



JADI IMAGING HOLDINGS BERHAD (526319 - P)

CONDENSED CONSOLIDATED INCOME STATEMENT

For The Second Quarter Ended 30 June 2013

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year	Preceding Year	Current Year	Preceding Year
		Quarter	Corresponding Quarter	To date	Corresponding Period
		30 Jun 2013 RM'000	30 Jun 2012 RM'000	30 Jun 2013 RM'000	30 Jun 2012 RM'000
Revenue	A8	19,792	22,768	38,961	42,074
Cost of sales		(16,689)	(19,556)	(33,630)	(37,250)
Gross profit		3,103	3,212	5,331	4,824
Other income		309	142	657	782
Selling and distribution expenses		(830)	(1,037)	(1,535)	(1,910)
Administrative expenses		(1,213)	(1,559)	(2,312)	(2,964)
Other expenses		(150)	(166)	(287)	(321)
Finance costs		(352)	(222)	(649)	(536)
Profit/(loss) before taxation		867	370	1,205	(125)
Income tax expense	B5	(206)	39	(265)	831
Profit after taxation		661	409	940	706
Other comprehensive income/(loss):					
Exchange translation differences		1,308	950	1,726	(127)
Total comprehensive income		1,969	1,359	2,666	579
Profit attributable to:					
Equity holders of the Company		661	409	940	706
Total comprehensive income attributable to:					
Equity holders of the Company		1,969	1,359	2,666	579
Earnings per share (sen):					
Basic	B10	0.09	0.06	0.13	0.06
Diluted	B10	0.09	0.06	0.13	0.06

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 2012.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

CONDENSED CONSOLIDATED BALANCE SHEET

For The Second Quarter Ended 30 June 2013

(The figures have not been audited)

	Current year Quarter 30 Jun 2013 RM'000	Audited 31 Dec 2012 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	108,793	108,216
Investment property	102	103
Other investment	50	50
	<u>108,945</u>	<u>108,369</u>
CURRENT ASSETS		
Inventories	26,527	28,851
Trade receivables	11,196	10,362
Other receivables, prepayments and deposits	1,928	1,930
Derivative financial instruments	B7 -	-
Tax recoverable	1,022	1,092
Fixed deposits with licensed banks	4,725	-
Cash and bank balances	6,992	7,550
	<u>52,390</u>	<u>49,785</u>
TOTAL ASSETS	<u>161,335</u>	<u>158,154</u>
EQUITY AND LIABILITIES		
EQUITY		
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	2,804	1,078
Share option reserve	-	-
Retained profits	40,021	39,081
TOTAL EQUITY	<u>122,989</u>	<u>120,323</u>
NON-CURRENT LIABILITIES		
Long-term borrowings	B6 4,878	7,923
Deferred tax liabilities	3,498	3,361
	<u>8,376</u>	<u>11,284</u>
CURRENT LIABILITIES		
Trade payables	7,642	2,700
Other payables and accruals	3,148	3,980
Amount due to directors	123	123
Short-term borrowings	B6 18,933	19,666
Provision for taxation	124	78
	<u>29,970</u>	<u>26,547</u>
TOTAL LIABILITIES	<u>38,346</u>	<u>37,831</u>
TOTAL EQUITY AND LIABILITIES	<u>161,335</u>	<u>158,154</u>
Net assets per ordinary share (RM)	<u>0.17</u>	<u>0.17</u>

Note:

Net assets per share as at 30 June 2013 is arrived at based on the Group's Net Assets of RM122.99 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 2012 was arrived at based on the Group's Net Assets of RM120.32 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 2012.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Second Quarter Ended 30 June 2013

(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 2012 (audited)</u>								
At 1 January 2012 (audited)	70,631	(22)	7,622	1,933	1,885	-	40,604	122,653
Total comprehensive (loss)/income	-	-	-	-	(807)	-	(111)	(918)
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 31 December 2012	70,631	(22)	7,622	1,933	1,078	-	39,081	120,323
<u>6 months ended 30 June 2013</u>								
At 1 January 2013 (audited)	70,631	(22)	7,622	1,933	1,078	-	39,081	120,323
Total comprehensive income	-	-	-	-	1,726	-	940	2,666
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	-	-	-	-	-	-	-	-
At 30 June 2013	70,631	(22)	7,622	1,933	2,804	-	40,021	122,989

