



**JADI IMAGING HOLDINGS BERHAD (526319 - P)**

**CONDENSED CONSOLIDATED INCOME STATEMENT**

**For The Second Quarter Ended 30 June 2012**

(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 Jun 2012 RM'000	30 Jun 2011 RM'000	30 Jun 2012 RM'000	30 Jun 2011 RM'000
Revenue	A8	22,768	23,986	42,074	46,885
Cost of sales		(19,556)	(19,169)	(37,250)	(37,439)
Gross profit		3,212	4,817	4,824	9,446
Other income		142	391	782	883
Selling and distribution expenses		(1,037)	(795)	(1,910)	(1,721)
Administrative expenses		(1,559)	(1,399)	(2,964)	(2,661)
Other expenses		(166)	(398)	(321)	(830)
Finance costs		(222)	(155)	(536)	(296)
<b>Profit/(loss) before taxation</b>		370	2,461	(125)	4,821
Income tax expense	B5	39	(353)	831	(676)
<b>Profit after taxation</b>		409	2,108	706	4,145
Other comprehensive loss:					
Exchange translation differences		950	382	(127)	102
<b>Total comprehensive income</b>		1,359	2,490	579	4,247
Profit attributable to:					
Equity holders of the Company		409	2,108	706	4,145
Total comprehensive income attributable to:					
Equity holders of the Company		1,359	2,490	579	4,247
<b>Earnings per share (sen):</b>					
Basic	B10	0.06	0.30	0.10	0.59
Diluted	B10	0.06	0.27	0.11	0.52

**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 2011.



**JADI IMAGING HOLDINGS BERHAD (526319 - P)**

**CONDENSED CONSOLIDATED BALANCE SHEET**

**For The Second Quarter Ended 30 June 2012**

(The figures have not been audited)

	<b>Current year Quarter 30 Jun 2012 RM'000</b>	<b>Audited 31 Dec 2011 RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	98,353	102,295
Investment property	105	106
Other investment	50	50
	<u>98,508</u>	<u>102,451</u>
<b>CURRENT ASSETS</b>		
Inventories	32,624	33,545
Trade receivables	15,646	9,976
Other receivables, prepayments and deposits	7,463	2,244
Derivative financial instruments	B7 -	(372)
Tax recoverable	1,092	884
Fixed deposits with licensed banks	-	-
Cash and bank balances	5,631	5,240
	<u>62,456</u>	<u>51,517</u>
<b>TOTAL ASSETS</b>	<u>160,964</u>	<u>153,968</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	70,631	70,631
Treasury shares	(22)	(22)
Share premium	7,622	7,622
Revaluation reserve	1,933	1,933
Foreign exchange reserve	1,757	1,885
Share option reserve	-	-
Retained profits	39,898	40,604
<b>TOTAL EQUITY</b>	<u>121,819</u>	<u>122,653</u>
<b>NON-CURRENT LIABILITIES</b>		
Long-term borrowings	B6 1,982	4,573
Deferred tax liabilities	3,575	4,530
	<u>5,557</u>	<u>9,103</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	10,492	7,467
Other payables and accruals	3,337	4,343
Amount due to directors	61	123
Short-term borrowings	B6 19,663	10,220
Provision for taxation	35	59
	<u>33,588</u>	<u>22,212</u>
<b>TOTAL LIABILITIES</b>	<u>39,145</u>	<u>31,315</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>160,964</u>	<u>153,968</u>
Net assets per ordinary share (RM)	<u>0.17</u>	<u>0.17</u>

**Note:**

Net assets per share as at 30 June 2012 is arrived at based on the Group's Net Assets of RM121.82 million over the number of ordinary shares in issue (excluding treasury shares) of 706,188,777 shares of RM0.10 each. Net Assets per share as at 31 December 2011 was arrived at based on the Group's Net Assets of RM122.65 million over the number of ordinary shares in issue (excluding treasury shares) of 706,188,777 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 2011.



