

JOTECH HOLDINGS BERHAD (Company No. 334818-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2008

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.6.2008 RM'000	Preceding Year Corresponding Quarter 30.6.2007 RM'000 (Restated)	Current Year To Date 30.6.2008 RM'000	Preceding Year Corresponding Year To Date 30.6.2007 RM'000 (Restated)
Continuing operations				
Revenue	28,645	26,801	53,196	50,551
Cost of sales	(24,326)	(22,717)	(45,159)	(42,818)
Gross profit	4,319	4,084	8,037	7,733
Operating expenses	(2,889)	(3,176)	(6,126)	(6,217)
Other operating income	28	256	141	480
Results from operating activities	1,458	1,164	2,052	1,996
Interest expense	(597)	(1,127)	(1,234)	(2,251)
Interest income	33	7	72	15
Profit/(Loss) before taxation	894	44	890	(240)
Tax expense	(382)	(193)	(583)	(237)
Profit/(Loss) from continuing Operations	512	(149)	307	(477)
Discontinued operations				
Profit from discontinued operations, net of tax	2,434	2,156	4,840	3,102
Profit for the period	2,946	2,007	5,147	2,625
Attributable to:				
Equity holders of the parent	2,967	1,953	5,241	2,615
Minority interest	(21)	54	(94)	10
Profit for the period	2,946	2,007	5,147	2,625
Basic earnings/(loss) per share (sen):				
From continuing operations	0.055	(0.021)	0.033	(0.066)
From discontinuing operations	0.263	0.293	0.524	0.432
Diluted earnings/(loss) per share (sen):				
From continuing operations	N/A*	N/A#	N/A*	N/A#
From discontinuing operations	N/A*	N/A#	N/A*	N/A#

Remarks –

*The diluted earnings per share were not presented as the effect of the assumed conversion of warrants outstanding would be anti-dilutive.

#All the ESOS had been fully exercised on 14 February 2007.

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report of the Group for the year ended 31 December 2007)

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CONDENSED CONSOLIDATED BALANCE SHEETS

	AS AT CURRENT QUARTER ENDED 30.6.2008 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2007 RM'000
Non-current assets		
Property, Plant And Equipment	50,017	48,144
Prepaid Lease Payments	3,918	3,876
Intangible assets	1,939	1,939
	55,874	53,959
Current Assets		
Inventories	18,296	16,828
Trade and other receivables	23,439	18,386
Tax recoverable	246	841
Assets classified as held for sale	58,904	53,983
Cash and cash equivalents	11,267	17,819
	112,152	107,857
TOTAL ASSETS	168,026	161,816
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	92,430	92,430
Reserves	6,152	616
Total Shareholders' Equity	98,582	93,046
Minority interests	5,976	5,780
Total Equity	104,558	98,826
Non-current liabilities		
Borrowings	20,278	22,923
Deferred tax liabilities	1,997	1,989
	22,275	24,912
Current Liabilities		
Trade and other payables	16,882	14,652
Liabilities classified as held for sale	8,871	8,790
Short term borrowings	14,886	14,123
Provision for taxation	554	513
	41,193	38,078
Total liabilities	63,468	62,990
TOTAL EQUITY AND LIABILITIES	168,026	161,816
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.11	0.10

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report of the Group for the year ended 31 December 2007)