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 2012.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

CONDENSED CONSOLIDATED CASHFLOW STATEMENT

For The Second Quarter Ended 30 June 2013

(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 2013 RM'000	30 June 2012 RM'000	30 Jun 2013 RM'000	30 June 2012 RM'000
CASHFLOWS FROM OPERATING ACTIVITIES				
Profit/(loss) before taxation	867	370	1,205	(125)
Adjustments for:				
Amortisation	1	1	1	1
Inventories written down	-	(543)	-	-
Depreciation	2,658	2,589	5,087	5,122
Interest expense	351	222	649	536
Unrealised (gain)/loss on foreign exchange	(103)	-	(38)	(169)
Loss/(gain) on disposal of equipment	-	3	-	3
Interest income	(26)	(5)	(29)	(9)
Others	11	10	22	21
Operating profit before working capital changes	3,759	2,647	6,897	5,380
Inventories	225	(101)	2,701	887
Receivables	(689)	(6,991)	(418)	(10,831)
Payables	455	3,087	3,910	2,279
Derivative financial instruments	-	-	-	(372)
Cash generated from/(used in) operations	3,750	(1,358)	13,090	(2,657)
Interest paid	(351)	(222)	(649)	(536)
Tax (refund)/paid	16	(184)	(14)	(355)
Net cash generated from/(used in) operating activities	3,415	(1,764)	12,427	(3,548)
CASHFLOWS FOR INVESTING ACTIVITIES				
Interest received	26	5	29	9
Purchase of property, plant and equipment	(2,251)	(399)	(4,579)	(1,314)
Net cash used in investing activities	(2,225)	(394)	(4,550)	(1,305)
CASHFLOWS FOR FINANCING ACTIVITIES				
Net drawdown/(repayment) of revolving credit	-	2,000	-	7,000
Drawdown of term loan	-	1,229	-	5,875
Dividend paid	-	(1,412)	-	(1,412)
Repayment of hire purchase	(36)	(34)	(71)	(182)
Repayment of term loan	(1,854)	-	(3,709)	(5,842)
Repayment to directors	61	-	-	(61)
Net cash (used in)/generated from financing activities	(1,829)	1,783	(3,780)	5,378
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(639)	(375)	4,097	525
EFFECTS OF CHANGES IN FOREIGN EXCHANGE	150	27	70	(134)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER	12,206	5,978	7,550	5,239
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	A15 11,717	5,630	11,717	5,630

Note:

This is prepared based on the consolidated results of the Group for the financial period ended 30 June 2013 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 2012.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

For The Second Quarter Ended 30 June 2013

A NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

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 period:-

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments	1 January 2015
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
MFRS 128 Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 1: Government Loans	1 January 2013
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance	1 January 2013
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Annual Improvements to MFRSs 2009 – 2011 Cycle	1 January 2013



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

For The Second Quarter Ended 30 June 2013

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

A1 Basis of preparation (Cont'd)

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

MFRS 9 replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 divides all financial assets into 2 categories – those measured at amortised cost and those measured at fair value, based on the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard retains most of the MFRS 139 requirement. An entity choosing to measure a financial liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income rather than within profit or loss. There is no financial impact on the financial statements on the Group upon its initial application.

MFRS 10 replaces the consolidation guidance in MFRS 127 and IC Interpretation 112. Under MFRS 10, there is only one basis for consolidation, which is control. Extensive guidance has been provided in the standard to assist in the determination of control. There is no financial impact on the financial statements on the Group upon its initial application.

MFRS 12 is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. MFRS 12 is a disclosure standard and the disclosure requirements in this standard are more extensive than those in the current standards. Accordingly, there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

MFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. The scope of MFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other MFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in MFRS 13 are more extensive than those required in the current standards and therefore there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

The amendments to MFRS 7 (Disclosures – Offsetting Financial Assets and Financial Liabilities) require disclosures that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

The amendments to MFRS 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. In addition, items presented in other comprehensive income section are to be grouped based on whether they are potentially re-classifiable to profit or loss subsequently i.e. those that might be reclassified and those that will not be reclassified. Income tax on items of other comprehensive income is required to be allocated on the same basis. There will be no financial impact on the financial statements of the Group upon its initial application, other than the presentation format of the statement of profit or loss and other comprehensive income.

