

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

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.9.2008 RM'000	Preceding Year Corresponding Quarter 30.9.2007 RM'000 (Restated)	Current Year To Date 30.9.2008 RM'000	Preceding Year Corresponding Year 30.9.2007 RM'000 (Restated)
Continuing operations				
Revenue	37,639	27,060	90,836	77,612
Cost of sales	(33,069)	(22,119)	(78,227)	(64,937)
Gross profits	4,570	4,941	12,609	12,675
Operating expenses	(3,552)	(3,715)	(9,487)	(9,933)
Other operating income	275	79	414	573
Results from operating activities	1,293	1,305	3,536	3,315
Interest expense	(573)	(1,036)	(1,999)	(3,288)
Interest income	221	19	293	34
Profit from operations	941	288	1,830	61
Share of profit after tax and minority interest of equity accounted associate	509	-	509	-
Profit before tax	1,450	288	2,339	61
Tax expense	(532)	(203)	(1,116)	(440)
Profit/(loss) from continuing operations	918	85	1,223	(379)
Discontinued operations				
Discontinued operations, net of tax	5,447	1,940	10,317	5,028
Profit for the period	6,365	2,025	11,540	4,649
Attributable to:				
Equity holders of the parent	6,406	1,993	11,675	4,607
Minority interests	(41)	32	(135)	42
	6,365	2,025	11,540	4,649
Basic earnings/ (loss) per share (sen):				
From continuing operations	0.104	0.007	0.147	(0.059)
From discontinuing operations	0.589	0.270	1.116	0.699
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.

(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 END OF CURRENT QUARTER ENDED 30.9.2008 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2007 RM'000
Non-current assets		
Property, Plant And Equipment	52,074	48,144
Prepaid Lease Payments	4,040	3,876
Investment in associate	28,008	-
Intangible assets	1,939	1,939
	86,061	53,959
Current Assets		
Inventories	18,760	16,828
Trade and other receivables	40,032	18,386
Tax recoverable	235	841
Assets classified as held for sale	-	53,983
Cash and cash equivalents	25,532	17,819
	84,559	107,857
TOTAL ASSETS	170,620	161,816
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	92,430	92,430
Reserves	13,890	616
Total Shareholders' Equity	106,320	93,046
Minority interests	6,314	5,780
Total Equity	112,634	98,826
Non-current liabilities		
Borrowings	19,120	22,923
Deferred tax liabilities	2,104	1,989
	21,224	24,912
Current Liabilities		
Trade and other payables	19,251	14,652
Liabilities classified as held for sale	-	8,790
Short term borrowings	16,609	14,123
Provision for taxation	902	513
	36,762	38,078
Total liabilities	57,986	62,990
TOTAL EQUITY AND LIABILITIES	170,620	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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	CURRENT YEAR	PRECEDING
	TO DATE	YEAR TO DATE
	30.9.2008	30.9.2007
	RM' 000	RM' 000
		(Restated)
Cash flow from operating activities		
Profit before tax from:		
continuing operations	2,339	1,183
discontinuing operations	10,317	4,477
	12,656	5,660
Depreciation and amortisation	4,660	4,280
Loss on disposal of property, plant and equipment	-	11
Dividend income	-	(93)
Interest expense	1,808	2,901
Interest income	(293)	(35)
Investment in subsidiary written down	-	650
Share of profit of equity accounted associate	(509)	-
Gain on disposal of discontinued operation	(7,807)	-
Gain on disposal of property, plant and equipment	(42)	-
	10,473	13,374
Operating profit before working capital changes		
Changes in working capital:		
Net change in current assets	(21,647)	(9,195)
Net change in current liabilities	3,032	2,701
	(8,142)	6,880
Cash (used in) /generated from operations		
Taxes paid - net	(370)	(471)
Net cash (used in) /generated from operating activities	(8,512)	6,409
Cash flow from investing activities		
Acquisition of property, plant and equipment	(6,450)	(2,630)
Dividends received	-	93
Interest received	293	35
Proceeds from disposal of discontinued operation	25,500	-
Proceeds from disposal of property, plant and equipment	51	29
Net cash generated from/(used in) investing activities	19,394	(2,473)
Cash flow from financing activities		
Interest paid	(1,808)	(2,638)
Dividends paid	-	(1,574)
Share issuance expenses	(17)	(40)
Drawdown of loans and borrowings	15,938	14,573
Repayment of borrowings	(17,255)	(18,303)
Net cash used in financing activities	(3,142)	(7,982)
Net increase/(decrease) in cash and cash equivalents	7,740	(4,046)
Net cash generated from discontinuing operations	-	14,017
Effects of exchange rate fluctuations on cash held	(27)	(41)
Cash and cash equivalents at beginning of period	17,819	19,994
Cash and cash equivalents at end of period	25,532	29,924

