



JADI IMAGING HOLDINGS BERHAD (526319 - P)

CONDENSED CONSOLIDATED INCOME STATEMENT

For The Fourth Quarter Ended 31 December 2010

(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
		31 Dec 2010 RM'000	31 Dec 2009 RM'000	31 Dec 2010 RM'000	31 Dec 2009 RM'000
Revenue	A8	19,532	25,308	94,741	85,889
Cost of sales		(14,255)	(18,516)	(67,120)	(61,659)
Gross profit		5,277	6,792	27,621	24,230
Other income		43	120	641	168
Selling and distribution expenses		(1,112)	(961)	(3,978)	(3,026)
Administrative expenses		(1,123)	(1,858)	(5,771)	(6,528)
Other expenses		(152)	(286)	(2,458)	(1,737)
Finance costs		(102)	(74)	(389)	(556)
Profit before taxation		2,831	3,733	15,666	12,551
Income tax expense	B5	(943)	(891)	(2,420)	(2,201)
Profit after taxation		1,888	2,842	13,246	10,350
Other comprehensive income/(loss):					
Exchange translation differences		354	277	(2,260)	361
Total comprehensive income		2,242	3,119	10,986	10,711
Profit attributable to:					
Equity holders of the Company		1,888	2,842	13,246	10,350
Total comprehensive income attributable to:					
Equity holders of the Company		2,242	3,119	10,986	10,711
Earnings per share (sen):					
Basic	B12	0.27	0.47	2.05	1.71
Diluted	B12	0.27	0.46	2.04	N/A

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 December 2009.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

CONDENSED CONSOLIDATED BALANCE SHEET

For The Fourth Quarter Ended 31 December 2010

(The figures have not been audited)

	Current year	Audited
	Quarter	31 Dec 2009
	31 Dec 2010	31 Dec 2009
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	93,347	68,117
Prepaid land lease payments	1,848	2,031
Investment property	108	111
Other investment	50	50
	<u>95,353</u>	<u>70,309</u>
CURRENT ASSETS		
Inventories	35,625	20,402
Trade receivables	10,236	11,061
Other receivables, prepayments and deposits	5,052	3,378
Derivative financial instruments	176	-
Tax recoverable	485	195
Short term investment	-	5,727
Fixed deposits with licensed banks	2,499	3,510
Cash and bank balances	5,066	8,332
	<u>59,139</u>	<u>52,605</u>
TOTAL ASSETS	<u>154,492</u>	<u>122,914</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	69,665	60,935
Treasury shares	(22)	(1,051)
Share premium	7,286	375
Revaluation reserve	1,933	1,933
Foreign exchange reserve	(599)	1,661
Share option reserve	140	438
Retained profits	36,523	27,815
TOTAL EQUITY	<u>114,926</u>	<u>92,106</u>
NON-CURRENT LIABILITIES		
Long-term borrowings	B8 4,018	1,333
Deferred tax liabilities	5,718	4,757
	<u>9,736</u>	<u>6,090</u>
CURRENT LIABILITIES		
Trade payables	11,627	9,918
Other payables and accruals	5,381	3,746
Derivative financial instruments	-	98
Amount due to directors	110	132
Short-term borrowings	B8 12,516	10,567
Provision for taxation	196	257
	<u>29,830</u>	<u>24,718</u>
TOTAL LIABILITIES	<u>39,566</u>	<u>30,808</u>
TOTAL EQUITY AND LIABILITIES	<u>154,492</u>	<u>122,914</u>
Net assets per ordinary share (RM)	<u>0.16</u>	<u>0.15</u>

Note:

Net assets per share as at 31 December 2010 is arrived at based on the Group's Net Assets of RM114.93 million over the number of ordinary shares in issue (excluding treasury shares) of 696,533,677 shares of RM0.10 each. Net Assets per share as at 31 December 2009 was arrived at based on the Group's Net Assets of RM92.11 million over the number of ordinary shares in issue (excluding treasury shares) of 603,643,432 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 December 2009.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Fourth Quarter Ended 31 December 2010

