



Jadi Imaging Holdings Berhad

(526319-P)

(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED DURING THE FIFTEENTH ANNUAL GENERAL MEETING OF THE COMPANY HELD AT MAUNA LANI A ROOM, HOLIDAY INN GLENMARIE KUALA LUMPUR, 1 JALAN USAHAWAN U1/8, SEKSYEN U1, 40250 SHAH ALAM, SELANGOR DARUL EHSAN, ON FRIDAY, 25 AUGUST 2017 AT 10.00AM (“16TH AGM”)

Mr. Liew Kim Siong (“the Chairman”) chaired the 16th AGM of the Company. The meeting was called to order at 10.00am after confirmation by the Secretary of the requisite quorum being present pursuant to Article 79 of the Company’s Constitution.

All ordinary and special resolutions that were tabled at the 16th AGM of the Company on 25 August 2017 were duly passed by the shareholders through poll voting, including the re-election and appointment of Directors, as well as the re-appointment of Auditors of the Company as set out in the Notice of the 16th AGM. The shareholders also received the Audited Financial Statements of the Company and of the Group, along with the Reports of Directors and Auditors for the financial year ended 31 March 2017.

The result of the poll, which was announced by the Scrutineer, is as follows:

		Vote For		Vote Against		Total Votes	
		No. of Shares	%	No. of Shares	%	No. of Shares	%
Ordinary Business							
Ordinary Resolution 1	Re-election of Mr Liew Kim Siong as Director pursuant to Article 123 of the Company’s Constitution	312,256,627	100.000	0	0.000	312,256,627	100.000
Ordinary Resolution 2	Re-election of Ms Eu Lan Eng as Director pursuant to Article 123 of the Company’s Constitution	312,202,638	99.983	53,989	0.017	312,256,627	100.000
Ordinary Resolution 3	Re-election of Mr Liew Kit as Director pursuant to Article 128 of the Company’s Constitution	309,933,137	99.256	2,323,490	0.744	312,256,627	100.000
Ordinary Resolution 4	Election of Ms Liew Hock Yee as Director pursuant to Article 128 of the Company’s Constitution	309,732,544	99.192	2,524,083	0.808	312,256,627	100.000
Ordinary Resolution 5	Payment of Directors’ fees of RM310,000.00 for the financial year ended 31 March 2017	310,112,728	99.313	2,143,899	0.687	312,256,627	100.000
Ordinary Resolution 6	Payment of Directors’ fees of RM340,000.00 for the financial year ending 31 March 2018	310,080,935	99.303	2,175,692	0.697	312,256,627	100.000

Special Business							
Ordinary Resolution 7	Payment of Directors' benefits of RM24,000.00 for the period from 1 April 2017 until the next Annual General Meeting	310,866,627	99.555	1,390,000	0.445	312,256,627	100.000
Ordinary Resolution 8	Re-appointment of Messrs PKF as Auditors of the Company and to authorize the Directors to fix their remuneration	312,256,627	100.000	0	0.000	312,256,627	100.000
Ordinary Resolution 9	Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016	312,254,834	99.999	1,793	0.001	312,256,627	100.000
Ordinary Resolution 10	Proposed Renewal of Share Buy-Back Authority	312,254,834	99.999	1,793	0.001	312,256,627	100.000

The shareholders raised questions during the 16th AGM, which were duly answered and clarified by the Chairman. The salient questions raised by the shareholders are as follows:

Q1 Kindly provide an explanation for the increase in administrative expenses and other expenses.

A1 The increase in administrative expenses was mainly due to higher administrative expenses of Jadi Imaging Solutions (UK) Limited, which was calculated in Pound Sterling.

The increase in other expenses was attributed to the impairment of plant and machinery.

Q2 What is the return on investment for the investment in Chemically-Produced Toner ("CPT")?

A2 In order to enhance the CPT investment, the Company had on 21 August 2017 initiated the collaboration with Universiti Teknologi Mara (UiTM) to explore new grounds in the chemical manufacturing segment for diversification into the chemical sector.

