



JOTECH HOLDINGS BERHAD
(Company No. 334818-P)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH
FINANCIAL QUARTER ENDED 31 DECEMBER 2008**

JOTECH HOLDINGS BERHAD (Company No. 334818-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2008

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year To Date
	31.12.2008 RM'000	31.12.2007 RM'000 (Restated)	31.12.2008 RM'000	31.12.2007 RM'000 (Restated)
Continuing operations				
Revenue	29,017	27,737	119,853	105,349
Cost of sales	<u>(26,272)</u>	<u>(23,083)</u>	<u>(104,499)</u>	<u>(88,020)</u>
Gross profits	2,745	4,654	15,354	17,329
Operating expenses	(3,714)	(3,559)	(13,201)	(13,492)
Other operating expenses	(7,028)	-	(7,028)	-
Other operating income	<u>622</u>	<u>77</u>	<u>1,036</u>	<u>650</u>
Results from operating activities	(7,375)	1,172	(3,839)	4,487
Interest expense	(508)	(880)	(2,507)	(4,168)
Interest income	<u>3</u>	<u>49</u>	<u>296</u>	<u>83</u>
Profit/(loss) from operations	(7,880)	341	(6,050)	402
Share of profit/(loss) after tax and minority interest of equity accounted associate	<u>(993)</u>	<u>-</u>	<u>(484)</u>	<u>-</u>
Profit/(loss) before tax	(8,873)	341	(6,534)	402
Tax expense	<u>458</u>	<u>(417)</u>	<u>(658)</u>	<u>(857)</u>
Profit/(loss) from continuing operations	(8,415)	(76)	(7,192)	(455)
Discontinued operations				
Discontinued operations, net of tax	<u>(2,390)</u>	<u>(19,488)</u>	<u>7,927</u>	<u>(14,460)</u>
Profit/(loss) for the period	<u>(10,805)</u>	<u>(19,564)</u>	<u>735</u>	<u>(14,915)</u>
Attributable to:				
Equity holders of the parent	(10,670)	(19,533)	1,094	(14,926)
Minority interests	<u>(135)</u>	<u>(31)</u>	<u>(359)</u>	<u>11</u>
	<u>(10,805)</u>	<u>(19,564)</u>	<u>735</u>	<u>(14,915)</u>
Basic (loss)/earnings per share (sen):				
From continuing operations	(0.896)	(0.005)	(0.739)	(0.062)
From discontinuing operations	(0.259)	(2.297)	0.858	(1.924)
Diluted (loss)/earnings per share (sen):				
From continuing operations	N/A*	(0.005)	N/A*	(0.061)
From discontinuing operations	N/A*	(2.197)	N/A*	(1.900)

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 31.12.2008 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2007 RM'000
Non-current assets		
Property, Plant And Equipment	53,699	48,144
Prepaid Lease Payments	4,032	3,876
Investment in associate	17,875	-
Intangible assets	1,939	1,939
	77,545	53,959
Current Assets		
Inventories	17,732	16,828
Trade and other receivables	21,520	18,386
Tax recoverable	385	841
Assets classified as held for sale	-	53,983
Other investments	2,726	-
Cash and cash equivalents	32,921	17,819
	75,284	107,857
TOTAL ASSETS	152,829	161,816
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	92,430	92,430
Reserves	943	616
Total Shareholders' Equity	93,373	93,046
Minority interests	6,068	5,780
Total Equity	99,441	98,826
Non-current liabilities		
Borrowings	18,649	22,923
Deferred tax liabilities	2,142	1,989
	20,791	24,912
Current Liabilities		
Trade and other payables	14,251	14,652
Liabilities classified as held for sale	-	8,790
Short term borrowings	17,935	14,123
Provision for taxation	411	513
	32,597	38,078
Total liabilities	53,388	62,990
TOTAL EQUITY AND LIABILITIES	152,829	161,816
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.10	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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	TO DATE 31.12.2008 RM' 000	YEAR TO DATE 31.12.2007 RM' 000 (Restated)
Cash flow from operating activities		
Profit/(loss) before tax from:		
continuing operations	(6,533)	402
discontinuing operations	9,127	(13,509)
	<u>2,594</u>	<u>(13,107)</u>
Depreciation and amortisation	6,779	8,871
Allowance for diminution in value of other investment	241	1,100
Allowance for doubtful debts	1,330	2,880
Impairmen of investment in associate	7,028	-
Impairment of investment in redeemable preference shares	-	19,000
Interest expense	2,507	4,434
Unrealised(gain)/ loss on foreign exchange	(622)	131
Plant and equipment written off	92	4
Loss on disposal of property, plant and equipment	-	2
Dividend income	(155)	(121)
Loss/(gain) on disposal of subsidiaries	100	(855)
Interest income	(296)	(323)
Share of profit of equity accounted associate	484	-
Gain on disposal of discontinued operation	(9,107)	-
Gain on disposal of quoted investments	(38)	-
Gain on disposal of property,plant and equipment	(49)	-
Operating profit before working capital changes	<u>10,888</u>	<u>22,016</u>
Changes in working capital:		
Net change in current assets	(4,748)	13,382
Net change in current liabilities	115	(4,212)
Cash generated from operations	<u>6,255</u>	<u>31,186</u>
Taxes paid - net	(665)	(1,407)
Net cash generated from operating activities	<u>5,590</u>	<u>29,779</u>
Cash flow from investing activities		
Acquisition of property, plant and equipment	(9,712)	(7,322)
Acquisition of other investment - net	(2,929)	-
Dividends received	155	122
Interest received	296	323
Redemption of sub-ordinated bonds	-	1,400
Net proceeds from disposals of subsidiaries	-	(417)
Proceeds from disposal of discontinued operation	25,500	-
Proceeds from disposal of property, plant and equipment	58	60
Net cash generated from/(used in) investing activities	<u>13,368</u>	<u>(5,834)</u>

