



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

**CONDENSED CONSOLIDATED INCOME STATEMENT**

**For The Second Quarter Ended 30 June 2014**

(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 2014 RM'000	30 Jun 2013 RM'000	30 Jun 2014 RM'000	30 Jun 2013 RM'000
Revenue	A8	21,057	19,792	38,891	38,961
Cost of sales		(18,653)	(16,689)	(34,965)	(33,630)
Gross profit		2,404	3,103	3,926	5,331
Other income		35	309	248	657
Selling and distribution expenses		(644)	(830)	(1,503)	(1,535)
Administrative expenses		(1,533)	(1,213)	(2,768)	(2,312)
Other expenses		(255)	(150)	(619)	(287)
Finance costs		(142)	(352)	(317)	(649)
<b>(Loss)/profit before taxation</b>		<b>(135)</b>	<b>867</b>	<b>(1,033)</b>	<b>1,205</b>
Income tax expense	B5	180	(206)	1,248	(265)
<b>Profit/(loss) after taxation</b>		<b>45</b>	<b>661</b>	<b>215</b>	<b>940</b>
Other comprehensive (loss)/income:					
Exchange translation differences		(434)	1,308	(1,423)	1,726
<b>Total comprehensive (loss)/income</b>		<b>(389)</b>	<b>1,969</b>	<b>(1,208)</b>	<b>2,666</b>
Profit/(loss) attributable to:					
Equity holders of the Company		45	661	215	940
Total comprehensive (loss)/income attributable to:					
Equity holders of the Company		(389)	1,969	(1,208)	2,666
<b>Earnings per share (sen):</b>					
Basic	B10	0.01	0.09	0.03	0.13
Diluted	B10	0.01	0.09	0.03	0.13

**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 2013.



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

**CONDENSED CONSOLIDATED BALANCE SHEET**

**For The Second Quarter Ended 30 June 2014**

(The figures have not been audited)

	<b>Current year Quarter 30 Jun 2014 RM'000</b>	<b>Audited 31 Dec 2013 RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	101,716	108,337
Investment property	100	101
Other investment	50	50
	<u>101,866</u>	<u>108,488</u>
<b>CURRENT ASSETS</b>		
Inventories	28,104	33,066
Trade receivables	13,311	10,254
Other receivables, prepayments and deposits	3,531	2,062
Tax recoverable	236	273
Cash and bank balances	4,086	4,607
	<u>49,268</u>	<u>50,262</u>
<b>TOTAL ASSETS</b>	<u>151,134</u>	<u>158,750</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	2,475	3,898
Retained profits	41,320	41,104
<b>TOTAL EQUITY</b>	<u>123,959</u>	<u>125,166</u>
<b>NON-CURRENT LIABILITIES</b>		
Long-term borrowings	B6 1,219	3,156
Deferred tax liabilities	331	1,634
	<u>1,550</u>	<u>4,790</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	3,506	5,760
Other payables and accruals	3,755	3,565
Amount due to directors	123	126
Short-term borrowings	B6 18,159	19,219
Provision for taxation	82	124
	<u>25,625</u>	<u>28,794</u>
<b>TOTAL LIABILITIES</b>	<u>27,175</u>	<u>33,584</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>151,134</u>	<u>158,750</u>
Net assets per ordinary share (RM)	<u>0.18</u>	<u>0.18</u>

**Note:**

Net assets per share as at 30 June 2014 is arrived at based on the Group's Net Assets of RM123.96 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 2013 was arrived at based on the Group's Net Assets of RM125.17 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 2013.



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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**For The Second Quarter Ended 30 June 2014**

(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 2013 (audited)</u></b>								
At 1 January 2013 (audited)	70,631	(22)	7,622	1,933	1,078	-	39,081	120,323
Total comprehensive (loss)/income	-	-	-	-	2,820	-	2,023	4,843
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 31 December 2013	70,631	(22)	7,622	1,933	3,898	-	41,104	125,166
<b><u>6 months ended 30 June 2014</u></b>								
At 1 January 2014 (audited)	70,631	(22)	7,622	1,933	3,898	-	41,104	125,166
Total comprehensive income	-	-	-	-	(1,423)	-	215	(1,208)
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 2014	70,631	(22)	7,622	1,933	2,475	-	41,320	123,959

