

JOTECH HOLDINGS BERHAD (Company No. 334818-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2005

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To Date	Corresponding
	31.12.2005	Quarter	31.12.2005	Period
	RM'000	31.12.2004	RM'000	31.12.2004
		RM'000	RM'000	RM'000
Revenue	62,894	38,608	201,200	158,007
Operating expenses	(59,604)	(38,380)	(194,740)	(156,325)
Other operating income	45	159	476	664
Profit from operations	3,335	387	6,936	2,346
Interest expense	(1,016)	(760)	(4,381)	(3,714)
Interest income	294	412	796	1,033
Profit /(Loss) before taxation	2,613	39	3,351	(335)
Tax expense	485	926	(616)	(94)
Profit /(Loss) after taxation	3,098	965	2,735	(429)
Less : Minority interests	(205)	(298)	(314)	1,995
Net profit for the period	2,893	667	2,421	1,566
Earnings per share (sen):				
- Basic	4.48	1.03	3.75	2.45
- Diluted	N/A	1.03	N/A	2.43

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report of the Group for the year ended 31 December 2004)

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CONDENSED CONSOLIDATED BALANCE SHEETS

	AS AT END OF CURRENT FINANCIAL YEAR END 31.12.2005 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31.12.2004 RM'000
Property, Plant And Equipment	72,233	73,923
Other Investments	4,000	4,000
Intangible assets	157	180
Goodwill On Consolidation	6,799	7,182
Deferred Tax Assets	2,113	2,113
Current Assets		
Inventories	33,630	37,360
Trade and other receivables	51,129	33,821
Tax recoverable	850	2,072
Other investments	84	1,500
Cash and cash equivalents	19,037	13,746
	104,730	88,499
Less: Current Liabilities		
Trade and other payables	31,450	24,104
Short term borrowings	19,544	12,616
Provision for taxation	337	2,029
	51,331	38,749
Net Current Assets	53,399	49,750
	138,701	137,148
Financed by:-		
Share Capital	64,601	64,598
Reserves	12,376	11,434
	76,977	76,032
Minority Interests	9,757	9,379
Long Term Borrowings	47,722	47,811
Deferred Taxation	4,245	3,926
	138,701	137,148
	138,701	137,148
Net assets per share (RM)	1.34	1.32

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report of the Group for the year ended 31 December 2004)

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	CURRENT YEAR TO DATE 31.12.2005 RM'000	PRECEDING YEAR TO DATE 31.12.2004 RM'000
Cash flows from operating activities		
Profit / (Loss) before taxation	3,351	(335)
Adjustments for :		
Allowance for diminution in value in / (written back)	(319)	380
Amortisation of goodwill and intangible assets	406	370
Depreciation	8,523	8,038
Interest expense	4,381	3,714
Loss on disposal of quoted short-term investments	391	241
Property, plant and equipment written off	13	10
Dividend income	(17)	(50)
Gain on disposal of property, plant and equipment	(59)	(98)
Interest income	(796)	(1,033)
Operating profit before working capital changes	15,874	11,237
Changes in working capital :		
Net change in current assets	(13,529)	(22,256)
Net change in current liabilities	7,130	1,428
Cash used in operations	9,475	(9,591)
Taxes paid	(767)	(678)
Net cash generated from / (used in) operating activities	8,708	(10,269)
Cash flows from investing activities		
Dividend received	17	50
Proceeds from disposal of property, plant and equipment	148	149
Proceeds from disposal of short-term investments	1,345	9,272
Interest received	746	1,081
Acquisition of intangible assets	(1)	(3)
Purchase of property, plant and equipment	(6,127)	(13,468)
Purchase of other investments	(1)	(6,155)
Net cash used in investing activities	(3,873)	(9,074)
Cash flows from financing activities		
Drawdown of term loan	8,085	16,350
Drawdown of trade facilities	4,702	(206)
Proceeds from shares issuance	3	1,935
Dividend paid	(1,576)	(3,012)
Repayment of borrowings	(6,756)	(5,365)
Interest paid	(4,164)	(3,714)
Share issue expenses	-	(48)
Net cash from financing activities	294	5,940
Exchange differences on translation of the financial statements of foreign operations	162	56
Net increase / (decrease) in cash and cash equivalents	5,291	(13,347)
Cash and cash equivalents at beginning of year	13,746	27,093
Cash and cash equivalents at end of year	19,037	13,746