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT ("continued")

	CURRENT YEAR TO DATE 31.12.2008 RM' 000	PRECEDING YEAR TO DATE 31.12.2007 RM' 000 (Restated)
Cash flow from financing activities		
Interest paid	(2,507)	(4,328)
Dividends paid	-	(1,574)
Share issuance expenses	(17)	(713)
Proceeds from the issue of shares	-	22,705
Drawdown of loans and borrowings	4,313	38,395
Repayment of borrowings	(4,776)	(67,688)
Net cash used in financing activities	<u>(2,987)</u>	<u>(13,203)</u>
Net increase in cash and cash equivalents	15,971	3,052
Net cash generated from discontinuing operations	-	7,690
Effects of exchange rate fluctuations on cash held	(869)	(80)
Cash and cash equivalents at beginning of period	17,819	19,994
Cash and cash equivalents at end of period	<u><u>32,921</u></u>	<u><u>30,656</u></u>

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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 profit for the period	-	-	-	1,094	1,094	(359)	735
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	-	-	1,361	-	1,361	647	2,008
Share of post acquisition reserves on associate	-	-	-	(2,111)	(2,111)	-	(2,111)
At 31 December 2008	<u>92,430</u>	<u>2,284</u>	<u>301</u>	<u>(1,642)</u>	<u>93,373</u>	<u>6,068</u>	<u>99,441</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	4	-	-	111	-	111
- Right issues	20,540	2,054	-	-	22,594	-	22,594
Net profit for the period	-	-	-	(14,926)	(14,926)	11	(14,915)
Dividend paid	-	-	-	(1,574)	(1,574)	-	(1,574)
Issuance expenses	-	(713)	-	-	(713)	-	(713)
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	-	-	(860)	-	(860)	(217)	(1,077)
At 31 December 2007	<u>92,430</u>	<u>2,301</u>	<u>(1,060)</u>	<u>(625)</u>	<u>93,046</u>	<u>5,780</u>	<u>98,826</u>

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(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)

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 the 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 for discontinued operations.

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 31 December 2008.

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

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 31 December 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 31 December 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 base on a negotiated basis.

	Malaysia RM'000	China RM'000	Indonesia RM'000	Group RM'000
Continuing operation				
Revenue				
External revenue	66,615	8,531	44,707	119,853
Results				
Results from operating activities	(5,994)	(609)	2,764	(3,839)
Interest expense	(1,613)	(288)	(606)	(2,507)
Interest income	296	-	-	296
Profit/(Loss) from operations	<u>(7,311)</u>	<u>(897)</u>	<u>2,158</u>	<u>(6,050)</u>
Share of loss after tax and minority interest of equity accounted associates	<u>(484)</u>	<u>-</u>	<u>-</u>	<u>(484)</u>
Profit/(Loss) before tax	(7,795)	(897)	2,158	(6,534)
Taxation	<u>(172)</u>	<u>-</u>	<u>(486)</u>	<u>(658)</u>
Profit/(Loss) from continuing operations	(7,967)	(897)	1,672	(7,192)
Discontinued operations				
Discontinued operations, net of tax	<u>7,927</u>	<u>-</u>	<u>-</u>	<u>7,927</u>
Profit/(Loss) for the year	(40)	(897)	1,672	735
Minority interest	<u>-</u>	<u>359</u>	<u>-</u>	<u>359</u>
Net profit/(loss) attributable to equity holders	<u>(40)</u>	<u>(538)</u>	<u>1,672</u>	<u>1,094</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

On 24 December 2008, the Group announced that the Group disposed of its entire equity interest in Multimatic Systems Sdn Bhd (“MMS”), comprising of 100,005 ordinary shares of RM 1.00 each, for total cash consideration of RM 2.00. In relation thereto, MMS ceased to be a subsidiary of the Company.

Other than this, 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 was no material capital commitment as at 31 December 2008.