(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
<u>12 months ended 31 December 2009 (audited)</u>								
At 1 January 2009 (audited)	60,406	-	60	1,304	1,929	410	19,277	83,386
Total comprehensive income	-	-	-	629	(268)	-	10,350	10,711
Treasury shares acquired	-	(1,051)	-	-	-	-	-	(1,051)
ESOS exercised	529	-	315	-	-	(66)	-	778
Share options granted under ESOS	-	-	-	-	-	94	-	94
Dividend	-	-	-	-	-	-	(1,812)	(1,812)
At 31 December 2009	60,935	(1,051)	375	1,933	1,661	438	27,815	92,106
<u>12 months ended 31 December 2010</u>								
At 1 January 2010 (audited)	60,935	(1,051)	375	1,933	1,661	438	27,815	92,106
Total comprehensive income	-	-	-	-	(2,260)	-	13,246	10,986
Corporate exercises expenses	-	-	(424)	-	-	-	-	(424)
ESOS exercised	2,581	-	1,579	-	-	(366)	-	3,794
Private placement	6,146	-	6,146	-	-	-	-	12,292
Warrant conversion	3	-	2	-	-	-	-	5
Share options granted under ESOS	-	-	-	-	-	42	-	42
Share options granted under Free Warrant	-	-	-	-	-	26	-	26
Distribution of treasury shares	-	1,029	(392)	-	-	-	(637)	-
Dividend	-	-	-	-	-	-	(3,901)	(3,901)
At 31 December 2010	69,665	(22)	7,286	1,933	(599)	140	36,523	114,926

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 December 2009.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

CONDENSED CONSOLIDATED CASHFLOW STATEMENT

For The Fourth Quarter Ended 31 December 2010

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current	Preceding	Current	Preceding
	Year	Year	Year	Year
Note	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
	RM'000	RM'000	RM'000	RM'000
CASHFLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	2,831	3,733	15,666	12,551
Adjustments for:				
Allowance for slow moving stock	168	-	318	-
Allowance for impairment of trade receivables	-	155	-	155
Depreciation	2,032	1,631	7,492	6,822
Plant & equipment written off	12	487	12	487
Interest expense	102	92	389	574
Unrealised (gain)/loss on foreign exchange	(373)	(382)	302	(25)
Gain on disposal of equipment	-	(9)	(421)	(9)
Interest income	(38)	(54)	(119)	(148)
Others	36	34	112	140
Operating profit before working capital changes	4,770	5,687	23,751	20,547
Inventories	(5,271)	(539)	(15,989)	5,276
Receivables	3,625	(4,428)	(1,706)	(1,662)
Payables	3,271	2,491	3,409	6,186
Derivative financial instruments	-	-	(98)	(1,312)
Cash generated from operations	6,395	3,211	9,367	29,035
Interest paid	(153)	(148)	(616)	(630)
Tax refund	-	-	-	172
Tax paid	(255)	(546)	(1,793)	(1,026)
Net cash generated from operating activities	5,987	2,517	6,958	27,551
CASHFLOWS FOR INVESTING ACTIVITIES				
Interest received	38	54	119	148
Proceeds from disposal of plant & equipment	3	10	550	10
Purchase of property, plant and equipment	(12,719)	(1,581)	(32,949)	(8,334)
Net cash used in investing activities	(12,678)	(1,517)	(32,280)	(8,176)
CASHFLOWS FOR FINANCING ACTIVITIES				
Repayment of revolving credit	(1,500)	-	(1,500)	(1,300)
Drawdown/(repayment) of term loan	6,089	-	7,525	(79)
Net proceeds from issuance of shares	820	748	15,667	778
Dividend paid	(2,089)	-	(3,901)	(1,812)
Repayment of hire purchase	(557)	(504)	(2,171)	(1,879)
Share buy back	-	14	-	-
Repayment to directors	-	94	-	-
Treasury shares acquired	-	(1,051)	-	(1,051)
Net cash generated from/(used in) financing activities	2,763	(699)	15,620	(5,343)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(3,928)	301	(9,702)	14,032
EFFECTS OF CHANGES IN FOREIGN EXCHANGE	30	(75)	(302)	(113)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER / YEAR	11,463	17,343	17,569	3,650
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	7,565	17,569	7,565	17,569
	A15			

Note:

This is prepared based on the consolidated results of the Group for the financial year ended 31 December 2010 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 December 2009.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS For The Fourth Quarter Ended 31 December 2010

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 reporting requirements outlined in the Financial Reporting Standards ("FRS") No. 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2009. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2009.