The Annual Improvements to MFRSs 2009 – 2011 Cycle contain amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132 and MFRS 134. 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 Second Quarter Ended 30 June 2013

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 2012 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.

A7 Dividend paid

There were no dividends paid during the current quarter under review.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Second Quarter Ended 30 June 2013**

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

A8 Segmental information

Current quarter 30 June 2013

	Manufacturing	Investment Holding	Elimination	Group
	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>				
Revenue from external customers	19,792	-	-	19,792
Interest income	-	-	-	-
	19,792	-	-	19,792

<u>Results</u>				
Segment results	893	(145)	447	1,195
Other unallocated corporate expenses				(3)
Interest expense				(351)
Interest income				26
Profit before taxation				867
Income tax expense				(206)
Profit after taxation				661

	Malaysia	China	USA	Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>					
Revenue from external customers	16,046	3,746	-	-	19,792
Interest income	-	-	-	-	-
	16,046	3,746	-	-	19,792

<u>Results</u>					
Segment results	710	38	-	447	1,195
Other unallocated corporate expenses					(3)
Interest expense					(351)
Interest income					26
Profit before taxation					867
Income tax expense					(206)
Profit after taxation					661



JADI IMAGING HOLDINGS BERHAD (526319 - P)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Second Quarter Ended 30 June 2013**

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

A8 Segmental information (Cont'd)

Current quarter 30 June 2012

	Manufacturing	Investment Holding	Elimination	Group
	RM'000	RM'000	RM'000	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)
Loss before taxation				370
Income tax expense				39
Profit after taxation				409

	Malaysia	China	USA	Elimination	Group
	RM'000	RM'000	RM'000	RM'000	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)
Loss 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 2013**

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

A8 Segmental information (Cont'd)

Current year to date 30 June 2013

	Manufacturing	Investment Holding	Elimination	Group
	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>				
Revenue from external customers	38,961	-	-	38,961
Interest income	-	-	-	-
	38,961	-	-	38,961

Results

Segment results	1,759	(263)	334	1,830
Other unallocated corporate expenses				(5)
Interest expense				(649)
Interest income				29
Loss before taxation				1,205
Income tax expense				(265)
Loss after taxation				940

	Malaysia	China	USA	Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>					
Revenue from external customers	31,217	7,744	-	-	38,961
Interest income	-	-	-	-	-
	31,217	7,744	-	-	38,961

Results

Segment results	1,381	115	-	334	1,830
Other unallocated corporate expenses					(5)
Interest expense					(649)
Interest income					29
Loss before taxation					1,205
Income tax expense					(265)
Loss after taxation					940



JADI IMAGING HOLDINGS BERHAD (526319 - P)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Second Quarter Ended 30 June 2013**

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

A8 Segmental information (Cont'd)

Current year to date 30 June 2012

	Manufacturing RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
<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

	Malaysia RM'000	China RM'000	USA RM'000	Elimination RM'000	Group RM'000
<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 2013

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

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 2012.

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 15 August 2013 (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 30 Jun 2013 RM'000
Approved and contracted for:	
Purchase of plant & equipment	171
	<hr/> 171 <hr/>

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 30 Jun 2013 RM'000
Cash and bank balances	6,992
Fixed deposits with licensed banks	4,725
	<hr/> 11,717 <hr/>



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

For The Second Quarter Ended 30 June 2013

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

B1 Detailed Analysis

As a result of the decrease in sales volume of black toner by approximately 13.1% or RM2.98 mil, the Group posted a lower revenue of RM19.9 mil for the current quarter under review as compared to RM22.77 million recorded in the corresponding quarter ended 30 June 2012.

Profit before taxation for the current quarter under review is RM867k. This figure is attributed by the lower material cost for materials imported from Japan in light of the recent depreciation of the JPY against the MYR by approximately 21%.

Comparison results of current quarter and previous year corresponding quarter

The performance of the two business segments for Q2 2013 as compared to previous year corresponding quarter is as below:

a) Manufacturing

Revenue for the current quarter under review has decreased by approximately 13.1% as compared to the previous year corresponding quarter ended 30 June 2012 mainly attributed to the decline in sales volume of black toner as a result of weaker demand.

