

JADI IMAGING HOLDINGS BERHAD
[Registration No. 200001023711 (526319-P)]
(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED DURING THE TWENTY-SECOND (“22ND”) ANNUAL GENERAL MEETING OF JADI IMAGING HOLDINGS BERHAD CONDUCTED ON A VIRTUAL BASIS THROUGH LIVE STREAMING FROM THE BROADCAST VENUE AT LOT 4.1, 4TH FLOOR, MENARA LIEN HOE, NO. 8, PERSIARAN TROPICANA, TROPICANA GOLF & COUNTRY RESORT, 47410 PETALING JAYA, SELANGOR DARUL EHSAN ON THURSDAY, 21 SEPTEMBER 2023 AT 2:30 P.M.

The Chairman commenced the meeting upon confirming with the Secretary that a quorum was present. The Chairman informed all present that in accordance to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of general meeting shall be voted by poll electronically. Workshire Share Registration Sdn. Bhd. has been appointed as the polling administrator and SharePolls Sdn. Bhd. has been appointed as the independent scrutineer (“Scrutineer”) for the polling process. The polling administrator showed a presentation on how to vote.

The Chairman informed all present that the Company has received a letter dated 8 September 2023 from Minority Shareholders Watch Group (“MSWG”) wherein MSWG sought clarification on certain matters and the Company has replied to MSWG accordingly. The Chairman, presented the questions posted by MSWG and the Company’s response to the queries from MSWG. The said questions from MSWG and the Company’s response as set out below were also displayed on screen for ease of reading by the shareholders.

Operational & Financial Matters

1. For FY2023, the Group’s revenue declined 24% to RM32.8 million. The sharp fall in sales was underpinned by the lower demand from China. Meanwhile, the Group recorded a higher loss before tax of RM11.1 million compared to RM7.9 million in FY2022. This was due to higher operating costs from the increase in minimum wage and energy costs. (page 4 of Annual Report (AR) 2023)

(a) Despite a significant decline in revenue, the Group’s gross profit margin (GPM) improved from 2.2% in FY2022 to 10.2% in FY2023. What was the reason for the higher GPM?

The improved gross profit margin primarily results from the sale of high profit margin products typically averaging between 8% and 12%. Additionally, management is constantly working to improve efficiency.

(b) Does the Group expect a rebound in sales from China market in FY2024? What is the outlook for FY2024?

China will remain an important market. We do expect some improvement in FY2024.

However, China will remain extremely challenging in the near foreseeable future due to the following factors :

- Ongoing price competition against a backdrop of slower global demand for commodity black toners.
- Increasing raw material costs.
- Rising business operating expenses.

- (c) **How much was the additional labour cost that the Group incurred in FY2023 from the increase in minimum wage? How much was the increase in energy costs?**

Labour cost

- on an average increased by RM280k per annum [3%]

Energy Cost

- on an average increased by RM520k per annum [6%]

- (a) **What is the budgeted capex for FY2024?**

RM 2 Million.

2. **JADI's financial performance has been lackluster since FY2017 with declining revenue and continuous losses. The company is also very dependent on China. Does the Group have any plans to diversify into other markets to reduce its concentration risk? What are your strategies to turn around the company?**

The group consistently monitors opportunities for diversification into different markets. Despite the challenges, the group will maintain a highly cautious approach to plan and manage its operations, ensuring the sustainability of all its businesses.

Here are some of the key ongoing measures that will continue to be implemented:

- Enhance the differentiation of the company's color toner product offerings by leveraging our expertise and technology in conventional toner and chemical toner emulsion aggregation. This involves developing higher-margin and higher-value color toner products.
- Seek out more cost effective alternative materials to reduce the cost of toner formulations, all while upholding our commitment to uncompromising product quality.
- Implement lean management practices across the manufacturing facilities to continually enhance productivity, quality, capacity and cost-efficiency.
- Strive for a leadership position in product development by reducing time to market and enhancing our product development capabilities.

Corporate Governance Matters

3. **JADI has been without a Chairman since the resignation of Mr. Liew Kim Siong on Jan 3, 2022. Practice 1.2 of the Malaysian Code on Corporate Governance stipulates that the Chairman of the board plays a critical role in instilling good corporate governance practices, leadership, and effectiveness of the Board.**

What specific actions has the Board taken or intends to take to appoint a Chairman, and within what reasonable timeframe does the Board aim to accomplish this objective?

The board is actively searching for a suitable chairman.

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The Chairman then tabled the item on the agenda as set out in the notice of the Twenty-Second ("22nd") Annual General Meeting ("AGM").

Chairman addressed a question posed by a member during the meeting.

Q1. Does the Company provide door gift?

A1. The Chairman replied that the below door gifts to be given to all shareholders who attended the 22nd AGM:-

- (i) 1 box of Medicurve 3-ply face mask 50 pcs
- (ii) 1 piece of XOX prepaid Sim card
- (iii) Product vouchers worth RM80 from online Shopee store (M. gadget).

Q2. May I ask how you will strengthen the company in the future and where you will go?

A2. The Chairman informed that this question was similar to question 2 from the MSWG.

Q3. May I have a hardcopy annual report?

A3. The Chairman has requested that the shareholder to fill in the request form for annual report 2023 for the hardcopy of the annual report.

There being no other question relating to the item on the agenda for the Meeting, the Meeting proceeded to voting by poll on the resolutions on the agenda. The resolutions were duly passed by the shareholders as verified by SharePolls Sdn. Bhd., the independent scrutineer appointed by the Company. The poll results of the 22nd AGM are attached for reference. There being no further matters to discuss, the Meeting concluded at 3.15 p.m.

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Resolutions	Vote For			Vote Against			Results
	No. of shareholders	No. of shares	Percentage (%)	No. of shareholders	No. of shares	Percentage (%)	
<u>Ordinary Resolution 1</u> To approve the payment of Directors' fees of RM408,000.00 for the period from the 22 nd Annual General Meeting until the next Annual General Meeting of the Company.	26	425,694,504	99.9964	18	15,458	0.0036	Carried
<u>Ordinary Resolution 2</u> To approve the payment of Directors Benefits up to an amount of RM30,000.00 for the period from the 22 nd Annual General Meeting until the next Annual General Meeting of the Company.	27	425,699,504	99.9975	17	10,458	0.0025	Carried
<u>Ordinary Resolution 3</u> To re-elect Mr. Ling Chi Hoong retiring under Clause 76 of the Company's Constitution as Director of the Company.	38	425,703,558	99.9985	6	6,404	0.0015	Carried
<u>Ordinary Resolution 4</u> To re-appoint Messrs HLB Ler Lum Chew PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	39	425,703,658	99.9985	5	6,304	0.0015	Carried
<u>Ordinary Resolution 5</u> To empower the Directors to issue and allot up to 10% of the total number of issued shares of the Company.	36	425,702,859	99.9983	8	7,103	0.0017	Carried
<u>Ordinary Resolution 6</u> Proposed Renewal of Shareholders' Mandate for the Authority to the Company to Purchase Its Own Shares up to Ten Per Centum (10%) of the Total Number of Issued Shares	38	425,703,459	99.9985	6	6,503	0.0015	Carried