LCTH CORPORATION BERHAD
(Company No: 633871-A)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2006

A EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS ("FRS") 134 INTERIM FINANCIAL REPORTING

A1 Basis of Preparation

The interim financial statements have been prepared under the historical cost convention.

The interim financial statements are unaudited and have been prepared in compliance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2005. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2005.

A2 Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2005 except for the adoption of the following new/revised FRS effective for the financial period beginning 1 January 2006:

FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 132	Financial Instruments : Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets

The adoption of the new/revised FRSs does not have significant financial impact on the Group.

A3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements of the Company for the year ended 31 December 2005 was not qualified.

A4 Segmental Information

No segment analysis is prepared as the Group is involved in a single industry segment relating to the manufacturing and sub-assembly of precision plastic parts and components and fabrication of precision moulds and dies. The business of the Group is entirely carried out in Malaysia.

A5 Unusual Items due to their Nature, Size and Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 30 September 2006.

A6 Changes in Estimates

There were no material changes in estimates used for the preparation of the interim financial report.

A7 Comments about Seasonal or Cyclical Factors

The normal sales trend in the past has been that the first quarter has the lowest sales with the peak periods being in the third and fourth quarters.

A8 Dividends Paid

The Company paid the following dividend during the current quarter.

	RM'000
Interim dividend in respect of the financial year ending 31 December 2006 of 1.00 sen less 28%, paid on 5 September 2006	4,320

To-date, the Company has paid a total interim dividend of 2.0 sen (less 28% taxation) per ordinary share of RM0.20 each for the financial year ending 31 December 2006.

A9 Carrying Amount of Revalued Assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. There was no revaluation of property, plant and equipment for the current quarter and financial period to-date.

A10 Debts and Equity Securities

There were no issuances, cancellations, repurchase, resale and repayments of debt and equity securities for the current financial period to-date.

A11 Changes in the Composition of the Group

On 13 July 2006, the Company announced that it has entered into a Joint Venture Agreement ("JVA") on 12 July 2006 with Owens-Illinois Plastics Pte. Ltd. ("OIP"), a private limited company incorporated in Singapore and a member company of Owens-Illinois, Inc., a corporation listed on the New York Stock Exchange, to set out the understanding of both parties' relationship with the joint venture company, O-I Plastics Sdn Bhd, "OIM" (formerly known as Valencia Villa Sdn Bhd).

The principal business of OIM will be to manufacture, sell and distribute specialty plastic moulded parts, assemblies and filled goods. OIM will initially make plastic parts for ink printer cartridges that OIP currently manufactures in Singapore.

LCTH has subscribed 1,000,000 ordinary shares of RM1.00 each in OIM and the investment was paid in full by cash of RM1,000,000. The investments represent 40% of OIM's equity and LCTH has regarded OIM as its associate company.

A12 Capital Commitments

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 30 September 2006 are as follows:

	RM'000
Approved and contracted for	28,571

A13 Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets since the last annual balance sheet as at 31 December 2005.

A14 Subsequent Events

In the opinion of the Directors, no material events have arisen between the end of the reporting quarter and the date of this announcement.

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 Performance Review

The Group recorded a revenue of RM86.1 million and profit before tax ("PBT") of RM11.1 million for the current quarter ended 30 September 2006.

The Group's revenue of RM229.6 million for the 9 months ended 30 September 2006 was slightly lower compared to RM231.6 million for the same period of 2005. The decrease in revenue was contributed by delays on the launching of new models coupled with early "End-Of-Life ("EOL")" models by the customers and also intense price pressure.

Lower revenue achieved has consequently affected the Group's PBT, a reduction from RM36.8 million for the 9 months ended 30 September 2005 to RM27.4 million in 2006.

The PBT was achieved despite the higher cost of sales incurred by the Group, attributed to the increase in the cost of raw materials, other indirect costs and overheads as a result of the increase in crude oil prices and the lifting of petrol and diesel oil subsidies. The Group's gross margins were also eroded as a result of price pressure from customers. The new tool and dies division has yet to contribute to profitability.

