



MINORITY SHAREHOLDERS WATCH GROUP
Shareholder Activism and Protection of Minority Interest

5 September 2022

BY EMAIL

The Board of Directors
JADI IMAGING HOLDINGS BERHAD
No. 1, Jalan Peguam U1/25A
Seksyen U1
Hicom-Glenmarie Industrial Park
40150 Shah Alam
Selangor

Attention: Mr Tan Kok Siong
Company Secretary

Dear Directors,

**Re: 21st Annual General Meeting (“AGM”) of Jadi Imaging Holdings Berhad (“JADI”
or the “Company”) to be held on Wednesday, 21 September 2022**

In the interest of minority shareholders and all other stakeholders of the Company, we would like to raise the following questions: -

Operational & Financial Matters

1. For FY2022, the Group's revenue declined 4.5% to RM43.1 million. This was partly due to the lower sales in China, which was impacted by the international logistics jams, the global chip shortages and lockdown in China which slowed down the demand of compatible cartridges. (page 4 of Annual Report (AR) 2022)
 - (a) How much was the revenue contribution by China in FY2022 vs FY2021?
 - (b) What is the outlook for the China market over the next 12 months?
 - (c) Besides China, which are your top export markets? What are your plans for these markets?
 - (d) Which countries would be your focus going forward and why?

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

Incorporated in Malaysia Registration No: 200001022382 (524989-M)

LEVEL 23, UNIT 23-2, MENARA AIA SENTRAL

No. 30, JALAN SULTAN ISMAIL

50250 KUALA LUMPUR

TEL: (603) 27320010

E-mail: mwatch@mswg.org.my Website: www.mswg.org.my

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2. The Group recorded a loss before taxation (LBT) of RM7.89 million in FY2022 as compared to a LBT of RM1.7 million in FY2021. In FY2022, the Group registered total inventories written-off of RM5.6 million as compared to RM1.4 million in FY2021. (page 4 of AR 2022)

What were the reasons for the significantly higher inventories being written off in FY2022?

3. Moving forward, the Group will continue to develop its market share particularly in the high value product segment by capitalising on its technological know-how as well as expanded production capacity in Chemically Produced Toner (CPT). The Group will strive to expand the sales of its e-commerce business by introducing more specially curated high-quality products. (page 5 of AR 2022)

- (a) Please explain more on the high value product segment. How much was the revenue contribution from this segment in FY2022?
- (b) How much was the increase in the CPT production capacity? What is the total capex for this capacity expansion?
- (c) What is the current production capacity and utilisation rate for CPT? What is the potential annual revenue and operating profit at optimal capacity?
- (d) How much was the contribution of e-commerce business to your revenue in FY2022? What is the potential revenue contribution over the long term?

Corporate Governance Matters

4. The Group's Executive Director (ED), Mr. Ong Gim Hai is also an Executive Director of Key Alliance Group Berhad (KAG).

Please explain how Mr. Ong manages his time commitment to the Company vis-à-vis his position as an ED of KAG given that both are executive positions that require full time commitment.

Please present the questions raised herein, and the related answers, to the shareholders present at the forthcoming AGM. At the same time, we await a written reply as soon as possible for our records.

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Thank you.

Yours sincerely



Devanesan Evanson
Chief Executive Officer

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