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report of the Group for the year ended 31 December 2004)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<i>Share Capital</i> RM'000	<i>Non-Distributable</i> Share Premium RM'000	<i>Exchange Fluctuation Reserve</i> RM'000	<i>Distributable</i> Retained Profits RM'000	<i>Total</i> RM'000
At 1 January 2005	64,598	658	76	10,700	76,032
Net gain not recognised in the consolidated income statement					
- Exchange differences on translation of financial statements of foreign entities	-	-	97	-	113
Dividend paid	-	-	-	(1,576)	(1,576)
Issue of shares					
- Exercise of share options	3		-	-	3
Net profit for the year	-	-	-	2,421	2,421
At 31 December 2005	64,601	658	173	11,545	76,977
At 1 January 2004	41,688	6,147	42	27,679	75,556
Net gain not recognised in the consolidated income statement					
- Exchange differences on translation of financial statements of foreign entities	-	-	34	-	34
Dividend paid	-	-	-	(3,012)	(3,012)
Issue of shares					
- Exercise of share options	1,377	559	-	-	1,936
- Bonus shares	21,533	(6,000)		(15,533)	-
Share issue expenses	-	(48)	-	-	(48)
Net profit for the year	-	-	-	1,566	1,566
At 31 December 2004	64,598	658	76	10,700	76,032

(The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Report of the Group for the year ended 31 December 2004).

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NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in compliance with FRS 134, Interim Financial Reporting and Chapter 9 part K of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the annual audited financial statements of the Group for the year ended 31 December 2004.

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 December 2004.

A2. Qualified audit report

The preceding financial statements for the year ended 31 December 2004 were reported on without any qualification.

A3. Seasonal or cyclical factors

There were no material seasonal or cyclical factors affecting the performance of the Group for the financial year ended 31 December 2005.

A4. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no material unusual items affecting the Group for the financial year ended 31 December 2005.

A5. Material changes in estimates

There were no material changes in estimates in the prior financial year which have a material effect in the financial year ended 31 December 2005.

A6. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of the Company's debt or equity securities for the financial year ended 31 December 2005, except for the issuance of 3,000 ordinary shares of RM1.00 each pursuant to the Company's Executive Share Option Scheme ("ESOS").

A7. Dividend paid

Since the end of the previous financial year, the Company paid a first and final dividend of 3 sen per ordinary share comprising of 2 sen less tax per ordinary share and 1 sen tax-exempt per ordinary share total amounting to RM1.58 million in respect of the financial year ended 31 December 2004 on 15 August 2005 to depositors registered in the Records of Depositors at the close of business on 1 August 2005.

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A8. Segmental information

Segmental information is presented in respect of the Group's business segment. Inter-segment pricing is determined based on a negotiated basis.

	Investment Holding RM'000	Precision Stamping RM'000	Semiconductor Tooling & Automation RM'000	Electronics RM'000	Eliminations RM'000	Total RM'000
External Revenue	17	110,445	25,769	64,969	-	201,200
Inter-segment Revenue	1,320	5,374	596	2,654	(9,944)	-
Total Revenue	1,337	115,819	26,365	67,623	(9,944)	201,200
Segment Result	(1,924)	7,682	3,495	(2,317)	-	6,936
Interest expense						(4,381)
Interest income						796
Profit before taxation						3,351
Taxation						(616)
Profit after taxation						2,735
Minority interests						(314)
Net profit for the year						2,421

A9. Valuation of property, plant and equipment

The Group states its property, plant and equipment at cost less accumulated depreciation and does not adopt a policy to revalue its property, plant and equipment.

A10. Material events subsequent to the end of the interim period

There have been no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the current period.

A11. Changes in composition of the Group

There have been no changes in the composition of the Group since the last annual balance sheet date.

A12. Contingent liabilities/Contingent assets

There have been no changes in the contingent liabilities/assets since the last annual balance sheet date.

A13. Capital commitment

There is no material capital commitment as at 31 December 2005.

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**ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES
BERHAD LISTING REQUIREMENT**

B1. Review of performance

The Group achieved a 39% growth in revenue with RM62.9 million registered in the current quarter compared to RM38.6 million posted in the corresponding quarter last year. Precision Stamping Division (“PSD”) contributed RM31.7 million revenue to the Group, this is followed by the Electronics Division (“ED”) which contributed RM24.3 million and after which the Semiconductor Tooling & Automation (“STAD”) contributed RM6.7 million for the quarter.

The Group recorded a substantial improvement in net profit this quarter, growing from about RM0.7 million in the corresponding quarter last year to RM2.9 million in the current quarter. The marked improvement was mainly contributed by PSD and STAD with each division registered an increase of RM0.7 million in net profit whilst ED had recovered from a loss position of RM0.4 million in the corresponding quarter last year to a net profit of RM0.2 million this quarter.

B2. Comparison with preceding quarter’s results

The Group posted a RM62.9 million revenue for the current quarter, reflecting a growth of 15% from RM54.4 million revenue achieved in the preceding quarter. ED was the main contributor to the increase in revenue with about RM9.4 million improvement in revenue.

The Group’s net profit reported for the current quarter of RM2.9 million also registered a strong improvement compared to RM0.8 million net profit recorded in the preceding quarter. The RM2.1 million increase in net profit was mainly derived from STAD which posted an increase of RM0.6 million net profit whilst ED contributed about RM1.4 million improvement in its results, turning around a loss of RM1.15 million last quarter to a profit of RM0.2 million for this quarter, in tandem with the growth in revenue.

B3. Prospects

Business outlook for the Group in the year 2006 remains to be positive despite a more challenging and competitive business environment. The Group expects all business divisions to continue to improve and contribute to the growth of the Group’s revenue and profit in 2006.

B4. Variance of actual profit from forecast profit / shortfall in profit guarantee

Not applicable as no profit forecast was published.

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B5. Taxation

The taxation for the current quarter and year to date are as follows :-

	Current quarter 31.12.2005 RM'000	Financial year- to-date 31.12.2005 RM'000
Current tax expense		
Malaysia	(963)	(301)
Overseas	132	571
	(831)	270
Deferred tax expense		
Malaysia	356	356
Overseas	(10)	(10)
	346	346
	(485)	616

The effective tax rate for the Group is lower than the statutory tax rate due to the utilization of reinvestment allowance.

B6. Sale of unquoted investments or properties

There were no sales of unquoted investments or properties in the current quarter and financial year-to-date.

B7. Purchase or disposal of quoted investments

(a) Total purchases of quoted investments in quoted shares for the current quarter and financial year-to-date are as follows:

	Current quarter 31.12.2005 RM'000	Financial year- to-date 31.12.2005 RM'000
Purchase of quoted shares	1	1

(b) Total disposals of quoted investments in quoted shares for the current quarter and financial year-to-date are as follows:

	Current quarter 31.12.2005 RM'000	Financial year- to-date 31.12.2005 RM'000
Sale proceeds of quoted shares	2	1,345
Cost of quoted shares	(1)	(1,736)
Gain / (Loss) on disposal of quoted shares	1	(391)

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B7. Purchase or disposal of quoted investments (Con't)

(c) Total investments in quoted shares as at 31 December 2005:

	Cost RM'000	Book Value RM'000	Market Value RM'000
Total quoted shares	145	84	84

B8. Corporate proposals

There were no outstanding corporate proposals announced but not completed within 7 days from the date of issue of this report.

B9. Group borrowings

The Group borrowings as at 31 December 2005 are as follows:-

	RM'000
Secured	15,384
Unsecured	51,882
Total Group Borrowings	67,266

	RM'000
Short Term	19,544
Long Term	47,722
Total Group Borrowings	67,266

The total borrowings denominated in foreign and local currency as at 31 December 2005 are as follows:-

	RM'000
Foreign Currency:	
- USD1,500,000 @ 3.779	5,669
- SGD1,690,000 @ 2.273	3,841
- RMB4,747,000 @ 0.468	2,222
Local Currency	55,534
Total Group Borrowings	67,266

B10. Off balance sheet financial instruments

During the financial year-to-date, the Group did not enter into any contracts involving off balance sheet financial instruments.

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B11. Material litigation

- 1) On or about 15 October, 2004, a sealed copy of an Originating Petition (Kuala Lumpur High Court suit no. D1-26-71-2004) was served by Chee Yew Thong (“CYT”, Chee Yew Chor (“CYC”) and Thong Weng Kin (“TWK”) (“the Petitioners”), the minority shareholders of Cabletron Electronics (M) Sdn Bhd (“Cabletron”), a subsidiary of Prodelcon Sdn Bhd (“Prodelcon”) and ultimately Jotech, against Cabletron, Jotech, Prodelcon and eight individuals namely Lim Siok Hui, Liew Cheng York, Datuk Haji Sarip bin Hamid, Ooi Boon Pin, Chandran a/l Suppiah, Caroline Thum Lai Leng, Leong Lup Yan and Raymond Fam Chye Soon (“the Respondents”) seeking amongst others declaratory reliefs, a buy-out of their minority shareholdings in Cabletron and general damages from the individuals named, to be paid to Cabletron for any breach of their duty to Cabletron and for any losses or damage caused to Cabletron based on their allegation that the majority shareholders have not acted in the interests of Cabletron or the minority shareholders.

In the interim, a summons-in-chambers was filed wherein the petitioners were seeking the appointment of receivers and managers for Cabletron on the basis the majority shareholders and Jotech are allegedly not properly conducting the business of Cabletron. After the parties had exchanged affidavits, the Court had directed the parties to file written submissions and after hearing the oral submissions by the counsels, the court had on 6/10/2005 dismissed the Petitioners application for appointment of receivers and managers with costs. To date the Petitioners have not filed the Summons for Directions seeking the courts directions.

The solicitors for the Respondents have filed an application for Security for Costs and the same is fixed for Hearing on 15/2/2006. On 15/2/2006, the hearing for the security of cost has been further postponed to 10/4/2006.

In the event that the Court does grant an order for the buy-out of the minority shareholding of Cabletron, the financial impact on Prodelcon and/or Jotech would be in respect of Payment for the buy-out of 2 million shares either at RM0.84 per share based on the value under the Sale and Purchase Agreement dated 1 October, 2003 or at the NTA value to be decided by the Courts. Apart from the above, the said suit is not expected to have any operational impact to the Jotech Group.

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B11. Material litigation (Con't)

- 2) In January 2005, an affiliated company of the joint venture partner of a subsidiary of Jotech Holdings Berhad, ie. Kong Yue Technology Park (Xin Hui) Ltd. ("KYTP") [unofficial translation from the Statement of Claim] received a statement of claim from Taishan City Hua Qiang Steel Structure Engineering Ltd. [unofficial translation from the Statement of Claim] ("the Plaintiff"), alleging breach of construction contract of factory premises and default in payment of the balance contract sum amounting to Renminbi 828,275.43 or RM379,942.86; plus penalty for breach of contract for the amount of Renminbi 92,534.93 or RM42,447.22, interest on outstanding amount to be calculated from 5/8/2003 until today, together with costs.

Subsequently on 8 March 2005, the Plaintiff also obtained leave from the court to join Jotech Holdings Berhad's subsidiary, ie. Jotech Kong Yue Precision Industries Ltd ("JKY") as a co-defendant to the suit in its capacity as the current owner and occupier of the factory premises. In the Joint Venture Agreement dated 22 January 2003 for the establishment of JKY, its China joint venture partner is responsible for all the local regulatory and construction matters of JKY's plant.

On 11 October 2005, the Court dismissed with cost the action of the Plaintiff against JKY due to the absence of contractual relationship between the Plaintiff and JKY. The Plaintiff on 1 November 2005 lodged an appeal on the Court's decision and the hearing date on the appeal has yet to be fixed. The said suit is not expected to have any operational impact to the Jotech Group.

- 3) On 10th May 2005, a sealed copy of an Originating Summons (Kuala Lumpur High Court Suit No. D6-24-149-2005) supported by an affidavit was served by the solicitors of Chee Yew Chor ("CYC"), a Director of Cabletron Electronics (M) Sdn Bhd ("Cabletron"), a subsidiary of Prodelcon Sdn Bhd ("Prodelcon") and ultimately Jotech, on the solicitors of Cabletron and its subsidiary, Cabletron (M) Sdn Bhd, seeking amongst others,
- (a) a declaration that CYC has the right to inspect all accounting records, books, documents and properties of Cabletron and its subsidiary,
 - (b) an order that CYC be allowed to inspect the document, records and property of Cabletron and its subsidiary in the presence of an approved company auditor,
 - (c) an order that CYC be allowed to interview the employees, debtors and creditors of Cabletron and its subsidiary,

on the ground that CYC in his capacity as Director of Cabletron and its subsidiary is entitled to inspect all records of the said company and its subsidiary.

The aforesaid Originating Summons was fixed for Hearing on 19/10/2005 wherein the court had allowed the prayers under the Originating Summons ("Order dated 19/10/2005"). Thus on 19/10/2005 Cabletron had filed its Notice of Appeal to the Court of Appeal and on 20/10/2005 Cabletron had also filed an Application for Stay of execution of the Order dated 19/10/2005 ("Stay Application") and the Hearing of the Stay Application had proceeded on 25/1/2006 and 14/2/2006 wherein the court had adjourned the date for decision to the 6/3/2006 and on an oral application made by Cabletron's counsel, the court has granted an interim stay of execution of the Order dated 19/10/2005, until 6/3/2006.

The said suit is not expected to have any operational impact to the Jotech Group.

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B11. Material litigation (Con't)

- 4) An action was commenced by Chee Yew Chor (“Claimant”) against Cabletron Electronics (M) Sdn Bhd (“Company”) in the Penang Industrial Court in respect of his termination of employment as a Managing Director of the Company wherein the first Mention date was fixed on 12/10/2005, wherein the court had directed the Claimant to file his Statement of Case by or before 2/11/2005 and the Company to file its Statement of Reply by or before 23/11/2005 and the matter was further fixed for Mention on 14/12/2005. On 14/12/2005, at the request of the Claimant’s solicitors, the Court had granted an extension of one week namely by 21/12/2005, to enable the Claimant to file his Statement of Case. The court had also directed the Company to file its Statement of Reply by the next Mention date which is fixed on 18/1/2006. On 22/12/2005, the Claimant had served its Statement of Case on the Company, wherein the Claimant has primarily sought to be reinstated to his former position.

The Industrial Court has on 16/1/2006 granted an extension to the Company to file its Statement of Reply on or before 10/2/2006 and had further fixed the next Mention date on 14/2/2006. On 14/2/2006, the Court had directed both parties to file their witness statement and had further fixed the matter for case management on 24/4/2006.

In the event the Industrial Court grants the reinstatement of the Claimant to his former position, the backpay the Claimant is entitled to approximate to RM260,000 as at the end of December 2005. There is also no operational impact to the Company or Group arising from the above action.

The solicitors for the Company are of the opinion that there is a high likelihood of succeeding in obtaining an order from the Court in dismissing the Claimant’s action on the grounds that there are numerous evidence to demonstrate that there are serious misconduct or willful neglect by the Claimant in discharging his duties as the Managing Director of the Company.

B12. Dividend

Subject to the approval by the shareholders in the forthcoming general meeting, the Board of Directors are pleased to propose a first and final dividend of 2 sen less tax per ordinary share (2004: 2 sen less tax and 1 sen tax-exempt) amounting to RM0.93 million (2004: RM1.58 million) in respect of the financial year ended 31 December 2005. This has not been accounted for in the financial results and position of the Group and the Company as at 31 December 2005.

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B13. Earnings per share

	Current Year Quarter 31.12.2005	Preceding Year Quarter 31.12.2004	Current Year To Date 31.12.2005	Preceding Year To Date 31.12.2004
Earnings				
Net profit for the year (RM'000)	2,893	667	2,421	1,566
a) Basic				
Issued ordinary shares at beginning of period / Weighted average number of ordinary shares ('000)	64,601	64,598	64,601	63,882
b) Diluted				
Issued ordinary shares at beginning of period ('000)	64,601	64,598	64,601	63,882
Effect of share options ('000)	-	78	-	698
Weighted average number of ordinary shares ('000)	64,601	64,676	64,601	64,580
Basic earnings per share (sen)	4.48	1.03	3.75	2.45
Diluted earnings per share (sen)	N/A *	1.03	N/A *	2.43

* - The diluted earnings per share for the Group during the current year-to-date is not presented as the effect from exercising of the share options under the ESOS would be anti-dilutive.