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<i>Non-Distributable</i>			<i>Distributable</i>		Minority Interest	Total
	Share Capital	Share Premium	Exchange Fluctuation Reserve	Retained Profits	Sub-total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2008	92,430	2,301	(1,060)	(625)	93,046	5,780	98,826
Net profit for the period	-	-	-	11,675	11,675	(135)	11,540
Issuance expense	-	(17)	-	-	(17)	-	(17)
Net gain/(loss) not recognised in the consolidated income statement							
- Exchange differences on translation of financial statements of foreign entities	-	-	1,616	-	1,616	669	2,285
At 30 September 2008	<u>92,430</u>	<u>2,284</u>	<u>556</u>	<u>11,050</u>	<u>106,320</u>	<u>6,314</u>	<u>112,634</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
Net profit for the period	-	-	-	4,607	4,607	42	4,649
Dividend paid	-	-	-	(1,574)	(1,574)	-	(1,574)
Issuance expenses	-	(153)	-	-	(153)	-	(153)
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	-	-	(662)	-	(662)	(234)	(896)
At 30 September 2007	<u>71,890</u>	<u>809</u>	<u>(862)</u>	<u>18,908</u>	<u>90,745</u>	<u>5,794</u>	<u>96,539</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

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 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 preceding financial statements for the 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 September 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 September 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 September 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 geographical segment. Inter-segment pricing is determined based on a negotiated basis.

	Malaysia RM'000	China RM'000	Indonesia RM'000	Group RM'000
Continuing operation				
Revenue				
External revenue	49,597	6,518	34,721	90,836
Results				
Profit from operations	1,585	(997)	2,948	3,536
Interest expense	(1,253)	(191)	(555)	(1,999)
Interest income	283	7	3	293
	<u>615</u>	<u>(1,181)</u>	<u>2,396</u>	<u>1,830</u>
Share of profit after tax and minority interest of equity accounted associates	509	-	-	509
	<u>1,124</u>	<u>(1,181)</u>	<u>2,396</u>	<u>2,339</u>
Taxation	(342)	-	(774)	(1,116)
	<u>782</u>	<u>(1,181)</u>	<u>1,622</u>	<u>1,223</u>
Discontinued operations				
Discontinued operations, net of tax	10,317	-	-	10,317
	<u>11,099</u>	<u>(1,181)</u>	<u>1,622</u>	<u>11,540</u>
Profit/(loss) for the year				
Minority interest	135	-	-	135
	<u>11,234</u>	<u>(1,181)</u>	<u>1,622</u>	<u>11,675</u>

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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.

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 September 2008.

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

B1. Review of performance

The Group registered revenue of RM37.6 million for the current quarter, representing about 38% or RM10.5 million growth compared to RM27.1 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.

Net profit of RM6.4 million was posted by the Group for the current quarter compared to RM2.0 million net profit achieved in the corresponding quarter last year.

On the year-to-date performance, the Group achieved RM90.8 million revenue and RM11.7 million net profit compared to RM77.6 million revenue and RM4.6 million net profit in the corresponding period last year.

The strong net profit growth reported for the current quarter and year-to-date financial performance was contributed from a gain on disposal of subsidiary of RM4.8 million as well as net profit of RM0.5 million from the investment in associated company.

B2. Comparison with preceding quarter's results

The Group achieved an increase of about 31% or RM9.6 million in revenue for the current quarter compared to RM28.6 million registered in the preceding quarter. Net profit increased by 116% from RM2.9 million in the preceding quarter to RM6.4 million registered for the current quarter.

B3. Prospects

The Group registered a total RM11.68 million net profit for the year-to-date. This enhances the Group's financial position to cater for funding of the organic growth anticipated for its Precision Stamping business especially in Indonesia and China. The Board is however cautiously optimistic on the growth momentum due to signs of business slowing by the major economies.

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	Financial year-
	30.9.2008	to-date
	RM'000	30.9.2008
		RM'000
Current tax expense		
Malaysia	(258)	(342)
Overseas	(274)	(774)
	(532)	(1,116)

The effective tax rate of the Group was higher than the statutory tax rate mainly due to certain companies' losses being net off against other companies' 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 purchases or disposals of quoted investments in the current quarter and financial year-to-date.

B8. Corporate proposals

On 23 August 2008, MIMB announced that the Company had completed the disposal of Prodelcon Sdn Bhd.

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

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B9. Group borrowings

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

	RM'000
Secured	24,550
Unsecured	11,179
Total Group Borrowings	35,729

	RM'000
Short Term	16,609
Long Term	19,120
Total Group Borrowings	35,729

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

	RM'000
Foreign Currency:	
- USD2,086,080@ 3.4385	7,173
- RMB6,699,600 @ 0.506	3,390
Local Currency	25,166
Total Group Borrowings	35,729

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 September 2008.

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B13. Earnings per share

	Current Year Quarter 30.9.2008 RM'000	Preceding Year Quarter 30.9.2007 RM'000	Current Year To Date 30.9.2008 RM'000	Preceding Year To Quarter 30.9.2007 RM'000
Profit/(Loss) attributable to equity holders of the parent				
From continuing operations	959	53	1,358	(421)
From discontinuing operations	5,447	1,940	10,317	5,028
	6,406	1,993	11,675	4,607
a) Basic				
Weighted average number of ordinary shares @10 sen	924,300	718,900	924,300	718,900
b) Diluted				
Weighted average number of ordinary shares @ 10 sen	924,300	718,900	924,300	718,900
Basic earnings/(loss) per share(sen)				
From continuing operations	0.104	0.007	0.147	(0.059)
From discontinuing operations	0.589	0.270	1.116	0.699
	0.693	0.277	1.263	0.640
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 subscription would be anti-dilutive

All ESOS had been fully exercised on 14 February 2007.