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ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENT

B1. Review of performance

The Group registered revenue of RM29.0 million for the current quarter, representing about 5% or RM1.3 million growth compared to RM27.7 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 loss of RM10.7 million was posted by the Group for the current quarter compared to RM19.6 million net loss in the corresponding quarter last year. On the year-to-date performance, the Group achieved RM119.9 million revenue and RM1.1 million net profit compared to RM105.3 million revenue and RM14.9 million net loss in the corresponding period last year.

The net loss of RM 10.7 million for the current quarter was mainly due to an impairment was made for investment in associated company of about RM 7.0 million and share of loss of about RM1.0million from associated company during the financial quarter.

Furthermore, a RM 2.4 million losses arising from disposal of a subsidiary and doubtful debt written off were also captured under "Discontinued Operations" during the current quarter.

B2. Comparison with preceding quarter's results

The Group's revenue decline by about 22% or RM8.6 million in the current quarter compared to RM37.6 million registered in the preceding quarter. A net loss of RM 10.7 million was posted for the current quarter compared to profit of RM6.4 million in the preceding quarter. This was mainly due to a RM4.8 million gain on disposal of a subsidiary company had been recognized in the preceding quarter and decline in revenue due to overall slowdown in market demand.

B3. Prospects

The Group has a healthy financial and cash reserves as at 31 December 2008 and is confident to weather through the challenging economic environment expected in 2009. The Group will seek also out new investments and good potential businesses to enhance the long term shareholders' values.

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 31.12.2008 RM'000	Financial year- to-date 31.12.2008 RM'000
Current tax expense		
Malaysia	170	(172)
Overseas	288	(486)
	458	(658)

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

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

	Current quarter 31.12.2008 RM'000	Financial year- to-date 31.12.2008 RM'000
Purchase of quoted shares	3,555	3,555

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

	Current quarter 31.12.2008 RM'000	Financial year- to-date 31.12.2008 RM'000
Sales proceeds of quoted shares	626	626
Cost of quoted shares	(588)	(588)
Gain on disposal of quoted shares	38	38

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B7. Purchase or disposal of quoted investments (“continued”)

(c) Total investment in quoted shares as at 31 December 2008:

	Cost RM `000	Book Value RM `000	Market Value RM `000
Total quoted shares	<u>2,967</u>	<u>2,726</u>	<u>2,726</u>

B8. Corporate proposals

On 24 Dec 2008, the Company announced that the Group disposed of its entire equity interest in Multimatic Systems Sdn Bhd.

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

B9. Group borrowings

The Group borrowings as at 31 December 2008 are as follows:-

	RM`000
Secured	18,244
Unsecured	18,340
Total Group Borrowings	<u>36,584</u>

	RM`000
Short Term	17,935
Long Term	18,649
Total Group Borrowings	<u>36,584</u>

The total borrowings denominated in foreign and local currency as at 31 December 2008 are as follows:-

	RM`000
Foreign Currency:	
- USD1,943,768@ 3.450	6,706
- RMB9,830,000 @ 0.506	4,975
Local Currency	24,903
Total Group Borrowings	<u>36,584</u>

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

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 31 December 2008.

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B13. Earnings per share

	Current Year Quarter 31.12.2008 RM'000	Preceding Year Quarter 31.12.2007 RM'000	Current Year To Date 31.12.2008 RM'000	Preceding Year To Quarter 31.12.2007 RM'000
Profit/(loss) attributable to equity holders of the parent				
From continuing operations	(8,280)	(45)	(6,833)	(466)
From discontinuing operations	(2,390)	(19,488)	7,927	(14,460)
	<u>(10,670)</u>	<u>(19,533)</u>	<u>1,094</u>	<u>(14,926)</u>
a) Basic				
Weighted average number of ordinary shares @10 sen ('000)	<u>924,300</u>	<u>848,391</u>	<u>924,300</u>	<u>751,454</u>
b) Diluted				
Weighted average number of ordinary shares @ 10 sen ('000)	<u>924,300</u>	<u>848,391</u>	<u>924,300</u>	<u>751,454</u>
Effects of warrants	<u>-</u>	<u>38,333</u>	<u>-</u>	<u>9,662</u>
	<u>924,300</u>	<u>886,724</u>	<u>924,300</u>	<u>761,116</u>
Basic earnings/(loss) per share(sen)				
From continuing operations	(0.896)	(0.005)	(0.739)	(0.061)
From discontinuing operations	(0.259)	(2.297)	0.858	(1.924)
	<u>(1.155)</u>	<u>(2.302)</u>	<u>0.119</u>	<u>(1.985)</u>
Diluted earnings/(loss) per share(sen)				
From continuing operations	N/A *	(0.005)	N/A *	(0.061)
From discontinuing operations	N/A *	(2.197)	N/A *	(1.900)
	<u>-</u>	<u>(2.202)</u>	<u>-</u>	<u>(1.961)</u>

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