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	CURRENT YEAR TO DATE 30.6.2008 RM'000	PRECEDING YEAR TO DATE 30.6.2007 RM'000 (Restated)
Cash flows from operating activities		
Profit/(Loss) before tax from continuing operations	890	(240)
Depreciation and amortization	2,867	2,681
Interest expense	1,234	2,251
Gain on disposal of a subsidiary	-	(876)
Dividend income	-	(24)
(Gain)/Loss on disposal of property, plant and equipment	(35)	6
Interest income	(72)	(49)
Operating profit before working capital changes	4,884	3,749
Changes in working capital :		
Net change in current assets	(6,521)	(11,286)
Net change in current liabilities	2,968	2,250
Cash generated from /(used in) operations	1,331	(5,287)
Taxes paid-net	(583)	(534)
Net cash generated from /(used in) operating activities	748	(5,821)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(4,302)	(2,241)
Dividends received	-	24
Interest received	72	49
Net proceeds from disposal of investments	-	1,040
Proceeds from disposal of property, plant and equipment	38	28
Net cash used in investing activities	(4,192)	(1,100)
Cash flows from financing activities		
Interest paid	(1,234)	(1,600)
Share issuance expenses	(17)	-
Drawdown of loans and other borrowings	-	10,427
Proceeds from the issue of shares	-	113
Repayment of borrowings	(1,882)	(14,169)
Net cash used in financing activities	(3,133)	(5,229)
Net cash used in continuing operations	(6,577)	(12,150)
Net cash generated from discontinuing operations	5,939	15,668
Effect of exchange rate fluctuations on cash held	25	(69)
Cash and cash equivalents at beginning of period	30,655	19,994
Cash and cash equivalents at end of period	30,042	23,443

Note 1 – Cash and cash equivalents

Included in cash and cash equivalents at end of period is an amount of RM 18.8 m (2007: RM 10.0 m) which had been classified under assets held for sale.

(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 2007)

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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 2008	92,430	2,301	(1,060)	(625)	93,046	5,780	98,826
Net gain/(loss) not recognised in the consolidated income statement							
- Exchange differences on translation of financial statements of foreign entities	-	-	312	-	312	290	602
Issuance expense	-	(17)	-	-	(17)	-	(17)
Net profit for the period	-	-	-	5,241	5,241	(94)	5,147
At 30 June 2008	<u>92,430</u>	<u>2,284</u>	<u>(748)</u>	<u>4,616</u>	<u>98,582</u>	<u>5,976</u>	<u>104,558</u>
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>

(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 2007).

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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 2007.

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 December 2007 except for following Financial Reporting Standards (“FRS”) and Interpretations, where applicable to the Group are effective from 1 January 2008:-

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members’ Share in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market -Waste Electrical and Electronics Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129 ²⁰⁰⁴
IC Interpretation 8	Scope of FRS 2

FRS 139 Financial Instruments: Recognition and Measurement has not been adopted by the Group because the effective date has yet to be announced.

A1.1 CHANGES IN ACCOUNTING POLICIES

The adoption of the abovementioned FRSs does not result in significant changes in accounting policies of the Group.

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A2. Comparatives

Certain comparative figures for condensed consolidated balance sheets, condensed consolidated income statement and condensed consolidated cash flow have been re-presented as if an operation discontinued during the current period had been discontinued from the start of the comparative period.

Other than that, the comparative figures for the financial period remain the same.

A3. Qualified audit report

The financial statements for the preceding year ended 31 December 2007 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 2008.

A5. 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 during the financial year to date.

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 2008.

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 2008.

A8. Dividend paid

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

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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	Precision Stamping	Semiconductor Tooling & Automation	Eliminations	Consolidated	Less: Discontinued operations	Continuing operations
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
External revenue	-	53,196	22,741	-	75,937	22,741	53,196
Inter segment revenue	893	813	-	(1,706)	-	-	-
Total revenue	893	54,009	22,741	(1,706)	75,937	22,741	53,196
Segment result	(1,131)	3,183	5,747		7,799	5,747	2,052
Interest expense					(1,266)	(32)	(1,234)
Interest income					296	224	72
Profit before taxation					6,829	5,939	890
Taxation					(1,682)	(1,099)	(583)
Profit after taxation					5,147	4,840	307
Minority interest					94	-	94
Profit attributable to equity holders of the parent					5,241	4,840	401

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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

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.

A12. Changes in composition of the Group

There have been no changes in composition of the Group during the financial year to date except for the completion of disposal of Prodelcon Sdn Bhd which had been announced on 20 August 2008 and further mentioned in Note B8 below.

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 2008.

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

B1. Review of performance

The Group registered higher revenue of RM28.6 million for the current quarter compared to RM26.8 million achieved in the corresponding quarter last year. The Group's revenue was contributed from the continuing operations which comprise solely the Precision Stamping business.

