



JOHAN HOLDINGS BERHAD

(Company No. 314-K)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 JULY 2006**

	Note	3 months ended 31 July		6 months ended 31 July	
		2006 RM'000	2005 RM'000 As Restated	2006 RM'000	2005 RM'000 As Restated
Continuing operations					
Revenue	K1	134,088	136,563	278,139	261,040
Cost of Sales		(94,090)	(93,799)	(196,283)	(177,540)
Gross Profit		39,998	42,764	81,856	83,500
Other Income		9,149	4,004	26,797	15,130
Administrative and Other Expenses		(35,860)	(33,956)	(75,013)	(73,609)
Finance Cost		(11,206)	(10,484)	(20,186)	(19,491)
Profit Before Taxation	K1	2,081	2,328	13,454	5,530
Taxation	K5	(376)	(856)	(589)	(1,374)
Profit For The Period from Continuing Operations		1,705	1,472	12,865	4,156
Discontinued Operation					
Profit/(Loss) for the period from a discontinued operation		-	1,366	-	(2,139)
Group profit for the period		<u>1,705</u>	<u>2,838</u>	<u>12,865</u>	<u>2,017</u>
Attributable to:-					
Equity holders of the parent	K1	1,507	2,015	12,496	3,136
Minority interests		198	823	369	(1,119)
		<u>1,705</u>	<u>2,838</u>	<u>12,865</u>	<u>2,017</u>
Earnings Per Share attributable to equity holders of the parent:					
Basic, for profit from continuing operations (sen)		0.30	0.13	2.46	1.04
Basic, for profit/(loss) from discontinued operation (sen)		-	0.27	-	(0.42)
Basic, for profit for the period (sen)	K13	<u>0.30</u>	<u>0.40</u>	<u>2.46</u>	<u>0.62</u>
Diluted, for profit from discontinuing operations (sen)		0.24	0.10	2.01	0.85
Diluted, for profit/(loss) from discontinued operation (sen)		-	0.22	-	(0.34)
Diluted, for profit for the period (sen)	K13	<u>0.24</u>	<u>0.32</u>	<u>2.01</u>	<u>0.50</u>

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 January 2006)



**CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2006**

	Note	As at 31 July 2006 RM'000	As at 31 January 2006 RM'000
Property, Plant and Equipment	M10	210,262	213,767
Land and Development Expenditure		75,640	76,021
Prepaid Lease Payments		9,096	9,141
Goodwill on Consolidation		5,247	5,303
Investment Securities		2,243	403
Deferred Tax Assets		10,431	10,290
Current Assets			
Inventories		21,757	23,869
Receivables		414,034	428,241
Investment Securities		261	337
Cash and Bank Balances		113,408	125,170
		<u>549,460</u>	<u>577,617</u>
Current Liabilities			
Payables		125,223	146,105
Taxation		3,565	6,039
Investors certificates		322,359	327,848
Bank Borrowings	K9	167,659	135,648
		<u>618,806</u>	<u>615,640</u>
Net Current Assets/(Liabilities)		(69,346)	(38,023)
		<u>243,573</u>	<u>276,902</u>
Share Capital	M7	254,451	254,451
ICULS	M7	57,024	57,024
Reserves			
Share Premium		69,415	69,415
Capital and Revaluation Reserves		27,426	27,485
Exchange Reserve		9,732	8,452
Accumulated Losses		(268,189)	(280,685)
Attributable to equity holders of the parent		149,859	136,142
Minority Interest		9,628	9,688
Total Equity		<u>159,487</u>	<u>145,830</u>
Long Term Liabilities			
Deferred Taxation		2,762	2,828
Term Loans	K9	53,737	99,750
Hire Purchase and Lease Creditors		587	1,494
Senior certificates		27,000	27,000
		<u>243,573</u>	<u>276,902</u>
Net Assets per share (sen)		<u>29.4</u>	<u>26.8</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 January 2006)



