



JADI IMAGING HOLDINGS BERHAD (526319 - P)

CONDENSED CONSOLIDATED INCOME STATEMENT

For The Second Quarter Ended 30 June 2008

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current	Preceding	Current	Preceding
		Year	Year	Year	Year
		Quarter	Corresponding	To date	Corresponding
		Quarter	Quarter	To date	Period
		30 June 2008	30 June 2007	30 June 2008	30 June 2007
		RM'000	RM'000	RM'000	RM'000
Revenue		13,871	15,446	31,096	28,956
Cost of sales		(9,811)	(10,323)	(22,266)	(19,329)
Gross profit		<u>4,060</u>	<u>5,123</u>	<u>8,830</u>	<u>9,627</u>
Other operating income		48	35	128	109
Selling and distribution expenses		(479)	(585)	(875)	(962)
Administrative expenses		(1,140)	(1,272)	(2,521)	(2,461)
Other operating expenses		(158)	(13)	(1,199)	(7)
Finance costs		(51)	(61)	(78)	(146)
Profit before taxation		<u>2,280</u>	<u>3,227</u>	<u>4,285</u>	<u>6,160</u>
Taxation	B5	(341)	(199)	(627)	(428)
Profit after taxation		<u>1,939</u>	<u>3,028</u>	<u>3,658</u>	<u>5,732</u>
Earnings per share (sen):					
Basic	B12	0.32	0.67	0.61	1.27
Diluted		<u>N/A</u>	<u>0.65</u>	<u>N/A</u>	<u>1.22</u>

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 2007.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

CONDENSED CONSOLIDATED BALANCE SHEET

For The Second Quarter Ended 30 June 2008

(The figures have not been audited)

	Current year quarter 30 June 2008 RM'000	Audited 31 Dec 2007 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	49,437	49,882
Prepaid land lease payments	1,915	1,910
Investment property	114	115
Available for sale investment	50	50
	<u>51,516</u>	<u>51,957</u>
CURRENT ASSETS		
Inventories	23,251	20,236
Trade receivables	6,477	4,227
Other receivables, prepayments and deposits	2,632	1,570
Tax recoverable	524	524
Cash and bank balances	9,039	12,430
	<u>41,923</u>	<u>38,987</u>
TOTAL ASSETS	<u>93,439</u>	<u>90,944</u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share capital	60,406	60,404
Share premium	59	59
Revaluation reserve	1,277	1,277
Foreign exchange reserve	(271)	(484)
Share option reserve	264	264
Retained profits	16,805	16,167
SHAREHOLDERS' FUNDS	<u>78,540</u>	<u>77,687</u>
NON-CURRENT LIABILITIES		
Hire purchase payables	47	47
Term loan - long term	-	76
Deferred tax liabilities	4,766	4,674
	<u>4,813</u>	<u>4,797</u>
CURRENT LIABILITIES		
Trade payables	7,377	5,277
Other payables and accruals	1,333	1,416
Amount due to directors	2	305
Hire purchase payables	85	215
Short term borrowings	754	1,247
Provision for taxation	535	-
	<u>10,086</u>	<u>8,460</u>
TOTAL LIABILITIES	<u>14,899</u>	<u>13,257</u>
TOTAL EQUITY AND LIABILITIES	<u>93,439</u>	<u>90,944</u>
	-	-
Net Assets per share (RM)	<u>0.1300</u>	<u>0.1286</u>



JADI IMAGING HOLDINGS BERHAD (526319 - P)

Note:

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 2007.

Net assets per share as at 30 June 2008 is arrived at based on the Group's Net Assets of RM78.54 million over the number of ordinary shares of 604,056,599 shares of RM0.10 each. Net Assets per share as at 31 December 2007 was arrived at based on the Group's Net Assets of RM77.69 million over the number of ordinary shares of 604,036,599 shares of RM0.10 each.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Second Quarter Ended 30 June 2008

(The figures have not been audited)

	-----Non-distributable-----			-----Distributable-----			
	Share capital	Share premium	Revaluation reserve	Foreign exchange reserve	Share option reserve	Retained profit	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>12 months ended 31 December 2007</u>							
At 1 January 2007 (audited)	45,000	4,466	1,249	(548)	348	17,201	67,716
Bonus issue I	15,092	(4,732)	-	-	-	(10,359)	-
ESOS exercised	312	325	-	-	(43)	-	593
Transfer from deferred taxation	-	-	28	-	-	-	28
Exchange translation differences	-	-	-	64	-	-	64
Share Options forfeited under ESOS	-	-	-	-	(41)	-	(40)
Profit for the financial year	-	-	-	-	-	10,675	10,676
Dividends	-	-	-	-	-	(1,350)	(1,350)
At 31 December 2007 (audited)	<u>60,404</u>	<u>59</u>	<u>1,277</u>	<u>(484)</u>	<u>264</u>	<u>16,167</u>	<u>77,687</u>
<u>6 months ended 31 June 2008</u>							
At 1 January 2008	60,404	59	1,277	(484)	264	16,167	77,687
Foreign exchange difference, representing net expense recognised directly in equity	-	-	-	213	-	-	213
Profit for the financial year	-	-	-	-	-	3,658	3,658
Surplus arising from revaluation of freehold land and building	-	-	-	-	-	-	-
Total recognised (expense)/income for the year	-	-	-	213	-	3,658	3,871
Dividends	-	-	-	-	-	(3,020)	(3,020)
ESOS exercised	2	-	-	-	-	-	2
At 30 June 2008	<u>60,406</u>	<u>59</u>	<u>1,277</u>	<u>(271)</u>	<u>264</u>	<u>16,805</u>	<u>78,540</u>