The Group achieved net profit of RM2.9 million for the current quarter, which was 46% higher than RM2.0 million net profit posted in the corresponding quarter last year. The improvement in the current quarter net profit was contributed by both Precision Stamping business and the Semiconductor Tooling & Automation business.

B2. Comparison with preceding quarter's results

The Group posted RM24.5 million revenue in the preceding quarter. The current quarter revenue of RM28.6m represented an increase of about 17% or RM4.1 million. In line with the improvement in revenue, net profit increased by 30% from RM2.2 million in the preceding quarter to RM2.9 million registered for the current quarter.

B3. Prospects

The Board anticipates that the Group's precision stamping business will continue to improve as the Group focus on expanding the capacity of the plants in Indonesia and China to meet the continual growth in business. The Group's 2008 financial performance is expected to improve as all the subsidiaries contribute positively to the Group's earnings growth.

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

Not applicable as no profit forecast was published.

B5. Taxation

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

	Current quarter 30.6.2008 RM'000	Financial year- to-date 30.6.2008 RM'000
Current tax expense		
Malaysia	(58)	(83)
Overseas	(324)	(500)
	(382)	(583)

The effective tax rate of the Group was higher than the statutory tax rate mainly due to the company's losses being net off against the subsidiaries' profits.

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 19 June 2008, MIMB investment Bank Berhad (*formerly known as Malaysia International Merchant Bankers Berhad*) ("MIMB"), the adviser of the Company announced that the Company and AIC have mutually agreed to an extension of time up to 30 September 2008 to fulfill the conditions precedent as required under the sale and purchase agreement dated 19 September 2007 for the disposal of Prodelcon Sdn Bhd, a wholly-owned subsidiary of the Company.

On 20 August 2008, MIMB announced that the Company had completed the disposal of Prodelcon Sdn Bhd. In relation thereto, the Company and the Group will recognize gain on disposal of investment of about RM13.1 million and RM4.8 million respectively in the 3rd financial quarter 2008.

B9. Group borrowings

The Group borrowings as at 30 June 2008 are as follows:-

	RM'000
Secured	23,836
Unsecured	11,328
Total Group Borrowings	35,164

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B9. Group borrowings (continued)

	RM'000
Short Term	14,887
Long Term	20,277
Total Group Borrowings	35,164

The total borrowings denominated in foreign and local currency as at 30 June 2008 are as follows:-

	RM'000
Foreign Currency:	
- USD2,208,647 @ 3.267	7,215
- RMB6,724,066 @ 0.4762	3,202
Local Currency	24,747
Total Group Borrowings	35,164

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 Board of Directors does not recommend any dividend in respect of the financial period ended 30 June 2008.

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B13. Earnings per share

	Current Year Quarter 30.6.2008 RM'000	Preceding Year To Quarter 30.6.2007 RM'000	Current Year Date 30.6.2008 RM'000	Preceding Year To Date 30.6.2007 RM'000
Profit/(Loss) attributable to equity holders of the parent				
From continuing operations	512	(149)	307	(477)
From discontinuing operations	2,434	2,156	4,840	3,102
	<u>2,946</u>	<u>2,007</u>	<u>5,147</u>	<u>2,625</u>
a) Basic				
Weighted average number of ordinary shares @10 sen	<u>924,300</u>	<u>718,900</u>	<u>924,300</u>	<u>718,748</u>
b) Diluted				
Weighted average number of ordinary shares @ 10 sen	<u>924,300</u>	<u>718,463</u>	<u>924,300</u>	<u>718,463</u>
Basic earnings/(loss) per share(sen)				
From continuing operations	0.055	(0.021)	0.033	(0.066)
From discontinuing operations	0.263	0.293	0.524	0.432
	<u>0.318</u>	<u>0.272</u>	<u>0.557</u>	<u>0.366</u>
Diluted earnings/(loss) per share(sen)				
From continuing operations	N/A *	N/A #	N/A *	N/A #
From discontinuing operations	N/A *	N/A #	N/A *	N/A #

* The diluted earnings per share were not presented as the effect of the warrants outstanding would be anti-dilutive.

All ESOS had been fully exercised on 14 February 2007.