**JADI IMAGING HOLDINGS BERHAD (526319 - P)**

**CONDENSED CONSOLIDATED CASHFLOW STATEMENT**

**For The Second Quarter Ended 30 June 2012**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding Quarter	To date	Corresponding Period
Note	30 Jun 2012 RM'000	30 Jun 2011 RM'000	30 Jun 2012 RM'000	30 Jun 2011 RM'000
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>				
Profit/(loss) before taxation	370	2,461	(125)	4,821
Adjustments for:				
Inventories written back	-	-	-	-
Inventories written down	(543)	(76)	-	-
Depreciation	2,589	2,245	5,122	4,295
Plant & equipment written off	-	-	-	-
Interest expense	222	155	536	296
Unrealised (gain)/loss on foreign exchange	-	(136)	(169)	(8)
Unrealised (gain)/loss on derivative	-	-	-	-
Loss/(gain) on disposal of equipment	3	127	3	128
Interest income	(5)	(17)	(9)	(40)
Others	11	9	22	21
Operating profit before working capital changes	2,647	4,768	5,380	9,513
Inventories	(101)	2,104	887	5,994
Receivables	(6,991)	(3,652)	(10,831)	(5,842)
Payables	3,087	243	2,279	(6,265)
Derivative financial instruments	-	84	(372)	171
Cash (used in)/generated from operations	(1,358)	3,547	(2,657)	3,571
Interest paid	(222)	(158)	(536)	(349)
Tax paid	(184)	(463)	(355)	(743)
Net cash (used in)/generated from operating activities	(1,764)	2,926	(3,548)	2,479
<b>CASHFLOWS FOR INVESTING ACTIVITIES</b>				
Interest received	5	17	9	40
Proceeds from disposal of plant & equipment	-	-	-	-
Purchase of property, plant and equipment	(399)	(1,340)	(1,314)	(4,180)
Net cash used in investing activities	(394)	(1,323)	(1,305)	(4,140)
<b>CASHFLOWS FOR FINANCING ACTIVITIES</b>				
Repayment of revolving credit	-	-	-	-
Drawdown of revolving credit	2,000	-	7,000	-
Drawdown of term loan	-	2,364	4,646	4,179
Net proceeds from issuance of shares	-	978	-	1,162
Dividend paid	(1,412)	-	(1,412)	-
Repayment of hire purchase	(34)	(464)	(182)	(1,025)
Repayment of term loan	1,229	(614)	(4,613)	(1,198)
Advances from/(repayment to) directors	-	21	(61)	(176)
Net cash generated from financing activities	1,783	2,285	5,378	2,942
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(375)	3,888	525	1,281
<b>EFFECTS OF CHANGES IN FOREIGN EXCHANGE</b>	27	50	(134)	(6)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER</b>	5,979	4,902	5,240	7,565
<b>CASH AND CASH EQUIVALENTS AT END OF THE QUARTER</b>	A15 5,631	8,840	5,631	8,840

**Note:**

This is prepared based on the consolidated results of the Group for the financial year ended 30 June 2012 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 2011.



**JADI IMAGING HOLDINGS BERHAD (526319 - P)**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**For The Second Quarter Ended 30 June 2012**

(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
<b><u>12 months ended 31 December 2011 (audited)</u></b>								
At 1 January 2011 (audited)	69,665	(22)	7,286	1,933	(599)	140	36,523	114,926
Total comprehensive income	-	-	-	-	2,484	-	4,081	6,565
Allotment fee expenses - warrant	-	-	(15)	-	-	-	-	(15)
ESOS exercised	966	-	351	-	-	(140)	-	1,177
Private placement	-	-	-	-	-	-	-	-
Warrant conversion	-	-	-	-	-	-	-	-
Share options granted under ESOS	-	-	-	-	-	-	-	-
Share options granted under Free Warrant	-	-	-	-	-	-	-	-
Distribution of treasury shares	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-
At 31 December 2011	<u>70,631</u>	<u>(22)</u>	<u>7,622</u>	<u>1,933</u>	<u>1,885</u>	<u>-</u>	<u>40,604</u>	<u>122,653</u>
<b><u>6 months ended 30 June 2012</u></b>								
At 1 January 2012 (audited)	70,631	(22)	7,622	1,933	1,885	-	40,604	122,653
Total comprehensive (loss)/income	-	-	-	-	(128)	-	706	578
Allotment fee expenses - warrant	-	-	-	-	-	-	-	-
ESOS exercised	-	-	-	-	-	-	-	-
Private placement	-	-	-	-	-	-	-	-
Warrant conversion	-	-	-	-	-	-	-	-
Share options granted under ESOS	-	-	-	-	-	-	-	-
Share options granted under Free Warrant	-	-	-	-	-	-	-	-
Distribution of treasury shares	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	(1,412)	(1,412)
At 30 June 2012	<u>70,631</u>	<u>(22)</u>	<u>7,622</u>	<u>1,933</u>	<u>1,757</u>	<u>-</u>	<u>39,898</u>	<u>121,819</u>

**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 2011.



## **JADI IMAGING HOLDINGS BERHAD (526319 - P)**

### **QUARTERLY REPORT ON CONSOLIDATED RESULTS**

**For The Second Quarter Ended 30 June 2012**

#### **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 2011. 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 2011.