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 31 JULY 2006**

	<-----Attributable to equity holders of the parent----->						Minority Interest	Total Equity
	Share Capital RM'000	ICULS RM'000	Share Premium RM'000	Non- Distributable Reserves RM'000	Accumulated Losses RM'000	Total RM'000		
Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 February 2005	254,451	57,024	69,415	42,278	(161,920)	261,248	28,084	289,332
Profit for the six months	-	-	-	-	3,136	3,136	(1,119)	2,017
Translation differences	-	-	-	(4,948)	-	(4,948)	-	(4,948)
At 31 July 2005	<u>254,451</u>	<u>57,024</u>	<u>69,415</u>	<u>37,330</u>	<u>(158,784)</u>	<u>259,436</u>	<u>26,965</u>	<u>286,401</u>
At 1 February 2006	254,451	57,024	69,415	35,937	(280,685)	136,142	9,688	145,830
Profit for the six months	-	-	-	-	12,496	12,496	369	12,865
Translation differences	-	-	-	1,221	-	1,221	(429)	792
At 31 July 2006	<u>254,451</u>	<u>57,024</u>	<u>69,415</u>	<u>37,158</u>	<u>(268,189)</u>	<u>149,859</u>	<u>9,628</u>	<u>159,487</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 January 2006.)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX-MONTH PERIOD ENDED 31 JULY 2006**

	6 months ended 31 July	
	2006 RM'000	2005 RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before tax and minority interest from continuing operations	13,454	5,530
Profit/(Loss) before tax and minority interest from a discontinued operation	-	(5,455)
	<u>13,454</u>	<u>75</u>
Adjustments for non-cash and non-operating items:		
- Non-cash items	10,149	10,353
- Investing and financing items	4,705	20,924
	<u>28,308</u>	<u>31,352</u>
Operating profit before changes in working capital	28,308	31,352
Changes in working capital:		
- Changes in current assets	3,716	(23,853)
- Changes in current liabilities	(19,474)	(34,300)
Loan interest paid	(20,186)	(25,281)
Interest received	1,047	679
Taxation paid	(3,118)	(2,166)
	<u>(9,707)</u>	<u>(53,569)</u>
Net cash used in operating activities	(9,707)	(53,569)
Net cash used in investing activities	(2,285)	6,798
Net cash generated from/(used in) financing activities	(2,728)	(13,603)
Translation differences	1,142	9,791
Effects of Exchange Rate Changes on Cash and Cash Equivalents	(437)	(2,102)
	<u>(14,015)</u>	<u>(52,685)</u>
Net Change in Cash and Cash Equivalents	(14,015)	(52,685)
Cash and Cash Equivalents at Beginning of Year	96,100	59,680
	<u>82,085</u>	<u>6,995</u>
Cash and Cash Equivalents at End of Period	82,085	6,995
Analysis of Cash and Cash Equivalents:		
Cash and bank balances	113,408	34,668
Bank overdrafts	(31,323)	(27,673)
	<u>82,085</u>	<u>6,995</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 January 2006.)



NOTES TO THE INTERIM FINANCIAL REPORT

M1 Basis of Preparation

The interim financial report is unaudited and has been prepared in compliance with the requirements of FRS 134 - Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Malaysia") and should be read in conjunction with the audited financial statements of the Group for the year ended 31 January 2006.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 January 2006.

M2 Auditors' Report on Preceding Annual Financial Statements

Included in the auditors' report of the financial statements for the financial year ended 31 January 2006 is the following:-

"The Group disposed of a subsidiary, William Jacks PLC on 30 January 2006 (completion date of disposal). The results of this subsidiary and its cash flows for the period from 1 February 2005 to 30 January 2006 are disclosed in note 7 to the financial statements and are included in the consolidated income statement and the consolidated cash flow statement respectively. As William Jacks PLC ceased to be a subsidiary on 30 January 2006, the assets and liabilities of William Jacks PLC were not consolidated as at 31 January 2006.

Based on information available to us, we are unable to perform appropriate audit procedures to obtain reasonable assurance that the results and cash flows of William Jacks PLC which are disclosed in note 7 to the financial statements and which have been included in the consolidated income statement and consolidated cash flow statement, are free of material misstatement and have been properly prepared in accordance with applicable MASB Approved Accounting Standards in Malaysia.

In our opinion, except for the effects of such adjustments on the consolidated income statement, consolidated cash flow statement and the financial information on discontinued operation as disclosed in Note 7 to the financial statements, if any, as might have been determined to be necessary had we been able to carry out the appropriate audit procedures in relation to the financial statements of William Jacks PLC without the scope limitations referred to in the preceding paragraphs, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia so as to give a true and fair view of:

(i) the financial position of the Group and of the Company as at 31 January 2006 and of the results and the cash flows of the Group and of the Company for the year then ended; and

(ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements."

M3 Comparatives



Johan Holdings Berhad

The following comparative amounts have been restated due to the adoption of FRS 5 - Non-current Assets Held for Sales and Discontinued Operations.