Note:

The unaudited condensed consolidated statement of changes in equity for the financial period ended 30 June 2008 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 2007.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

CONDENSED CONSOLIDATED CASHFLOW STATEMENT

For The Second Quarter Ended 30 June 2008

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current	Preceding	Current	Preceding
	Year	Year	Year	Year
	Quarter	Corresponding	To date	Corresponding
	30 June 2008	30 June 2007	30 June 2008	30 June 2007
Note	RM'000	RM'000	RM'000	RM'000
CASHFLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	2,280	3,227	4,285	6,160
Adjustments for:				
Depreciation	1,473	1,307	2,869	2,570
Amortisation of investment property	14	-	28	1
Share options granted under ESOS	-	53	-	105
Interest expense	53	61	78	146
Interest income	(97)	(36)	(128)	(39)
Operating profit before working capital changes	3,723	4,612	7,132	8,913
Inventories	(5,329)	(1,755)	(3,015)	(3,053)
Receivables	511	(1,398)	(4,094)	(2,623)
Payables	(580)	(453)	1,714	(816)
Cash generated from operations	(1,675)	1,006	1,737	2,421
Interest paid	(53)	(61)	(78)	(146)
Tax paid	(419)	(15)	(627)	(475)
Net cash generated from operating activities	(2,147)	930	1,032	1,800
CASHFLOWS FROM INVESTING ACTIVITIES				
Interest received	97	36	128	69
Purchase of property, plant and equipment	(828)	(2,930)	(1,046)	(3,856)
Net cash used in investing activities	(731)	(2,894)	(918)	(3,787)
CASHFLOWS FROM FINANCING ACTIVITIES				
Repayment of bankers' acceptance	-	-	-	-
Repayment of term loan	(266)	(264)	(569)	(523)
Repayment of hire purchase	(31)	(491)	(130)	(1,485)
Proceeds from issuance of public shares	-	-	-	-
Proceeds from issuance of shares under ESOS	2	544	2	544
Payment of listing expenses	-	-	-	-
Proceeds from issuance of right shares	-	-	-	-
Dividend paid	(3,020)	-	(3,020)	(1,350)
Net cash generated from financing activities	(3,315)	(211)	(3,717)	(2,814)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(6,193)	(2,175)	(3,603)	(4,801)
EFFECTS OF CHANGES IN FOREIGN EXCHANGE	(46)	240	213	96
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER	15,278	12,778	12,429	15,548
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	A15 9,039	10,843	9,039	10,843



JADI IMAGING HOLDINGS BERHAD (526319 - P)

Note:

This is prepared based on the consolidated results of the Group for the financial period ended 30 June 2008 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 year ended 31 December 2007.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS For The Second Quarter Ended 30 June 2008

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 2007. 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 2007.

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2007 annual financial statements.

A2 Audit report of preceding annual financial statements

The preceding year annual audited financial statements for the financial year ended 31 December 2007 were not subjected to any 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 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

On 7 March 2008, the Company declared a Tax-Exempt Interim Dividend of 5% or 0.5 sen per ordinary share of RM0.10 in respect of the financial year ended 31 December 2007 and it was paid on 11 April 2008.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS For The Second Quarter Ended 30 June 2008

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

A8 Segmental information

Segmental information for the Group by geographical segment is presented as follows:

	Current quarter	Current year to date
	30 June 2008	30 June 2008
	RM'000	RM'000
<u>Segment Revenue</u>		
Malaysia	11,749	27,009
China	2,122	4,087
	<u>13,871</u>	<u>31,096</u>
 <u>Segment Results</u>		
Malaysia	1,719	3,023
China	220	635
Profit from operations	<u>1,939</u>	<u>3,658</u>

Disclosure of segmental information of the Group by business segment is not presented as the Group is primarily engaged in only one business segment which is the manufacturing of toners.

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 have been brought forward without amendments from the financial statements for the financial year ended 31 December 2007.

A10 Material events subsequent to the end of the quarter

There were no material events subsequent to the end of this quarter.

A11 Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter under review.

A12 Contingent liabilities

The Directors are of the opinion that the Group has no contingent liabilities which, upon crystallisation would have a material impact on the financial position and business of the Group as at 20 August 2008 (the latest practicable date which is not earlier than 7 days from the date of issue of this financial results).