During the current financial year, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments):

##### **FRSs and IC Interpretations (including the Consequential Amendments)**

FRS 1 (Revised) First-time Adoption of Financial Reporting Standards

FRS 3 (Revised) Business Combinations

FRS 124 (Revised) Related Party Disclosures

FRS 127 (Revised) Consolidated and Separate Financial Statements

Amendments to FRS 1 (Revised): Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters

Amendments to FRS 1 (Revised): Additional Exemptions for First-time Adopters

Amendments to FRS 1 (Revised): Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters

Amendments to FRS 2: Scope of FRS 2 and FRS 3 (Revised)

Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions

Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary

Amendments to FRS 7: Improving Disclosures about Financial Instruments

Amendments to FRS 7: Disclosures - Transfers of Financial Assets

Amendments to FRS 112: Recovery of Underlying Assets

Amendments to FRS 138: Consequential Amendments Arising from Revised FRS 3 (Revised)

IC Interpretation 4 Determining Whether An Arrangement Contains a Lease

IC Interpretation 12 Service Concession Arrangements

IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation

IC Interpretation 17 Distributions of Non-cash Assets to Owners

IC Interpretation 18 Transfers of Assets from Customers

Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and Revised FRS 3 (2010)

Annual Improvements to FRSs (2010)



## **JADI IMAGING HOLDINGS BERHAD (526319 - P)**

### **QUARTERLY REPORT ON CONSOLIDATED RESULTS**

**For The Second Quarter Ended 30 June 2012**

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

##### **A1 Basis of preparation (Cont'd)**

- (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:

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 as incurred. This revised standard has been applied prospectively during the current financial year with and therefore there will be no financial impact on the financial statements of the Group for the current financial year but may impact the accounting of its for future transactions or arrangements.

FRS 127 (Revised) requires accounting for changes in ownership interests by the group in a subsidiary, whilst 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 non-controlling interests minority interest to be absorbed by the non-controlling interests minority interest instead of by the parent. The Group has applied the major changes of FRS 127 (Revised) prospectively during the current financial year with and therefore there will be no financial impact on the financial statements of the Group for the current financial year but may impact the accounting of its for future transactions or arrangements.

Amendments to FRS 7 expand the disclosure requirements in respect of fair value measurements and liquidity risk. In particular, the amendments require additional disclosure of fair value measurements by level of a fair value measurement hierarchy. Comparatives are not presented by virtue of the exemption given in the amendments.

Annual Improvements to FRSs (2010) contain amendments to 11 accounting standards that result in accounting changes for presentation, recognition or measurement purposes. These amendments have no material impact on the financial statements of the Group upon their initial application.

Furthermore, the amendments to FRS 101 (Revised) also clarify that an entity may choose to present the analysis of the items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. The Group has chosen to present the items of other comprehensive income in the statement of changes in equity.



## JADI IMAGING HOLDINGS BERHAD (526319 - P)

### QUARTERLY REPORT ON CONSOLIDATED RESULTS

For The Second Quarter Ended 30 June 2012

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

##### A1 Basis of preparation (Cont'd)

- (b) 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 Standards Board ("MASB") but are not yet effective for the current financial year:-

<b>FRSs and IC Interpretations (including the Consequential Amendments)</b>	<b>Effective date</b>
FRS 9 Financial Instruments	1 January 2013
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 11 Joint Arrangements	1 January 2013
FRS 12 Disclosure of Interests in Other Entities	1 January 2013
FRS 13 Fair Value Measurement	1 January 2013
FRS 119 (Revised) Employee Benefits	1 January 2013
FRS 127 (2011) Separate Financial Statements	1 January 2013
FRS 128 (2011) Investments in Associates and Joint Ventures	1 January 2013
Amendments to FRS 1: Government Loans	1 January 2013
Amendments to FRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 9: Mandatory Effective Date of FRS 9 and Transition Disclosures	1 January 2015
Amendments to FRS 101 (Revised): Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 15 Agreements for the Construction of Real Estate	Withdrawn on 19 November 2011
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement	1 July 2011

The Group's next set of financial statements for the annual period beginning on 1 January 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") issued by the MASB that will also comply with International Financial Reporting Standards ("IFRSs"). As a result, the Group will not be adopting the above accounting standards and interpretations (including the consequential amendments) that are effective for annual periods beginning on or after 1 January 2012.