	3 months ended 31 July 2005			6 months ended 31 July 2005		
	Previously stated RM'000	Adjustment FRS 5 RM'000	Restated RM'000	Previously stated RM'000	Adjustment FRS 5 RM'000	Restated RM'000
Revenue	460,754	(324,191)	136,563	937,492	(676,452)	261,040
Cost of sales	(395,899)	302,100	(93,799)	(811,099)	633,559	(177,540)
Gross Profit	64,855	(22,091)	42,764	126,393	(42,893)	83,500
Other Income	7,633	(3,629)	4,004	18,759	(3,629)	15,130
Administrative and other expenses	(57,024)	23,068	(33,956)	(119,796)	46,187	(73,609)
Finance cost	(13,198)	2,714	(10,484)	(25,281)	5,790	(19,491)
Profit before taxation	2,266	62	2,328	75	5,455	5,530
Taxation	572	(1,428)	(856)	1,942	(3,316)	(1,374)
Profit for the period	2,838	(1,366)	1,472	2,017	2,139	4,156



NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

M4 Seasonal or Cyclical Factors

Overall, the business operations of the Group were not affected by any seasonal or cyclical factors.

M5 Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items due to their nature, size or incidence registered during the financial period under review except as disclosed in note K1.

M6 Changes in Accounting Estimates

During the three-month period under review, there was no change in accounting estimates adopted by the Group companies.

M7 Debt and Equity Securities

During the three-month period under review, there were no issuance, cancellations, repurchase, resale and repayments of debt and equity securities.

M8 Dividend Paid

During the three-month period under review, no dividend was paid by the Company.

**M9 Segmental Information**

	Engineering & building materials RM'000	General trading RM'000	Property RM'000	Hospitality RM'000	Investment holding & secretarial services RM'000	Elimination RM'000	Total RM'000
<u>Six months ended 31 July 2006</u>							
Segment Revenue							
Revenue:							
- External	48,420	22,842	-	206,793	84	-	278,139
- Internal	3,026	-	-	-	95	(3,121)	-
Total revenue	<u>51,446</u>	<u>22,842</u>	<u>-</u>	<u>206,793</u>	<u>179</u>	<u>(3,121)</u>	<u>278,139</u>
Segment Results							
Results:							
- Segment results	4,998	1,487	(116)	14,800	24,556	(12,085)	33,640
- Finance cost	(1,846)	(249)	(103)	(12,802)	(17,271)	12,085	(20,186)
Profit/(Loss) before taxation	<u>3,152</u>	<u>1,238</u>	<u>(219)</u>	<u>1,998</u>	<u>7,285</u>	<u>-</u>	<u>13,454</u>
Taxation							(589)
Profit for the period							<u>12,865</u>

**M9 Segment Information (Cont'd)**

	Engineering & building materials RM'000	General trading RM'000	Property RM'000	Hospitality RM'000	Investment holding & secretarial services RM'000	Elimination RM'000	Total RM'000
<u>Six months ended 31 July 2005</u>							
Segment Revenue							
Revenue:							
- External	42,085	20,116	-	198,745	94	-	261,040
- Internal	1,685	-	-	-	97	(1,782)	-
Total revenue -continuing operations	43,770	20,116	-	198,745	191	(1,782)	261,040
Total revenue -discontinued operation	-	676,452	-	-	-	-	676,452
	<u>43,770</u>	<u>696,568</u>	<u>-</u>	<u>198,745</u>	<u>191</u>	<u>(1,782)</u>	<u>937,492</u>
Segment Results							
Results:							
- Segment results	2,828	(810)	360	15,492	15,431	(8,280)	25,021
- Finance cost	(2,096)	(293)	-	(10,258)	(15,124)	8,280	(19,491)
Profit/(Loss) before taxation -continuing operations	732	(1,103)	360	5,234	307	-	5,530
Loss before taxation -discontinued operation	-	(5,455)	-	-	-	-	(5,455)
Total	<u>732</u>	<u>(6,558)</u>	<u>360</u>	<u>5,234</u>	<u>307</u>	<u>-</u>	<u>75</u>
Taxation -continuing operations							(1,374)
Taxation -discontinued operation							3,316
							1942
Profit for the period							<u>2,017</u>

**NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)****M10 Carrying Amount of Revalued Assets**

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 January 2006.

M11 Events Subsequent to the Balance Sheet Date

There were no event subsequent to the end of the financial quarter that have not been reflected in the financial statements for the quarter.

M12 Changes in Composition of the Group

There were no changes in the composition of the Group during the financial quarter under review except that a wholly owned subsidiary, AIH Holdings Ltd, had purchased a shelf company, Worldwide Victory Limited ("WVL") for a cash consideration of HK\$10,000 (equivalent to RM4,695). The proposed principal activity of WVL is investment holding.