Q3.1 How much profit is expected from the proposed sales of property entered into between Jadi Imaging Technologies Sdn. Bhd. and Tropical Fairyland Sdn. Bhd. ("Proposed Sales")?

A3.1 The estimated realised profits from the Proposed Sales based on the Net Book Value of the property is approximately RM7 million.

Q3.2 How will the Company utilise the proceeds arising from the Proposed Sales?

A3.2 The proceeds will be utilised as working capital for the Company's current strategy to diversify into downstream business segments and chemical-related industries.

Q3.3 What are the other properties owned by the Company?

A3.3 The Company owns several properties in Malaysia and China. Please refer to the list of properties stated in the Company's Annual Report 2017.

Q3.4 Does the Company plan to distribute dividend to the shareholders?

A3.4 The Board of Directors of the Company would look into the matter of distribution of dividend.

Q4 Is the capacity of the Company's factory fully utilised?

A4 The Company has utilised less than 50% of the factory's capacity. Currently, the factory in Glenmarie serves as a research and development centre while the factory in Klang acts as a chemical toner factory and laboratory to conduct chemical experiments.

Q5 Referring to page 84 of the Annual Report, please provide further explanation on which of the property, plant and equipment ("PPE") have been reclassified as investment properties.

Further, please provide the method of impairment for the plant and equipment and inventory of the Company.

A5 The PPE that were reclassified into investment properties refer to the Company's property at Suzhou, China, as a majority of the property have been rented out.

The impairment on the plant and equipment is based on the estimated recoverable values and values in use in relation to the Company's projection on the use of the plant and equipment.

The valuation of inventories is based on the estimated net realisable value in accordance with their ageing. As most of the Company's inventories are in the form of chemical, which is reusable, the amount of inventories written down is sufficient.

Q6 What are the Company's future prospects?

A6 The hardcopy printing business is declining, with the most optimistic future growth rate in the forthcoming years to be approximately 1%. In addition, there is an over-supply of toner in the industry.

Hence, the Company has implemented a diversification strategy to downstream in the distribution of its monochrome and colour bulk toners and finished toner cartridges to its customers through various e-commerce platforms.

To compete with China, the Company is streamlining its research and development activities to enhance its product quality and price competitiveness. The Company also plans to fully automate its production line to improve productivity and efficiency.

Q7 What is the Company's future outlook?

A7 With the transformation exercises implemented since 2016, the Company is optimistic with seeing favourable results in the long term.

Q8 Will the Company venture into the Original Equipment Manufacturer business segment to seize business opportunities to co-operate with branded imaging companies?

A8 Most of the branded imaging companies have their own toner production and they are reluctant to share their technology.

Q9 Please advise whether the Company will be able to generate profit for the financial year ending 31 March 2018.

A9 The Board of Directors of the Company is implementing strategies to achieve profit for the financial year ended 31 March 2018, as a large portion of the loss (i.e. RM11 million) was due to the impairment of fixed assets and depreciation.

Q10 Please provide the reason for Ms Eu Lan Eng's absence from the Annual General Meeting.

A10 Ms Eu Lan Eng is currently at overseas to manage the Company's overseas business operations.

Q11 Please explain why there is no requirement to have proposers and seconders to propose and second the motions.

A11 Please be informed that in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MLR”), all the resolutions set out in the notice of the meeting will be voted by poll.

Furthermore, please be informed that the Companies Act 2016 and MLR are silent on the requirement of proposer and seconder for a motion.

Q12 The Company seems to have too many Board members and this increases the Company’s expenses. Based on the young age of Mr Liew Kit and Ms Liew Hock Yee, how can they contribute to the Company?

A12 Following the resignation of the Executive Director/Assistant General Manager, namely Liew Choon, on 26 February 2017, the appointment of Mr Liew Kit and Ms Liew Hock Yee to the Board was part of the Company’s succession planning.

Additionally, the diversification in the Board through age and gender can lead to better decision making.

There being no further business, the 16th AGM of the Company was concluded, and the Chairman thanked all present for their attendance. The meeting ended at 12.10pm with a vote of thanks to the Chair.