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS For The Second Quarter Ended 30 June 2008

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

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 June 2008 RM'000
Approved and contracted for:	
Acquisition of plant and machinery for color toner line	6,659
Construction of factory in Suzhou, China	4,680
Acquisition of freehold industrial land and building	7,000
	<hr/> 18,339 <hr/>

A14 Significant related party transactions

There was no significant related party transaction for this quarter.

A15 Cash and cash equivalents

	Current year to-date 30 June 2008 RM'000
Cash in hand	21
Cash at banks	6,344
Short term deposit & investment	2,674
	<hr/> 9,039 <hr/>



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

For The Second Quarter Ended 30 June 2008

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

B1 Review of performance

For the current quarter ended 30 June 2008, the Group recorded a revenue of RM13.87 million against RM15.45 million in the corresponding quarter ended 30 June 2007, a decrease of RM1.58 million or 10.2%. The profit before taxation for the Group decreased by RM0.95 million or 29.4% to RM2.28 million compared to RM3.23 million in the corresponding quarter ended 30 June 2007 mainly due to the appreciation of the Malaysian Ringgit against the US Dollar which negatively impacted our sales revenue, the depreciation of Malaysian Ringgit against the Japanese Yen which increased our production cost, and the substantial increase in raw material prices.

B2 Variation of results against preceding quarter

The Group recorded a revenue of RM13.87 million for the current quarter under review against RM17.23 in the preceding quarter, a decrease of RM3.36 million or 19.5%. However the profit before tax increased by 14.0% or RM0.28 million to RM2.28 million compared to the RM2.00 million achieved in the preceding quarter mainly due to the writing off in the preceding quarter of a one-off expenses amounting to RM1.04 million that was incurred on a proposed acquisition of an imaging supplies business in Europe which was aborted.

The profit after tax of RM1.94 million was higher by RM0.21 million or 12.2% compared to the RM1.72 million achieved in the preceding quarter mainly due to the same reason.

B3 Prospects

The Board expects the year 2008 to remain challenging for the Group in view of the negative impact of the uncertain global financial condition and slower global growth on the toner industry.

The Group's financial performance in the first half of the year was negatively impacted by the appreciation of the Malaysian Ringgit against the US Dollar and the increase in raw material prices. However, based on the following factors, the Board expects the Group's financial performance to improve in the second half of the year:

- (i) Increased margin due to the depreciation of the Malaysian Ringgit against the US Dollar;
- (ii) Increased sales from higher margin products, especially color toner;*
- (iii) Increased sales from new distribution channels established by the Group.

* The new color toner line commenced commercial production in July 2008 and will increase the Group's production capacity of color toner by an additional 400 tonnes per year.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS For The Second Quarter Ended 30 June 2008

B4 Profit forecast and profit guarantee

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

B5 Taxation

	Current quarter	Current year
	30 June 2008	to date
	RM'000	30 June 2008
	RM'000	RM'000
Income tax	299	535
Deferred tax	42	92
	341	627

Tax expense for the current quarter ended 30 June 2008 is derived based on management's best estimate of the tax rate for the year. The deferred tax liabilities arose from accelerated capital allowances over depreciation of qualifying plant and equipment and the effect arising from the revaluation of freehold land and building. The effective tax rate for the period presented above is lower than the statutory tax rate principally due to the tax savings arising from the investment allowances available.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS For The Second Quarter Ended 30 June 2008

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

B6 Unquoted investments and properties

There were no changes in the unquoted investments and properties of the Group during the current quarter under review.

B7 Quoted securities

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

B8 Group's borrowings and debt securities

As at 30 June 2008, the Group had total borrowings of approximately RM0.89 million, details of which are set out below:

Interest bearing borrowings:	RM'000
<i>Short term borrowings</i>	
Term loan	754
Hire purchase	85
<i>Long term borrowings</i>	
Term loan	-
Hire purchase	47
Total	<u>886</u>

As at 30 June 2008 the Group does not have any foreign currency denominated borrowings.

B9 Off balance sheet financial instruments

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

B10 Material litigation

Neither the Company nor its subsidiary companies is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiary companies and the Board does not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiary companies.



JADI IMAGING HOLDINGS BERHAD (526319 - P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS For The Second Quarter Ended 30 June 2008

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

B11 Dividends

No dividend have been declared under the current quarter under review.

B12 Earnings per share

	Current Quarter 30 June 2008 RM'000	Current Year To date 30 June 2008 RM'000
Profit after taxation (RM'000)	1,939	3,658
Weighted average number of shares in issue ('000)	604,047	604,037
Basic earnings per share (sen)	0.32	0.61

B13 Status of corporate proposals

There were no pending corporate proposal.

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 duly passed at the Board of Directors' Meeting held on 27 August 2008.

Jadi Imaging Holdings Berhad

27 August 2008