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2009 annual financial statements, except for the adoption of the following:

- FRS 4 Insurance Contracts
- FRS 8 Operating Segments
- FRS 101 (Revised) Presentation of Financial Statements
- FRS 123 (Revised) Borrowing Costs
- Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 2 Vesting Conditions and Cancellations
- Amendments to FRS 7, FRS 139 and IC Interpretation 9
- Amendments to FRS 101 and FRS 132 Puttable Financial Instruments and Obligations Arising on Liquidation
- Amendments to FRS 132 Classification of Rights Issues and the transitional Provision in Relation to Compound Instruments
- Amendments to IC
- IC Interpretation 9 Reassessment of Embedded Derivatives
- IC Interpretation 10 Interim Financial Reporting and Impairment
- IC Interpretation 11 FRS 2: Group and Treasury Share Transactions
- IC Interpretation 13 Customer Loyalty Programmes
- IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- Annual Improvements to FRSs (2009)

- (a) The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements, other than the following:
- (i) FRS 101 (Revised) introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present this statement as one single statement.

The revised standard also separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented in the statement of comprehensive income as other comprehensive income.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the statement.

FRS 101 (Revised) also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital.

Comparative information has been re-presented so that it is in conformity with the requirements of this revised standard.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

For The Fourth Quarter Ended 31 December 2010

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

A1 Basis of preparation (Cont'd)

- (b) The revised FRS 123 (2009) removes the option of immediately recognising as an expense borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. In accordance with the transitional provisions, the Group will apply this revised standard to borrowing costs related to qualifying assets for which the commencement date of capitalisation is on or after 1 January 2010. This change in accounting policy will not have any financial impact on the financial statements for the current financial period but may impact the accounting for future transactions or arrangements.

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standard Board ("MASB") but are not yet effective for the current financial year:-

FRSs and IC Interpretations (including the Consequential Amendments)	Effective date
FRS 1 (Revised) First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 (Revised) Business Combinations	1 July 2010
FRS 127 (Revised) Related Party Disclosures	1 January 2012
FRS 127 (Revised) Consolidated and Separate Financial Statements	1 July 2010
Amendment to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1: Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2: Scope of FRS 2 and FRS 3 (Revised)	1 July 2010
Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary	1 July 2010
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and Revised FRS 3 (2010)	1 July 2010
Amendments to FRS 138: Consequential Amendments Arising from FRS 3 (Revised)	1 July 2010
Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement	1 July 2011
IC Interpretation 4 Determining Whether An Arrangement Contains a Lease	1 January 2011
IC Interpretation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 15 Agreements for the Construction of Real Estate	1 January 2012
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
IC Interpretation 18 Transfers of Assets from Customers	1 January 2011
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Annual Improvements to FRSs (2010)	1 January 2011

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

- (i) FRS 3 (Revised) introduces significant changes to the accounting for business combinations, both at the acquisition date and post acquisition, and requires greater use of fair values. In addition, all transaction costs, other than share and debt issue costs, will be expensed incurred. This revised standard will be applied prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting for future transactions or arrangements.
- (ii) FRS 127 (Revised) requires accounting for changes in ownership interests by the group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the minority interest to be absorbed by the minority interest instead of by the parent. The Group will apply the major changes of FRS 127 (Revised) prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting its future transactions or arrangements.
- (iii) Annual Improvements to FRSs (2010) contain amendments to 11 accounting standards that result in accounting changes for presentation, recognition or measurement purposes. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS For The Fourth Quarter Ended 31 December 2010

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

A2 Audit report of preceding annual financial statements

The preceding year annual audited financial statements for the financial year ended 31 December 2009 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

During the current quarter under review, the Company issued:

- (i) 6,538,400 new ordinary shares of RM0.10 each for cash at RM0.147 pursuant to the Company's Share Option Scheme.
- (ii) 30,917 new ordinary shares on the basis of one (1) free warrant for every two (2) existing ordinary shares of RM0.10 each through Warrant Conversion.

Except for the above, there were no other issuance, cancellation, repurchases, resales and repayments of debts and equity securities during the period under review.

A7 Dividend paid

On 23 December 2010, the Company paid the following an interim tax-exempt dividend of 3% or 0.3 sen per ordinary share of RM0.10 each amounting to RM2,089,576 in respect of the financial year ended 31 December 2010.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Fourth Quarter Ended 31 December 2010**

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

A8 Segmental information

Current quarter 31 December 2010

	Manufacturing	Investment Holding	Elimination	Group
	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>				
Revenue from external customers	19,532	-	-	19,532
Interest income	-	-	-	-
	<u>19,532</u>	<u>-</u>	<u>-</u>	<u>19,532</u>

<u>Results</u>				
Segment results	2,216	(226)	906	2,896
Other unallocated corporate expenses				(1)
Interest expense				(102)
Interest income				38
Profit before taxation				<u>2,831</u>
Income tax expense				(943)
Profit after taxation				<u>1,888</u>