**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 2013.



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

**CONDENSED CONSOLIDATED CASHFLOW STATEMENT**

**For The Second Quarter Ended 30 June 2014**

(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 2014 RM'000	30 Jun 2013 RM'000	30 Jun 2014 RM'000	30 Jun 2013 RM'000
<b>CASHFLOWS FROM/(FOR) OPERATING ACTIVITIES</b>				
(Loss)/profit before taxation	(135)	867	(1,033)	1,205
Adjustments for:				
Amortisation	1	1	1	1
Depreciation	3,016	2,658	6,064	5,087
Interest expense	142	351	317	649
Unrealised (gain)/loss on foreign exchange	(69)	(103)	(62)	(38)
Interest income	(3)	(26)	(8)	(29)
Others	11	11	22	22
Operating profit before working capital changes	2,963	3,759	5,301	6,897
Inventories	4,176	225	4,486	2,701
Receivables	(3,589)	(689)	(4,672)	(418)
Payables	(1,356)	455	(1,968)	3,910
Cash from/(for) operations	2,194	3,750	3,147	13,090
Interest paid	(142)	(351)	(317)	(649)
Tax refund	98	-	98	-
Tax paid	(82)	16	(158)	(14)
Net cash from/(for) operating activities	2,068	3,415	2,770	12,427
<b>CASHFLOWS FOR INVESTING ACTIVITIES</b>				
Interest received	3	26	8	29
Purchase of property, plant and equipment	(108)	(2,251)	(354)	(4,579)
Net cash for investing activities	(105)	(2,225)	(346)	(4,550)
<b>CASHFLOWS (FOR)/FROM FINANCING ACTIVITIES</b>				
Net (repayment)/drawdown of trade finance	(323)	-	(289)	-
Repayment of hire purchase	(37)	(36)	(74)	(71)
Repayment of term loan	(1,240)	(1,854)	(2,511)	(3,709)
Advance (repayment)/from to directors	(4)	61	(4)	-
Net cash (for)/from financing activities	(1,604)	(1,829)	(2,878)	(3,780)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	359	(639)	(454)	4,097
<b>EFFECTS OF CHANGES IN FOREIGN EXCHANGE</b>	(28)	150	(67)	70
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER</b>	3,755	12,206	4,607	7,550
<b>CASH AND CASH EQUIVALENTS AT END OF THE QUARTER</b>	A15 4,086	11,717	4,086	11,717

**Note:**

This is prepared based on the consolidated results of the Group for the financial period ended 30 June 2014 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 2013.



## JADI IMAGING HOLDINGS BERHAD (526319 - P)

### QUARTERLY REPORT ON CONSOLIDATED RESULTS For The Second Quarter Ended 30 June 2014

#### 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.

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

##### **MFRSs and IC Interpretations (Including The Consequential Amendments)**

MFRS 10 Consolidated Financial Statements

MFRS 11 Joint Arrangements

MFRS 12 Disclosure of Interests in Other Entities

MFRS 13 Fair Value Measurement

MFRS 119 (Revised) Employee Benefits

MFRS 127 Separate Financial Statements

MFRS 128 Investments in Associates and Joint Ventures

Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance

Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

Annual Improvements to MFRSs 2009 – 2011 Cycle

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)**

MFRS 9 (2009) Financial Instruments

MFRS 9 (2010) Financial Instruments

MFRS 9 Financial Instruments (Hedge Accounting and Amendments to MFRS 7, MFRS 9 and MFRS 139)

Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures

Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities

Amendments to MFRS 119: Defined Benefits Plans - Employee Contributions

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets

Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting

IC Interpretation 21 Levies

Annual Improvements to MFRSs 2010 - 2012 Cycle

Annual Improvements to MFRSs 2011 - 2013 Cycle

##### **Effective Date**

To be announced  
by MASB

1 January 2014

1 July 2014

1 January 2014

1 January 2014

1 January 2014

1 January 2014

1 July 2014

1 July 2014



## JADI IMAGING HOLDINGS BERHAD (526319 - P)

### QUARTERLY REPORT ON CONSOLIDATED RESULTS

For The Second Quarter Ended 30 June 2014

#### 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:-

##### MFRS 9 (2009), MFRS 9 (2010) & Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures

MFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Subsequently, this MFRS 9 was amended in year 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition (known as MFRS 9 (2010)). Generally, 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 will be no financial impacts on the financial statements of the Group upon its initial application but may impact its future disclosure.

##### Amendments to MFRS 119: Employee Contributions

The amendments to MFRS 119 simplify the accounting treatment of contributions from employees and third parties to defined benefit plans. Contributions that are independent of the number of years of service shall be recognised as a reduction in the service cost in the period in which the related service is rendered. For contributions that are dependent on the number of years of service, the Group is required to attribute those contributions to periods of service using either based on the plan's contribution formula or on a straight-line basis, as appropriate. There will be no financial impacts on the financial statements of the Group upon its initial application but may impact its future disclosure.

##### Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

The amendments to MFRS 132 provide the application guidance for criteria to offset financial assets and financial liabilities. There will be no financial impacts on the financial statements of the Group upon its initial application but may impact its future disclosure.

##### Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets

The amendments to MFRS 136 remove the requirement to disclose the recoverable amount when a cash-generating unit (CGU) contains goodwill or intangible assets with indefinite useful lives but there has been no impairment. There will be no financial impacts on the financial statements of the Group upon its initial application but may impact its future disclosure.



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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS**

**For The Second Quarter Ended 30 June 2014**

**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 2013 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 2014**

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

**A7 Dividend paid**

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

**A8 Segmental information**

**Current quarter 30 June 2014**

	<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	21,057	-	-	21,057
Interest income	-	-	-	-
	21,057	-	-	21,057

Results

Segment results	70	(63)	-	7
Other unallocated corporate expenses				(3)
Interest expense				(142)
Interest income				3
Loss before taxation				(135)
Income tax expense				180
Profit after taxation				45

	<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	16,945	4,112	-	-	21,057
Interest income	-	-	-	-	-
	16,945	4,112	-	-	21,057

Results

Segment results	279	(272)	-	-	7
Other unallocated corporate expenses					(3)
Interest expense					(142)
Interest income					3
Loss before taxation					(135)
Income tax expense					180
Profit after taxation					45





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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
For The Second Quarter Ended 30 June 2014**

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

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

**Current quarter 30 June 2013**

	<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	19,792	-	-	19,792
Interest income	-	-	-	-
	<u>19,792</u>	<u>-</u>	<u>-</u>	<u>19,792</u>

Results

Segment results	893	(145)	447	1,195
Other unallocated corporate expenses				(3)
Interest expense				(351)
Interest income				26
Profit before taxation				<u>867</u>
Income tax expense				<u>(206)</u>
Profit after taxation				<u>661</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	16,046	3,746	-	-	19,792
Interest income	-	-	-	-	-
	<u>16,046</u>	<u>3,746</u>	<u>-</u>	<u>-</u>	<u>19,792</u>

Results

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



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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS**

**For The Second Quarter Ended 30 June 2014**

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

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

**Current year to date 30 June 2014**

	<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	38,891	-	-	38,891
Interest income	-	-	-	-
	38,891	-	-	38,891

Results

Segment results	(512)	(209)	-	(721)
Other unallocated corporate expenses				(3)
Interest expense				(317)
Interest income				8
Loss before taxation				(1,033)
Income tax expense				1,248
Profit after taxation				215

	<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	30,238	8,653	-	-	38,891
Interest income	-	-	-	-	-
	30,238	8,653	-	-	38,891

Results

Segment results	(286)	(435)	-	-	(721)
Other unallocated corporate expenses					(3)
Interest expense					(317)
Interest income					8
Loss before taxation					(1,033)
Income tax expense					1,248
Profit after taxation					215



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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
For The Second Quarter Ended 30 June 2014**

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

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

**Current year to date 30 June 2013**

	<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	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
Profit before taxation				1,205
Income tax expense				(265)
Profit after taxation				940

	<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	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
Profit before taxation					1,205
Income tax expense					(265)
Profit after taxation					940



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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
For The Second Quarter Ended 30 June 2014**

**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 2013.

**A10 Material events subsequent to the end of the quarter**

On 17 July 2014, Jadi Imaging Holdings Berhad ("JADI") proposed:

- (i) a bonus issue of up to 293,858,324 ordinary shares of RM0.10 each in JADI ("JADI Shares") ("Bonus Shares") on the basis of one (1) Bonus Share for every three (3) existing JADI Shares held by the entitled shareholders of JADI on an entitlement date to be determined and announced later ("Entitlement Date") ("Proposed Bonus Issue"); and
- (ii) a renounceable two-call rights issue of up to 293,858,324 JADI Shares ("Rights Shares") on the basis of one (1) Rights Share for every three (3) existing JADI Shares held on the Entitlement Date, together with up to 195,905,549 free detachable warrants ("Warrants") on the basis of two (2) Warrants for every three (3) Rights Shares subscribed by the entitled shareholders of JADI, at an issue price of RM0.10, of which the first call of RM0.08 will be payable in cash on application ("First Call") and the second call of RM0.02 will be capitalised from the Company's retained profits account ("Second Call") ("Proposed Two-Call Rights Issue").

Except for the above, there were no other 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 12 August 2014 (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 2014 RM'000
Approved and contracted for:	
Purchase of plant & equipment	272
	272

**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 2014 RM'000
Cash and bank balances	4,086
Fixed deposits with licensed banks	-
	4,086



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

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

**For The Second Quarter Ended 30 June 2014**

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

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

The Group posted a higher revenue of RM21.06 mil for the current quarter under review as compared to RM19.79 million recorded in the corresponding quarter ended 30 June 2013 mainly contributed by increase in sales volume of black toner.