Following the issuance of MFRSs (equivalent to IFRSs) by the MASB on 19 November 2011, the Group will be adopting the new accounting standards in the next financial year. The Group is currently in the process of assessing the impact of the adoption of these new accounting standards and the directors do not expect any significant impact on the financial statements arising from the adoption.

##### A2 Audit report of preceding annual financial statements

The preceding year annual audited financial statements for the financial year ended 31 December 2011 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.



## JADI IMAGING HOLDINGS BERHAD (526319 - P)

### QUARTERLY REPORT ON CONSOLIDATED RESULTS

For The Second Quarter Ended 30 June 2012

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

##### A7 Dividend paid

On 3 April 2012, the Company declared an interim tax-exempt dividend of 2% or 0.2 sen per ordinary share of RM0.10 in respect of the financial year ended 31 December 2011. The said dividend was paid on 3 May 2012.

##### A8 Segmental information

###### Current quarter 30 June 2012

	Manufacturing RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
<u>Revenue</u>				
Revenue from external customers	22,768	-	-	22,768
Interest income	-	-	-	-
	22,768	-	-	22,768

###### Results

Segment results	1,052	(176)	(287)	589
Other unallocated corporate expenses				(2)
Interest expense				323
Interest income				(540)
Profit before taxation				370
Income tax expense				39
Profit after taxation				409

	Malaysia RM'000	China RM'000	USA RM'000	Elimination RM'000	Group RM'000
<u>Revenue</u>					
Revenue from external customers	17,566	5,202	-	-	22,768
Interest income	-	-	-	-	-
	17,566	5,202	-	-	22,768

###### Results

Segment results	1,076	(200)	-	(287)	589
Other unallocated corporate expenses					(2)
Interest expense					323
Interest income					(540)
Profit before taxation					370
Income tax expense					39
Profit after taxation					409





**JADI IMAGING HOLDINGS BERHAD (526319 - P)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS**

**For The Second Quarter Ended 30 June 2012**

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

**A8 Segmental information (Cont'd)**

**Current quarter 30 June 2011**

	<b>Manufacturing</b>	<b>Investment Holding</b>	<b>Elimination</b>	<b>Group</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Revenue</u>				
Revenue from external customers	23,986	-	-	23,986
Interest income	-	-	-	-
	<u>23,986</u>	<u>-</u>	<u>-</u>	<u>23,986</u>

<u>Results</u>				
Segment results	2,349	(168)	418	2,599
Other unallocated corporate expenses				-
Interest expense				(155)
Interest income				<u>17</u>
Profit before taxation				2,461
Income tax expense				<u>(353)</u>
Profit after taxation				<u>2,108</u>

	<b>Malaysia</b>	<b>China</b>	<b>USA</b>	<b>Elimination</b>	<b>Group</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Revenue</u>					
Revenue from external customers	18,027	5,959	-	-	23,986
Interest income	-	-	-	-	-
	<u>18,027</u>	<u>5,959</u>	<u>-</u>	<u>-</u>	<u>23,986</u>

<u>Results</u>					
Segment results	1,806	375	-	418	2,599
Other unallocated corporate expenses					-
Interest expense					(155)
Interest income					<u>17</u>
Profit before taxation					2,461
Income tax expense					<u>(353)</u>
Profit after taxation					<u>2,108</u>



**JADI IMAGING HOLDINGS BERHAD (526319 - P)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS**

**For The Second Quarter Ended 30 June 2012**

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

**A8 Segmental information (Cont'd)**

**Current year to date 30 June 2012**

	<b>Manufacturing</b>	<b>Investment Holding</b>	<b>Elimination</b>	<b>Group</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Revenue</u>				
Revenue from external customers	42,074	-	-	42,074
Interest income	-	-	-	-
	42,074	-	-	42,074