B2 Comment on Material Change in PBT of Current Quarter Compared With Preceding Quarter

The Group's PBT for the current quarter of RM11.1 million saw an increase of 39% as compared to RM8.0 million registered for the preceding quarter ended 30 June 2006.

The increase in PBT was partly attributed to the increase in revenue of 3rd Quarter from RM68.1 million (for 2nd Quarter) to RM86.1 million. Nevertheless, gross margins for the 3rd Quarter has slightly eroded from 16.6% in 2nd Quarter to 16.1% in 3rd Quarter.

B3 Commentary on Prospects

The Directors expect the final Quarter's performance will remain profitable, thereby achieving satisfactory profitable results for the financial year.

B4 Profit Forecast or Profit Guarantee

This is not applicable for the current quarter.

B5 Income Tax Expense

	Current Quarter 3 months ended 30.9.2006 RM'000	Cumulative Quarter 9 months ended 30.9.2006 RM'000
Income tax	730	1,631
Deferred tax	207	1,100
	937	2,731

The tax expense for the current quarter is lower compared to the preceding quarter ended 30 June 2006. This is because the tax charge for the preceding quarter included the tax effects arising from the deferment of capital allowances claims in the previous quarter.

The Group's effective tax rate for the 9 months period is lower than the statutory tax rate principally due to utilization of unabsorbed Reinvestment Allowances brought forward from prior years to off set against current period chargeable income.

B6 Sale of Unquoted Investments and/or Properties

There were no sales of unquoted securities and /or properties for the current quarter under review.

B7 Quoted Securities

There were no purchases or disposals of quoted securities for the current quarter under review.

B8 Corporate Proposals

Status of Utilisation of Proceeds

As at 30 September 2006, the gross proceeds arising from the Public Issue of RM156.325 million has been used in the following manner:

	Approved RM'000	Utilised RM'000	Balance RM'000	Note
Purchase of land	16,000	16,037	(37)	1
Construction of buildings	55,000	55,000	-	
Purchase of machineries	25,000	25,000	-	
Mould and dies fabrication	25,000	15,287	9,713	
Working capital	28,125	31,303	(3,178)	2
Plants relocation and consolidation	3,000	1,533	1,467	
Estimated listing expenses	4,200	4,200	-	
	156,325	148,360	7,965	

Notes:

1. This was utilized from working capital as mentioned below.
2. The shortfall is utilised from funds approved for plants relocation and consolidation and Mould and dies fabrication. The utilization amounts include payments for the followings:
   - balance for the purchase consideration of land of RM37,000;
   - additional listing expenses of RM1.165 million;
   - operating expenses of the Group;
   - injection moulding machines and related accessories/spares not budgeted for under the RM25 million for purchase of machineries stated above;
   - investment in OIM of RM1 million as mentioned in Section A11 above.
   - down payment for assets of RM1.2 million, where the assets will be part of LCTH's contributions in OIM.

B9 Borrowings

The Group does not have any outstanding interest bearing bank borrowings, other than hire purchase payables.

B10 Changes in Material Litigation

There were no material litigations pending as at the date of this announcement.

B11 Dividends

The Directors recommend an interim dividend of 2 sen (less 28% taxation) per ordinary share of RM0.20 each, payable on date to be determined.

B12 Earnings per share

Basic

Basic earnings per share is calculated by dividing the net profit after tax attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the financial period.

	Current Quarter 3 months ended 30.9.2006	**Cumulative Quarter 9months ended 30.9.2006**
Profit attributable to shareholders (RM'000)	10,129	24,687
Weighted average number of ordinary shares in issue ('000)	600,000	600,000
Basic earnings per share (sen)	1.69	4.11

There are no diluted earnings per share as the Company does not have any convertible financial instruments as at the current quarter and current period to date.

By Order of the Board

Company Secretary