The Group has recorded a loss before taxation of RM135k as compared to a profit before taxation of RM867k in the corresponding quarter ended on 30 June 2013, mainly contributed by the higher production cost due to higher overhead cost.

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

The performance of the two business segments for Q2 2014 as compared to previous year corresponding quarter is as below:

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

Revenue for the current quarter under review has increased by approximately 6.4% as compared to the previous year corresponding quarter ended 30 June 2013 mainly attributed to the increase in sales volume of black toner.

The Group has recorded loss before taxation of RM135k for the current quarter under review as compared to the previous year corresponding quarter ended 30 June 2013 with a profit before taxation of RM867k, mainly due to higher production cost.

###### **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 2014, the Group has higher revenue in the current quarter under review with an increase of 18% or RM3.23 mil from RM17.83 mil to RM21.06 mil. The increase in revenue is contributed by higher sales volume of black toner in the current quarter ended 30 June 2014 as compared to preceding quarter ended 31 March 2014.

There has been a lower loss before taxation amounted to RM135k as compared to RM898k in the preceding quarter ended 31 March 2014. Lower loss in Q2 2014 is attributed to higher sales volume of black toner and improved productivity resulted in lower production cost in the current quarter.

##### **B3 Prospects**

The global economic outlook continues to remain weak and uncertain, therefore, adversely affecting market demand across different geographical regions including the United States, Europe and China. Despite the gradual decline in consumer printing demand, particularly in the home and small office end-user segment, the Group shall continue to intensify its efforts in R&D, placing greater emphasis on the development of higher value colour toners for use in colour and business printing, which is still experiencing growth in demand. Since the start of resin production in early 2013, the Group has converted up to 90% of its toner formulations with its own in-house produced resin, thus reducing its reliance on imported resins, and enabling further cost savings to be derived once economies of scale is achieved.

##### **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 2014

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

**B5 Income tax expense**

	<b>Current quarter 30 Jun 2014 RM'000</b>	<b>Current year To date 30 Jun 2014 RM'000</b>
Income tax		
Current year	-	55
Over provision in prior years	-	-
Deferred tax expense		
Current year	(180)	(1,303)
	<u>(180)</u>	<u>(1,248)</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 2014, the Group had total borrowings of approximately RM19.38 million, details of which are set out below:

	<b>RM'000</b>
Interest bearing borrowings:	
<i>Short term borrowings</i>	
Unsecured:	
Revolving credit	10,227
Secured:	
Term loan	3,412
Hire purchase	114
Trade finance	4,406
	<u>18,159</u>
<i>Long term borrowings</i>	
Secured:	
Term loan	1,219
	<u>1,219</u>
Total	<u>19,378</u>

As at 30 June 2014, the Group does not have any foreign currency denominated borrowings.

**B7 Derivatives**

As at 30 June 2014, 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)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS**

**For The Second Quarter Ended 30 June 2014**

**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**

	<b>Current Quarter 30 Jun 2014</b>	<b>Current Year to date 30 Jun 2014</b>
<i>(a) Basic earnings per share</i>		
Profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	45	215
Issued ordinary shares at 1 January 2014 ('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/(loss) per share (sen)	<u>0.01</u>	<u>0.03</u>
<i>(b) Diluted earnings per share</i>		
Profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	45	215
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/(loss) per share (sen)	<u>0.01</u>	<u>0.03</u>

**B11 Status of corporate proposals**

There were no pending corporate proposals.



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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS**

For The Second Quarter Ended 30 June 2014

**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:-

	<b>As at 30 Jun 2014 RM'000</b>	<b>As at 31 Dec 2013 RM'000</b>
Total retained profits of the Company and its subsidiaries:		
- Realised	40,631	41,629
- Unrealised	(331)	(1,542)
	<u>40,300</u>	<u>40,086</u>
Less: Consolidation adjustments	1,020	1,018
	<u>41,320</u>	<u>41,104</u>
Total group retained profits as per consolidated accounts		

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

	<b>Current Quarter 30 Jun 2014 RM'000</b>	<b>Current Year to date 30 Jun 2014 RM'000</b>
Profit/(loss) before taxation is arrived at after charging/(crediting):-		
Interest income	(3)	(8)
Other income	(35)	(82)
Interest expense	142	317
Depreciation and amortisation	3,016	6,064
Foreign exchange loss/(gain)	79	152

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

1. Provision for and write off of receivables
2. (Gain)/loss on derivatives
3. (Gain)/loss on disposal of quoted or unquoted investments or properties
4. Impairment of assets
5. 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**

19 August 2014