Results

Segment results	1,057	(332)	(313)	412
Other unallocated corporate expenses				(10)
Interest expense				9
Interest income				(536)
Profit before taxation				(125)
Income tax expense				831
Profit after taxation				706

	<b>Malaysia</b>	<b>China</b>	<b>USA</b>	<b>Elimination</b>	<b>Group</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Revenue</u>					
Revenue from external customers	33,262	8,812	-	-	42,074
Interest income	-	-	-	-	-
	33,262	8,812	-	-	42,074

Results

Segment results	1,216	(491)	-	(313)	412
Other unallocated corporate expenses					(10)
Interest expense					9
Interest income					(536)
Profit before taxation					(125)
Income tax expense					831
Profit after taxation					706



## JADI IMAGING HOLDINGS BERHAD (526319 - P)

### QUARTERLY REPORT ON CONSOLIDATED RESULTS

For The Second Quarter Ended 30 June 2012

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

##### A8 Segmental information (Cont'd)

Current year to date 30 June 2011

	<b>Manufacturing</b>	<b>Investment Holding</b>	<b>Elimination</b>	<b>Group</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Revenue</u>				
Revenue from external customers	46,885	-	-	46,885
Interest income	-	-	-	-
	<u>46,885</u>	<u>-</u>	<u>-</u>	<u>46,885</u>

##### Results

Segment results	4,983	(296)	390	5,077
Other unallocated corporate expenses				-
Interest expense				(296)
Interest income				<u>40</u>
Profit before taxation				<u>4,821</u>
Income tax expense				<u>(676)</u>
Profit after taxation				<u>4,145</u>

	<b>Malaysia</b>	<b>China</b>	<b>USA</b>	<b>Elimination</b>	<b>Group</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Revenue</u>					
Revenue from external customers	35,777	11,108	-	-	46,885
Interest income	-	-	-	-	-
	<u>35,777</u>	<u>11,108</u>	<u>-</u>	<u>-</u>	<u>46,885</u>

##### Results

Segment results	3,914	777	(4)	390	5,077
Other unallocated corporate expenses					-
Interest expense					(296)
Interest income					<u>40</u>
Profit before taxation					<u>4,821</u>
Income tax expense					<u>(676)</u>
Profit after taxation					<u>4,145</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 2011.



## JADI IMAGING HOLDINGS BERHAD (526319 - P)

### QUARTERLY REPORT ON CONSOLIDATED RESULTS

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#### 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 8 August 2012 (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:

	<b>Current year To date 30 Jun 2012 RM'000</b>
Approved and contracted for:	
Purchase of plant & equipment	6,872
	<u>6,872</u>

##### A14 Significant related party transactions

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

##### A15 Cash and cash equivalents

	<b>Current year To date 30 Jun 2012 RM'000</b>
Cash and bank balances	5,631
Fixed deposits with licensed banks	-
	<u>5,631</u>



## **JADI IMAGING HOLDINGS BERHAD (526319 - P)**

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

##### **B1 Detailed Analysis**

For the current quarter ended 30 June 2012, the Group recorded a lower revenue of RM22.77 million against RM23.99 million in the corresponding quarter ended 30 June 2011, a decrease of 5% or RM1.22 million due to the decrease in sales volume of both black and colour toners.

The profit before taxation for the current quarter ended 30 June 2012 has decreased by 84.9% or RM2.09 million as compared to the previous year corresponding quarter. This was caused by the higher unit cost of production due to lower sales volume, and was also exacerbated by the increase in material costs which has put further pressure on the Group's sales profit margin.

##### **Comparison results of current quarter and previous year corresponding quarter**

The performance of the two business segments for Q2 2012 as compared to previous year corresponding quarter is as below:

###### **a) Manufacturing**

Revenue in Q2 2012 has decreased by 5% as a result of the decrease in sales volume of both black and colour toner by approximately 10.1%. The lower sales volume was a consequence of the global economic slowdown, which had also led to a general slowdown in market demand as buyers were more cautious with their purchase in light of the overall uncertainty.

Profit before taxation has decreased by 84.9%, due to higher unit cost of production as a result of lower sales volume and increase in material costs.

###### **b) Investment Holding**

There were no fixed deposit placements with financial institutions.

##### **B2 Variation of results against preceding quarter**

The Group recorded a revenue of RM22.77 million for the current quarter under review against RM19.31 million in the preceding quarter ended 31 March 2012, an increase of 17.9% or RM3.46 million. The increase was mainly due to higher sales volume of black and colour toner.