	Malaysia	China	USA	Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>					
Revenue from external customers	14,985	4,568	(21)	-	19,532
Interest income	-	-	-	-	-
	<u>14,985</u>	<u>4,568</u>	<u>(21)</u>	<u>-</u>	<u>19,532</u>

<u>Results</u>					
Segment results	1,500	498	(8)	906	2,896
Other unallocated corporate expenses					(1)
Interest expense					(102)
Interest income					38
Profit before taxation					<u>2,831</u>
Income tax expense					(943)
Profit after taxation					<u>1,888</u>



JADI IMAGING HOLDINGS BERHAD (526319 - P)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Fourth Quarter Ended 31 December 2010**

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

A8 Segmental information (Cont'd)

Current year to date 31 December 2010

	Manufacturing	Investment Holding	Elimination	Group
	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>				
Revenue from external customers	94,737	-	-	94,737
Interest income	-	4	-	4
	<u>94,737</u>	<u>4</u>	<u>-</u>	<u>94,741</u>

<u>Results</u>				
Segment results	15,767	(694)	871	15,944
Other unallocated corporate expenses				(4)
Interest expense				(389)
Interest income				115
Profit before taxation				<u>15,666</u>
Income tax expense				<u>(2,420)</u>
Profit after taxation				<u>13,246</u>

	Malaysia	China	USA	Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>					
Revenue from external customers	70,272	22,407	2,058	-	94,737
Interest income	4	-	-	-	4
	<u>70,276</u>	<u>22,407</u>	<u>2,058</u>	<u>-</u>	<u>94,741</u>

<u>Results</u>					
Segment results	11,402	3,814	(143)	871	15,944
Other unallocated corporate expenses					(4)
Interest expense					(389)
Interest income					115
Profit before taxation					<u>15,666</u>
Income tax expense					<u>(2,420)</u>
Profit after taxation					<u>13,246</u>

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 December 2009.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS For The Fourth Quarter Ended 31 December 2010

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

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 21 February 2011 (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 31 Dec 2010 RM'000
Approved and contracted for:	
Construction of factory cum warehouse	1,357
Purchase of plant & equipment	4,354
	<u>5,711</u>

A14 Significant related party transactions

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

A15 Cash and cash equivalents

	Current year To date 31 Dec 2010 RM'000
Cash and bank balances	5,066
Fixed deposits with licensed banks	2,499
	<u>7,565</u>



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

For The Fourth Quarter Ended 31 December 2010

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B1 Review of performance

For the current quarter ended 31 December 2010, the Group recorded a lower revenue of RM19.53 million as compared to RM25.31 million for the quarter ended 31 December 2009 due to decrease in sales volume of both black and colour toner. The decrease was mainly due to the decline of toner demand by cartridge makers and remanufacturers as a result of intellectual property litigations carried out by OEMs like Canon, HP, Lexmark and Samsung. The sales decrease was further compounded by the further strengthening of Malaysian Ringgit against US Dollar.

Profit before taxation for the Group decreased by 24.1% or RM0.9 million to RM2.83 million compared to RM3.73 million for the corresponding quarter ended 31 December 2009, which is in line with the decrease in sales and increase in production cost arising from the installation of new lines and strengthening of the Japanese Yen. Malaysian Ringgit has surged approximately 10% against US Dollar as compared to the quarter ended 31 December 2009.

B2 Variation of results against preceding quarter

The Group recorded revenue of RM19.53 million for the current quarter under review against RM23.05 in the preceding quarter ended 30 September 2010, a decrease of 15.3% or RM3.52 million. The decrease was mainly due to lower sales volume of both black and colour toner attributed to slow down in the world economy in the second half of the year and natural disasters which occurred during the current quarter, i.e. forest fire in Russia, collision of vessels near the Indian Port and massive flood in Pakistan.

Profit before tax increased by 0.35% or RM0.01 million to RM2.83 million as compared to RM2.82 million in the preceding quarter ended 30 September 2010. Despite the decrease in sales volume as mentioned above, the Group recorded a slight increase in profit before tax for the current quarter due to its hedging on the strengthening of Malaysian Ringgit against the US Dollar.

B3 Prospects

Notwithstanding the challenges of anticipated further strengthening of Malaysian Ringgit against US Dollar and the uncertainty of the remanufacturing industry brought about by the intellectual property litigations, the Group is still cautiously optimistic that its sales volume will grow as a result of increase in annual production capacity by about 2,750 metric tonnes, its plans to penetrate new market segments, to develop more niche products and promotion and marketing of its Palmotone Colour Chemically Produced Toner.