The Group has achieved a profit before taxation of RM867k for the current quarter under review higher than the previous year corresponding quarter ended 30 June 2012 with a profit before taxation of RM370k, mainly due to the gains from lower material cost as a result of the weaker JPY.

b) Investment Holding

There were no fixed deposit placements with any financial institutions.

B2 Variation of results against preceding quarter

Compared to preceding quarter ended 31 March 2013, the Group has achieved a marginally higher revenue in the current quarter under review with an increase of 3.3% or RM623k from RM19.17 mil to RM19.79 mil. The slight increase in revenue is contributed by higher sales volume of black and color toners in the current quarter ended 30 June 2013.

Profit before tax showed an increase of 156.5% or RM529k as compared to preceding quarter ended 31 March 2013. The increase is attributed to the marked depreciation of JPY which resulted in lower material costs for materials imported from Japan and productivity gains from improved operations.

B3 Prospects

The global economic outlook continues to remain weak and uncertain, therefore adversely affecting market demand across different geographical regions, particularly in the US and Europe. In addition, the change in consumer printing behavior as a result of smartphone and tablet revolution has further dampened the demand for toner. Against the backdrop of weak market demand and decline in consumer printing, the Group will continue with its efforts to improve overall operational efficiency to achieve greater cost savings. Having started its resin production, the Group will also gradually convert the usage of imported resin to its in-house standard resin to derive further cost savings and reduce its dependence on external suppliers for critical materials. Apart from fulfilling its own resin requirement, the Group will also capitalize on its chemical toner technology and place a greater emphasis on penetrating a different market segment, particular in the area of color toners for business printing, to further expand its share of high value products.

B4 Profit forecast and profit guarantee

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



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

For The Second Quarter Ended 30 June 2013

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

B5 Income tax expense

	Current quarter 30 Jun 2013 RM'000	Current year To date 30 Jun 2013 RM'000
Income tax		
Current year	95	129
Over provision in prior years	-	-
Deferred tax expense		
Current year	111	136
	<u>206</u>	<u>265</u>

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 2013, the Group had total borrowings of approximately RM23.81 million, details of which are set out below:

	RM'000
Interest bearing borrowings:	
<i>Short term borrowings</i>	
Unsecured:	
Revolving credit	13,000
Secured:	
Term loan	5,787
Hire purchase	146
	<u>18,933</u>
<i>Long term borrowings</i>	
Secured:	
Term loan	4,763
Hire purchase	115
	<u>4,878</u>
Total	<u>23,811</u>

As at 30 June 2013, the Group does not have any foreign currency denominated borrowings.

B7 Derivatives

As at 30 June 2013, 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.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

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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 2013	Current Year to date 30 Jun 2013
<i>(a) Basic earnings per share</i>		
Profit attributable to ordinary equity holders of the Company (RM'000)	661	940
Issued ordinary shares at 1 April / 1 January 2013 ('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>0.09</u>	<u>0.13</u>
<i>(b) Diluted earnings per share</i>		
Profit attributable to ordinary equity holders of the Company (RM'000)	661	940
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)	-	-
Weighted average number of ordinary shares in issue ('000)	<u>706,189</u>	<u>706,189</u>
Diluted earnings per share (sen)	<u>0.09</u>	<u>0.13</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 2013 RM'000	As at 31 Dec 2012 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	41,593	40,711
- Unrealised	(3,334)	(3,141)
	<u>38,259</u>	<u>37,570</u>
Less: Consolidation adjustments	1,762	1,511
	<u>40,021</u>	<u>39,081</u>
Total group retained profits as per consolidated accounts	0	(0)

B13 Profit/(loss) before taxation

	Current Quarter 30 Jun 2013 RM'000	Current Year to date 30 Jun 2013 RM'000
Profit/(loss) before taxation is arrived at after charging/(crediting):-		
Interest income	(26)	(29)
Other income	(31)	(45)
Interest expense	351	649
Depreciation and amortisation	3,525	6,292
Foreign exchange (gain)/loss	(278)	(612)
(Gain)/loss on derivatives	-	-

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.

Jadi Imaging Holdings Berhad

22 August 2013