Profit before tax increased by 174.7% or RM0.865 million as compared to preceding quarter ended 31 March 2012. The Group recorded a profit before tax for the current quarter mainly due to the higher sales volume as indicated above, foreign exchange gain as a result of the appreciation of USD against Malaysian Ringgit.

##### **B3 Prospects**

Amidst the highly uncertain global economic environment particularly in Europe, the slowdown of economic activities in China, rising material cost from Japan, and the uncertain fluctuation of Japanese Yen and US Dollar against the Malaysian Ringgit, the Group will strive to increase its productivity and manage all potential risks in order to sustain its sales volume moving forward. The Group also aims to penetrate new market segments with its newly developed high value products to cater to niche markets, and embark on a differentiation strategy to promote its environmentally-friendly Palmotone Colour Chemically Produced Toner.

##### **B4 Profit forecast and profit guarantee**

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



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

**B5 Income tax expense**

	<b>Current quarter 30 Jun 2012 RM'000</b>	<b>Current year To date 30 Jun 2012 RM'000</b>
Income tax		
Current year	(40)	-
Over provision in prior years	(5)	(5)
Deferred tax expense		
Current year	6	(826)
	<u>(39)</u>	<u>(831)</u>

During the current quarter, there has been recognition of deferred tax asset on the unutilised reinvestment allowance.

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.

**B6 Group's borrowings and debt securities**

As at 30 June 2012, the Group had total borrowings of approximately RM21.65 million, details of which are set out below:

	<b>RM'000</b>
Interest bearing borrowings:	
<i>Short term borrowings</i>	
Unsecured:	
Revolving credit	12,500
Secured:	
Term loan	7,023
Hire purchase	140
	<u>19,663</u>
<i>Long term borrowings</i>	
Secured:	
Term loan	1,721
Hire purchase	261
	<u>1,982</u>
Total	<u>21,645</u>

As at 30 June 2012, the Group does not have any foreign currency denominated borrowings.

**B7 Derivatives**

As at 30 June 2012, the Group does not have any outstanding derivatives.

**B8 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.



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

##### B9 Dividends

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

##### B10 Earnings per share

	Current Quarter 30 Jun 2012	Current Year to date 30 Jun 2012
<i>(a) Basic earnings per share</i>		
Profit attributable to ordinary equity holders of the Company (RM'000)	409	706
Issued ordinary shares at 1 January 2012 ('000)	706,189	706,189
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)	<u>706,189</u>	<u>706,189</u>
Basic earnings per share (sen)	<u>0.06</u>	<u>0.10</u>
<i>(b) Diluted earnings per share</i>		
Profit attributable to ordinary equity holders of the Company (RM'000)	409	706
Weighted average number of ordinary shares for basic earnings per share ('000)	706,189	706,189
Effect of dilution under employee share option scheme ('000)	-	-
Effect of dilution under warrant conversion ('000)	(60,038)	(33,699)
Weighted average number of ordinary shares in issue ('000)	<u>646,151</u>	<u>672,490</u>
Diluted earnings per share (sen)	<u>0.06</u>	<u>0.11</u>

##### B11 Status of corporate proposals

There were no pending corporate proposals.



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

##### B12 Realised and unrealised profits/losses 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 Jun 2012 RM'000	As at 31 Dec 2011 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	41,791	44,441
- Unrealised	(3,355)	(4,269)
	38,437	40,172
Less: Consolidation adjustments	1,462	431
	39,899	40,604
Total group retained profits as per consolidated accounts	0	0

##### B13 Profit/(loss) before taxation

	Current Quarter 30 Jun 2012 RM'000	Current Year to date 30 Jun 2012 RM'000
Profit before taxation is arrived at after charging/(crediting):-		
Interest income	5	9
Other income	130	189
Interest expense	222	536
Depreciation and amortisation	2,589	5,122
Provision for and write off of inventories	(543)	-
Foreign exchange (gain)/loss	(4)	(358)
(Gain)/loss on derivatives	-	(226)
	-	(226)

The following items are not applicable for the quarter/year:

1. Provision for and write off of receivables
2. (Gain)/loss on disposal of quoted or unquoted investments or properties
3. Impairment of assets
4. Exceptional items

##### B14 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors.