

JOTECH HOLDINGS BERHAD (Company No. 334818-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2007

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.6.2007 RM'000	Preceding Year Corresponding Quarter 30.6.2006 RM'000	Current Year To Date 30.6.2007 RM'000	Preceding Year Corresponding Year 30.6.2006 RM'000
Revenue	45,902	63,609	89,981	115,494
Cost of sales	(37,451)	(53,368)	(75,190)	(98,263)
Gross profit	8,451	10,241	14,791	17,231
Operating expenses	(5,180)	(6,124)	(10,478)	(11,678)
Other operating income	330	452	1,356	740
Profit from operations	3,601	4,569	5,669	6,293
Interest expense	(1,218)	(1,156)	(2,498)	(2,295)
Interest income	51	123	93	274
Profit before taxation	2,434	3,536	3,264	4,272
Tax expense	(427)	(616)	(640)	(1,040)
Profit for the period	2,007	2,920	2,624	3,232
Attributable to :				
Equity holders of the parent	1,953	2,641	2,614	3,009
Minority interests	54	279	10	223
Profit for the period	2,007	2,920	2,624	3,232
Earnings per share (sen):				
- Basic	0.272	0.409 [^]	0.364	0.466 [^]
- Diluted	N/A	N/A	N/A	N/A

Remarks: -

[^] - Restated with adjustment made in accordance with subdivision of every one (1) share at RM1.00 into ten (10) sub-divided share at RM0.10 carried out in the fourth quarter 2006.

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report of the Group for the year ended 31 December 2006)

JOTECH HOLDINGS BERHAD (Company No. 334818-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2007

CONDENSED CONSOLIDATED BALANCE SHEETS

	AS AT END OF CURRENT QUARTER ENDED 30.6.2007 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2006 RM'000 (Restated)
Non-current assets		
Property, Plant And Equipment	71,287	73,293
Investment Properties	1,630	1,648
Prepaid Lease Payments	5,125	5,227
Intangible assets	7,347	7,779
Deferred Tax Assets	1,999	1,999
	87,388	89,946
Current Assets		
Inventories	36,849	42,625
Trade and other receivables	44,672	53,557
Tax recoverable	1,027	1,063
Other investments	2,500	2,500
Cash and cash equivalents	23,443	19,994
	108,491	119,739
TOTAL ASSETS	195,879	209,685
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	71,890	71,783
Reserves	18,749	16,701
Total Shareholders' Equity	90,639	88,484
Minority interests	5,779	6,377
Total Equity	96,418	94,861
Non-current liabilities		
Borrowings	6,786	8,543
Deferred tax liabilities	4,657	4,769
	11,443	13,312
Current Liabilities		
Trade and other payables	28,192	35,501
Short term borrowings	59,409	65,534
Provision for taxation	417	477
	88,018	101,512
Total liabilities	99,461	114,824
TOTAL EQUITY AND LIABILITIES	195,879	209,685
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.13	0.12 [^]

[^] - Restated with adjustment made in accordance with subdivision of every one (1) share at RM1.00 into ten (10) sub-divided share at RM0.10 carried out in the fourth quarter 2006.

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report of the Group for the year ended 31 December 2006)

JOTECH HOLDINGS BERHAD (Company No. 334818-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2007

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	CURRENT YEAR TO DATE 30.6.2007 RM'000	PRECEDING YEAR TO DATE 30.6.2006 RM'000
Cash flows from operating activities		
Profit before taxation	3,264	4,272
Adjustments for :		
Reversal of allowance for diminution in value	-	(61)
Depreciation and amortisation	4,713	4,226
Interest expense	2,498	2,295
Gain on disposal of a subsidiary	(876)	-
Loss on disposal of other investment	-	56
Dividend income	(24)	-
Loss on disposal of property, plant and equipment	6	126
Interest income	(93)	(274)
Operating profit before working capital changes	9,488	10,640
Changes in working capital :		
Net change in current assets	6,210	(11,592)
Net change in current liabilities	(2,538)	3,692
Cash generated from operations	13,160	2,740
Taxes paid	(720)	(598)
Net cash generated from operating activities	12,440	2,142
Cash flows from investing activities		
Acquisition of property, plant and equipment	(3,674)	(4,425)
Dividends received	24	-
Interest received	93	274
Net Proceeds from disposal of investments	1,040	89
Proceeds from disposal of property, plant and equipment	28	136
Net cash used in investing activities	(2,489)	(3,926)
Cash flows from financing activities		
Interest paid	(1,847)	(2,078)
Drawdown of loans and other borrowings	14,266	17,219
Proceeds from the issue of shares	113	-
Repayment of borrowings	(18,965)	(15,002)
Net (cash used)/generated from in financing activities	(6,433)	139
Net increase/(decrease) in cash and cash equivalents	3,518	(1,645)
Effect of exchange rate fluctuations on cash held	(69)	(471)
Cash and cash equivalents at beginning of period	19,994	19,037
Cash and cash equivalents at end of period	23,443	16,921

(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 2006)

JOTECH HOLDINGS BERHAD (Company No. 334818-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2007

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<i>Non-Distributable</i>			<i>Distributable</i>		Minority Interest RM'000	Total RM'000
	Share Capital RM'000	Share Premium RM'000	Exchange Fluctuation Reserve RM'000	Retained Profits RM'000	Sub-total RM'000		
At 1 January 2007	71,783	956	(130)	15,875	88,484	6,377	94,861
Issue of shares:							
- Exercise of share options	107	6	-	-	113	-	113
Disposal of a subsidiary	-	-	(70)	-	(70)	(391)	(461)
Net gain/(loss) not recognised in the consolidated income statement							
- Exchange differences on translation of financial statements of foreign entities	-	-	(502)	-	(502)	(217)	(719)
Net profit for the period	-	-	-	2,614	2,614	10	2,624
At 30 June 2007	<u>71,890</u>	<u>962</u>	<u>(702)</u>	<u>18,489</u>	<u>90,639</u>	<u>5,779</u>	<u>96,418</u>
At 1 January 2006	64,600	658	173	11,545	76,976	9,757	86,733
Net gain/(loss) not recognised in the consolidated income statement							
- Exchange differences on translation of financial statements of foreign entities	-	-	(284)	-	(284)	(188)	(472)
Dividend declared				(930)	(930)	-	(930)
Net profit for the period	-	-	-	3,009	3,009	223	3,232
At 30 June 2006	<u>64,600</u>	<u>658</u>	<u>(111)</u>	<u>13,624</u>	<u>78,771</u>	<u>9,791</u>	<u>88,562</u>

(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 2006).

JOTECH HOLDINGS BERHAD (Company No. 334818-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2007

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 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 December 2006 except for the adoption of the following new Financial Reporting Standards (“FRS”) issued by MASB that are effective for financial year beginning 1 January 2007:-

FRS 117 Leases
FRS 124 Related Party Disclosures

The adoption of the above standards does not have material impact to the financial position of the Group. The principal effects of the changes in accounting policy resulting from the adoption of the FRS 117 are disclosed under Notes A1.1 below.

A1.1 CHANGES IN ACCOUNTING POLICIES

With the adoption of FRS 117, Leases which is applicable for annual period commencing on 1 January 2007, the resulting changes in the accounting policies are as follows:-

FRS 117, Leases

The Group had previously classified leasehold land as property within its property, plant and equipment. Upon the adoption of FRS 117, Leases, the Group treats such leases as operating leases, with the carrying amount classified as prepaid lease payments in accordance with the provision in FRS 117. The prepaid lease payments are amortised on a straight-line basis over the lease term.

The effect of the reclassification is summarized in Note A2 below.

JOTECH HOLDINGS BERHAD (Company No. 334818-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2007

A2. Comparatives

The following comparative amounts have been restated due to the adoption of the FRS 117:

	As previously reported	Reclassification	As Restated
	RM'000	RM'000	RM'000
As at 31 December 2006			
Property, Plant and Equipment	78,520	(5,227)	73,293
Prepaid Lease Payments	-	5,227	5,227

A3. Qualified audit report

The preceding financial statements for the year ended 31 December 2006 were reported on without any qualification.

A4. Seasonal or cyclical factors

There were no material seasonal or cyclical factors affecting the performance of the Group for the period ended 30 June 2007.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

Except as mentioned in Note A12 below, there were no material unusual items affecting the Group for the period ended 30 June 2007.

A6. Material changes in estimates

There were no material changes in estimates in the prior financial year which have a material effect in the period ended 30 June 2007.

A7. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of the Company's debt or equity securities for the period ended 30 June 2007, except for the issuance of 1,070,000 ordinary shares of RM0.10 each in relation to the Company's Executive Share Option Scheme ("ESOS") in the first quarter 2007.

A8. Dividend paid

Since the end of the previous financial year, no dividend was paid by the Company.

JOTECH HOLDINGS BERHAD (Company No. 334818-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2007

A9. 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 & Machining RM'000	Semiconductor Tooling & Automation RM'000	Electronics RM'000	Eliminations RM'000	Total RM'000
External Revenue	52	66,658	5,708	17,563	-	89,981
Inter-segment Revenue	1,017	2,563	72	362	(4,014)	-
Total Revenue	1,069	69,221	5,780	17,925	(4,014)	89,981
Segment Result	(111)	7,892	278	(2,390)	-	5,669
Interest expense						(2,498)
Interest income						93
Profit before taxation						3,264
Taxation						(640)
Profit after taxation						2,624
Minority interests						(10)
Profit attributable to equity holders of the parent						2,614

A10. Valuation of property, plant and equipment

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

A11. Material events subsequent to the end of the interim period

On 25 July 2007, the Company announced the disposals of entire equity interests in wholly owned subsidiaries, Cabletron (M) Sdn Bhd ("CMSB"), Assets 88 Sdn Bhd ("ASB"), Star Annexe Sdn Bhd ("SASB"), and Palladine (M) Sdn Bhd ("PMSB"):-

JOTECH HOLDINGS BERHAD (Company No. 334818-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2007

A11. Material events subsequent to the end of the interim period (Cont'd)

- (i) On 25 July 2007, Cabletron Electronics (M) Sdn Bhd ("CESB"), a wholly owned subsidiary of Jotech entered into Share Sale Agreements with:-
 - (a) Next Hub (M) Sdn Bhd for the disposal of the entire equity interest or 10,000 ordinary shares of RM1.00 each in Cabletron (M) Sdn Bhd, for a total cash consideration of RM10,000;
 - (b) Next Hub (M) Sdn Bhd for the disposal of the entire equity interest or 2 ordinary shares of RM1.00 each in ASB, for a total cash consideration of RM1;
 - (c) Biotech Fibre Marketing Sdn Bhd for the disposal of the entire equity interest or 2 ordinary shares of RM1.00 each in SASB, for a total cash consideration of RM1; and
- (ii) On 25 July 2007, Jotech entered into a Share Sale Agreement with Next Hub (M) Sdn Bhd for the disposal of the entire equity interest or 250,000 ordinary shares of RM1.00 each in PMSB, for a total cash consideration of RM1.

Subsequently on 30 July 2007, the Company announced that Jotech and Prodelcon Sdn Bhd ("PSB"), a wholly owned subsidiary of Jotech had entered into a Share Sale Agreement with Kosmo Kerjaya Sdn Bhd for the disposal of their entire equity interest in Cabletron Electronics (M) Sdn Bhd ("CESB"), comprising of 10,000,000 Cumulative Redeemable Convertible Preference Shares of RM1.00 each and 5,000,000 ordinary shares of RM1.00 each held by Jotech and PSB respectively, for a total cash consideration of RM2.

In relation thereto, CESB, CMSB, ASB, SASB and PMSB ceased to be the subsidiaries of Jotech.

A12. Changes in composition of the Group

As disclosed in A11 above, CESB, CMSB, ASB, SASB and PMSB have ceased to be the subsidiaries of the Company.

A13. Contingent liabilities/Contingent assets

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

A14. Capital commitment

There is no material capital commitment as at 30 June 2007.

JOTECH HOLDINGS BERHAD (Company No. 334818-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2007

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

B1. Review of performance

The Group reported revenue of RM45.9 million and RM90 million for the current quarter and year-to-date respectively compared to RM63.6 million and RM115.5 million registered in the corresponding quarter last year and preceding year-to-date respectively. The decline in the Group's current quarter revenue of RM17.7 million and year-to-date revenue of RM25.5 million was mainly attributable to the decrease of Electronics Division's ("ED") revenue of about RM13.5 million and RM19.1 million respectively. Such decline was resulted from non-consolidation of revenue this year from a subsidiary of the ED which had been disposed in January 07. The revenue from this subsidiary in the corresponding quarter last year and preceding year-to-date were RM7.3 million and RM12 million respectively.

The Group reported net profit ("PATMI") of RM2 million and RM2.6 million for this quarter and year-to-date respectively. This represented a decline of RM0.6 million and RM0.4 million as compared to the corresponding quarter last year and preceding year-to-date of RM2.6 million and RM3.0 million respectively. This was mainly attributable to losses incurred by the ED.

B2. Comparison with preceding quarter's results

The Group achieved higher revenue of RM45.9 million for the current quarter as compared to RM44.1 million registered in the preceding quarter. The Group's core divisions, Precision Stamping and Machining Division ("PSMD") and Semiconductor Tooling & Automation ("STAD") recorded improvement on their revenue with total revenue of RM38.7 million registered in the current quarter compared to RM33.7 million in the preceding quarter. However, this was offset by the reduction in the ED's revenue from RM10.4 million registered in the preceding quarter to RM7.2 million this quarter.

The Group reported RM2 million PATMI in the second quarter which was almost triple the RM0.7 million posted in the preceding quarter. This strong improvement in PATMI was mainly contributed by the PSMD and STAD with a total PATMI of RM2.7 million in the preceding quarter increased to RM3.9 million in the current quarter.

B3. Prospects

The Group anticipates that the revenue and profit for the second half of 2007 will continue to improve as the business outlook remain positive. Furthermore, with the disposals of all subsidiaries under the ED, as stated under Notes A11 and A12, the Group will not be further exposed to operating losses of the ED for the remaining financial quarters.

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

Not applicable as no profit forecast was published.

JOTECH HOLDINGS BERHAD (Company No. 334818-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2007

B5. Taxation

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

	Current quarter 30.6.2007 RM'000	Financial year- to-date 30.6.2007 RM'000
Current tax expense		
Malaysia	(334)	(414)
Overseas	(136)	(269)
	(470)	(683)
Deferred tax expense		
Malaysia	43	43
Overseas	-	-
	43	43
	(427)	(640)

The effective tax rate for the Group for the year-to-date is lower than the statutory tax rate due to the utilization of tax incentives.

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

There were no purchase or disposal of quoted investments in the current quarter and financial year-to-date.

B8. Corporate proposals

On 25 June 2007, the Company announced that a proposed rights issue with warrants which involves the issuance of 205,400,000 new ordinary shares of RM0.10 each in Jotech ("Rights Shares") together with 205,400,000 free warrants ("Warrants") at an issue price to be determined on a renounceable basis of two (2) Rights Shares with two (2) Warrants for every seven (7) existing ordinary shares of RM0.10 each in Jotech ("Jotech Shares") held by the entitled shareholders on an entitlement date. ("Proposed Rights Issue with Warrants").

On 23 July 2007, MIMB Investment Bank Berhad (*formerly known as Malaysian International Merchant Bankers Berhad*) ("MIMB"), the adviser of the Company had submitted the application to the Securities Commission in relation with the Proposed Rights Issue with Warrants.

Subsequently on 3 August 2007, MIMB announced that SC has via its letter dated 2 August 2007 approved the Proposed Rights Issue Warrants. The said approval is subject to MIMB and Jotech fully complying with the relevant requirements under the SC's Policies and Guidelines on Issue/Offer of Securities pertaining to the implementation of the Proposed Rights Issue with Warrants.

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

JOTECH HOLDINGS BERHAD (Company No. 334818-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2007

B9. Group borrowings

The Group borrowings as at 30 June 2007 are as follows:-

	RM'000
Secured	20,994
Unsecured	45,201
Total Group Borrowings	66,195

	RM'000
Short Term	59,409
Long Term	6,786
Total Group Borrowings	66,195

The total borrowings denominated in foreign and local currency as at 30 June 2007 are as follows:-

	RM'000
Foreign Currency:	
- USD2,150,365 @ 3.450	7,419
- RMB7,312,000 @ 0.453	3,314
Local Currency	55,462
Total Group Borrowings	66,195

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.

B11. Material litigation

There was no material litigation against the Group as at the date of this report.

B12. Dividend

The shareholders had approved in the Annual General Meeting convened on 19 June 2007, a first and final dividend of 0.3 sen less tax per ordinary share (2006: 0.2 sen less tax) amounting to RM1.57 million (2006: RM0.93 million) in respect of the financial year ended 31 December 2006 which will be payable on 15 August 2007.

The Board of Directors does not recommend any dividend in respect of the period ended 30 June 2007.

JOTECH HOLDINGS BERHAD (Company No. 334818-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2007

B13. Earnings per share

	Current Year Quarter 30.6.2007 RM'000	Preceding Year Quarter 30.6.2006 RM'000	Current Year To Date 30.6.2007 RM'000	Preceding Year To Date 30.6.2006 RM'000
Earnings				
Net profit attributable to equity holders of the parent	1,953	2,641	2,614	3,009
a) Basic				
Issued ordinary shares at beginning of year / Weighted average number of ordinary shares	718,900	646,000 [^]	718,748	646,000 [^]
b) Diluted				
Issued ordinary shares at beginning of year ('000)	718,900	646,000 [^]	718,748	646,000 [^]
Effect of share options ('000)	-	-	-	-
Weighted average number of ordinary shares ('000)	718,900	646,000 [^]	718,748	646,000 [^]
Basic earnings per share (sen)	0.27	0.41 [^]	0.36	0.47 [^]
Diluted earnings per share (sen)	N/A#	N/A*	N/A#	N/A*

- All ESOS were fully exercised on 14 February 2007.

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

[^] - Restated with adjustment made in accordance with subdivision of every one (1) share at RM1.00 into ten (10) sub-divided share at RM0.10 carried out in the fourth quarter 2006.