B4 Profit forecast and profit guarantee

No profit forecast or profit guarantee has been issued by the Group.

B5 Income tax expense

	Current quarter 31 Dec 2010 RM'000	Current year To date 31 Dec 2010 RM'000
Income tax		
Current year	100	1,254
Under provision in prior years	-	205
Deferred tax expense		
Current year	843	961
	943	2,420

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.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS For The Fourth Quarter Ended 31 December 2010

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

B6 Profit/(Loss) on sale of unquoted investments and/or properties

There were no sale of unquoted investments and/or properties during the current quarter under review.

B7 Quoted securities

There were no acquisitions or disposals of quoted securities during the current quarter under review.

B8 Group's borrowings and debt securities

As at 31 December 2010, the Group had total borrowings of approximately RM16.5 million, details of which are set out below:

Interest bearing borrowings:	RM'000
<i>Short term borrowings</i>	
Unsecured:	
Revolving credit (Denominated in MYR)	7,000
Secured:	
Term loan	
Denominated in EUR	1,171
Denominated in JPY	891
Denominated in USD	2,089
	4,151
Hire purchase (Denominated in MYR)	1,365
	<u>12,516</u>
<i>Long term borrowings</i>	
Secured:	
Term loan	
Denominated in EUR	2,229
Denominated in JPY	1,078
Denominated in USD	67
	3,374
Hire purchase (Denominated in MYR)	644
	<u>4,018</u>
Total	<u>16,534</u>

B9 Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk applicable to the Group as at the date of this announcement.

B10 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.

B11 Dividends

On 19 November 2010, the Company declared an interim tax-exempt dividend of 3% or 0.3 sen per ordinary share of RM0.10 each in respect of the financial year ended 31 December 2010.

The above dividend has been paid on 23 December 2010.



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

B12 Earnings per share

	Current Quarter 31 Dec 2010	Current Year to date 31 Dec 2010
<i>(a) Basic earnings per share</i>		
Profit attributable to ordinary equity holders of the Company (RM'000)	1,888	13,246
Issued ordinary shares at 1 October 2010 / 1 January 2010 ('000)	689,965	603,643
Effect of distribution of treasury shares ('000)	-	4,532
Effect of employee share option scheme ('000)	6,214	9,697
Effect of private placement ('000)	-	28,289
Effect of warrant conversion ('000)	19	5
Weighted average number of ordinary shares in issue ('000)	<u>696,198</u>	<u>646,166</u>
Basic earnings per share (sen)	<u>0.27</u>	<u>2.05</u>
<i>(b) Diluted earnings per share</i>		
Profit attributable to ordinary equity holders of the Company (RM'000)	1,888	13,246
Weighted average number of ordinary shares in issue ('000)	696,198	646,166
Employee share option scheme ('000)	3,406	2,631
Warrant conversion ('000)	556	370
Total weighted average number of ordinary shares in issue and employee share option scheme ('000)	<u>700,160</u>	<u>649,167</u>
Diluted earnings per share (sen)	<u>0.27</u>	<u>2.04</u>

B13 Status of corporate proposals

- (a) There is no corporate proposals announced by the Group but not completed as at 21 February 2011 (being a date not earlier than 7 days from the date of issue of the quarterly report).
- (b) The status of utilisation of proceeds raised from corporate proposals as at 21 February 2011 (being a date not earlier than 7 days from the date of issue of the quarterly report) is as follows:

Private Placement						
Purpose	Proposed		Intended Timeframe for	Deviation		
	Utilisation RM'000	Actual Utilisation RM'000		RM'000	%	
Working Capital	12,190	12,190	-	-	-	
Expenses for private placement	102 *	102	-	-	-	
Total	<u>12,292</u>	<u>12,292</u>				

* The excess of budgeted expenses for private placement has been transferred to working capital



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For The Fourth Quarter Ended 31 December 2010

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

B14 Realised and unrealised profits/losses disclosure

On 25 March 2010, Bursa Malaysia Securities Berhad (Bursa Malaysia) issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

The breakdown of the retained earnings of the Group as at 31 December 2010 into realised and unrealised profits pursuant to Bursa Malaysia Securities Berhad's Directive Ref: LD26/10 dated 20 December 2010 is tabulated below:

	As at 31 Dec 2010 RM'000	As at 30 Sept 2010 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	35,940	38,551
- Unrealised	-	-
	<hr/> 35,940	<hr/> 38,551
Less: Consolidation adjustments	583	(1,827)
	<hr/> 36,523	<hr/> 36,724

B15 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 February 2011