interest expense	366	735
Depreciation and amortisation	1,250	2,455
Foreign exchange (gain)/loss	-	(502)

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. Exceptional items

B13 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
19 November 2020