M13 Changes in Contingent Liabilities

These have been disclosed in Note K11 to this Financial Report.

M14 Capital Commitments

A foreign subsidiary company has a commitment amounting to RM15.4 million in respect of the balance of the purchase consideration for a parcel of land under a conditional Agreement. The amount is payable upon fulfilment of all conditions by the other party as set out in the Agreement.

M15 Related Party Transactions

	3 months ended		6 months ended	
	31 July 2006 RM'000	31 July 2005 RM'000	31 July 2006 RM'000	31 July 2005 RM'000
Transactions with corporations in which the directors, Tan Sri Dato' Tan Kay Hock and Puan Sri Datin Tan Swee Bee, are deemed interested through their interest in George Kent (Malaysia) Bhd :-				
Purchases of goods	75	184	127	329
Sales of air tickets	83	162	158	211
Recovery of share registration and professional fees	42	54	78	73
Rental expense	19	19	38	38

The Directors of the Company are of the opinion that the above transactions were in the normal course of business and have been established under terms that are no less favourable than those arranged with independent parties.

**ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS****K1 Review of Performance**

For the financial quarter under review, the Group registered a lower revenue of RM134.088 million compared to previous corresponding quarter of RM136.563 million, a decrease of 2%. The lower revenue was attributable to lower sales recorded by some of the operating companies, both locally and overseas.

The Group recorded a profit before tax of RM2.081 million against last year's profit before tax of RM2.328 million. This was attributed to lower turnover and higher operating and interest costs incurred by the operating subsidiaries.

At attributable level, the profit was RM1.507 million compared to previous corresponding quarter of RM2.015 million.

K2 Variation of Results Against Preceding Quarter

Total revenue for the current financial quarter was RM134.088 million a decrease of 7% when compared to preceding quarter's RM144.051 million. The decrease was attributed to lower revenue from ceramics tiles, travel and ticketing businesses. Profit for the quarter was RM1.705 million compared to preceding quarter's profit of RM11.160 million. The preceding quarter's profit was due to the write back of interest provision and debts waived by the lenders of a subsidiary company.

K3 Current Year Prospect

Many of our operating companies performed better in the first half year. The Board is heartened that the group has returned to profit position and is optimistic of the results for the full year.

K4 Profit Forecast

Not applicable as no profit forecast was published.

K5 Tax Credit/(Charge)

	3 months ended		6 months ended	
	31 July 2006 RM'000	31 July 2005 RM'000	31 July 2006 RM'000	31 July 2005 RM'000
Taxation based on results for continuing operations: -				
- Malaysian taxation	(272)	(208)	(272)	(678)
- Overseas taxation	(104)	(384)	(317)	(696)
	<u>(376)</u>	<u>(592)</u>	<u>(589)</u>	<u>(1,374)</u>
- Deferred taxation	-	(264)	-	-
	<u>(376)</u>	<u>(856)</u>	<u>(589)</u>	<u>(1,374)</u>

The tax charge is provided on the profits made by certain group companies due to the absence of the group tax relief in the respective countries of operations.

**ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS (CONT'D)****K6 Unquoted Investments and Properties**

During the three-month period under review, there were no sale of unquoted investments and properties.

K7 Quoted Investments

a) During the period under review, there were no sale and purchase of quoted securities.

	As at 31 July 2006 RM'000	As at 31 January 2006 RM'000
b) Investment in quoted shares as at 31 July 2006: -		
At cost	<u>3,416</u>	<u>3,416</u>
At book value	<u>677</u>	<u>734</u>
At market value	<u>596</u>	<u>715</u>

K8 Status of Corporate Proposal Announced

On 16 May 2006, the group announced that its 86.75% subsidiary, Jacks International Limited ("JIL") which is listed on the SGX, had proposed a capital reduction under Section 78C of the Companies Act, Chapter 50 of Singapore by distributing to shareholders paid-up share capital to the extent of S\$15.75 million or at 10.5 cents in cash for each issued and fully paid-up ordinary share in JIL as at a book closure date to be determined in due course.

On 28 August 2006, JIL announced that the book closure date will be on 12 September 2006 at 5.00 p.m. for the purpose of determining shareholders' entitlement to the cash payment as at book closure date and the payment will be despatched to shareholders on 21 September 2006.

**ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS (CONT'D)****K9 Borrowings and Debt Securities**

	As at 31 July 2006 RM'000	As at 31 January 2006 RM'000
a) Short term borrowings		
Secured		
- Bank overdrafts	11,122	14,730
- Revolving credits and short-term loans	108,806	20,000
- Trust receipts and bankers' acceptance	9,285	13,075
- Current portion of long-term loans	4,445	59,643
	133,658	107,448
Unsecured		
- Bank overdrafts	20,201	14,340
- Revolving credits and short-term loans	13,800	13,860
- Current portion of long-term loans	-	-
	34,001	28,200
Total short term borrowings	<u>167,659</u>	<u>135,648</u>
b) Long term borrowings - Term Loans		
- Secured	58,182	159,393
- Unsecured	-	-
	<u>58,182</u>	<u>159,393</u>
Portion repayable within one year included in (a) above		
- Secured	(4,445)	(59,643)
- Unsecured	-	-
	<u>(4,445)</u>	<u>(59,643)</u>
Total long term borrowings	<u>53,737</u>	<u>99,750</u>
The bank borrowings denominated in foreign currencies are as follows: -	RM'000	RM'000
Denominated in Singapore Dollar	27,991	26,479
Denominated in U.S. Dollar	84,417	98,900
	<u>112,408</u>	<u>125,379</u>

K10 Off Balance Sheet Financial Instruments

The Group does not have any financial instrument with off balance sheet risk as at 23 September 2006.

K11 Changes in Material Litigation

There is no change in the material litigation from the date of the last quarterly report except that the litigation between a subsidiary, Asian Village Antigua Limited ("AVAL") and the Government of Antigua and Barbuda ("GAB") pertaining to the land ownership. AVAL has initiated arbitration proceeding against GAB. Based on the documents available and legal opinion sought, the Directors are confident of the outcome of the arbitration.

**ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS (CONT'D)****K12 Dividend**

There was no dividend declared by the Company in the last financial year and the Directors do not propose any dividend for the current financial period ended 31 July 2006.

K13 Earnings/(Loss) per Share**(a) Basic**

Basic earnings/(loss) per share amounts are calculated by dividing profit/(loss) for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

	3 months ended		6 months ended	
	31 July 2006 RM'000	31 July 2005 RM'000	31 July 2006 RM'000	31 July 2005 RM'000
Profit from continuing operations attributable to ordinary equity holders of the parent	1,507	649	12,496	5,275
Profit/(Loss) from discontinued operation attributable to ordinary equity holders of the parent	-	1,366	-	(2,139)
Profit attributable to ordinary equity holders of the parent	<u>1,507</u>	<u>2,015</u>	<u>12,496</u>	<u>3,136</u>
Weighted average number of ordinary shares in issue ('000)	508,901	508,901	508,901	508,901
Basic earnings per share for:				
Profit from continuing operations (sen)	0.30	0.13	2.46	1.04
Profit/(Loss) from discontinued operation (sen)	-	0.27	-	(0.42)
Profit for the period (sen)	<u>0.30</u>	<u>0.40</u>	<u>2.46</u>	<u>0.62</u>

**ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS (CONT'D)****K13 Earning/(Loss) per Share (Cont'd)****(b) Diluted**

Diluted earnings/(loss) per share amounts are calculated by dividing profit/(loss) for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period after adjusting for the dilutive effects of all potential ordinary shares from the conversion of Irredeemable Convertible Unsecured Loan Stocks.

	3 months ended		6 months ended	
	31 July 2006 RM'000	31 July 2005 RM'000	31 July 2006 RM'000	31 July 2005 RM'000
Profit from continuing operations attributable to ordinary equity holders of the parent	1,507	649	12,496	5,275
Profit/(Loss) from discontinued operation attributable to ordinary equity holders of the parent	-	1,366	-	(2,139)
Profit attributable to ordinary equity holders of the parent	<u>1,507</u>	<u>2,015</u>	<u>12,496</u>	<u>3,136</u>
Weighted average number of ordinary shares in issue ('000)	508,901	508,901	508,901	508,901
Effect of dilution : ICULS ('000)	<u>114,047</u>	<u>114,047</u>	<u>114,047</u>	<u>114,047</u>
Adjusted weighted average number of ordinary shares in issue and issuable	<u>622,948</u>	<u>622,948</u>	<u>622,948</u>	<u>622,948</u>
Diluted earnings per share for:				
Profit from continuing operations (sen)	0.24	0.10	2.01	0.85
Profit/(Loss) from discontinued operation (sen)	<u>-</u>	<u>0.22</u>	<u>-</u>	<u>(0.34)</u>
Profit for the period (sen)	<u>0.24</u>	<u>0.32</u>	<u>2.01</u>	<u>0.50</u>

BY ORDER OF THE BOARD**Teh Yong Fah**

Group Secretary

Kuala Lumpur

25 September 2006