



LCTH CORPORATION BERHAD
(Company No: 633871-A)

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE SIX-MONTH ENDED 30 JUNE 2007**

	Note	Current Quarter 3 months ended		Current financial year-to-date 6 months ended	
		30.6.07 RM'000	30.6.06 RM'000	30.6.07 RM'000	30.6.06 RM'000
Revenue	B1	95,101	68,127	186,514	143,501
Cost of sales		<u>(83,635)</u>	<u>(56,819)</u>	<u>(162,973)</u>	<u>(120,358)</u>
Gross Profit		11,466	11,308	23,541	23,143
Other income		852	530	1,816	1,016
Administrative expenses		(3,169)	(3,425)	(6,789)	(6,833)
Selling and marketing expenses		(535)	(425)	(1,046)	(970)
Finance costs		(97)	(2)	(116)	(4)
Share of results of an associate		<u>(168)</u>	<u>-</u>	<u>(431)</u>	<u>-</u>
Profit before taxation	B2	8,349	7,986	16,975	16,352
Income tax expense	B5	<u>(1,254)</u>	<u>(1,220)</u>	<u>(2,623)</u>	<u>(1,794)</u>
Profit for the period		<u>7,095</u>	<u>6,766</u>	<u>14,352</u>	<u>14,558</u>
Earnings per share					
- basic (sen)	B13	<u>1.18</u>	<u>1.13</u>	<u>2.39</u>	<u>2.43</u>
- diluted (sen)		<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the Interim Financial Statements.

LCTH CORPORATION BERHAD (633871-A)
CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2007

		(As restated)	
		As at	As at
		30.6.07	31.12.06
	Note	RM'000	RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		146,285	157,181
Investment properties		24,532	-
Investment in Associate		416	848
Prepaid leasehold land		16,121	16,265
		<u>187,354</u>	<u>174,294</u>
Current Assets			
Inventories		40,081	36,405
Trade receivables		77,113	61,453
Other receivables		10,072	6,683
Due from holding companies		716	1,174
Due from related companies		78	80
Tax recoverable		8,999	7,753
Cash and cash equivalents		53,620	78,409
		<u>190,679</u>	<u>191,957</u>
TOTAL ASSETS		<u>378,033</u>	<u>366,251</u>
EQUITY AND LIABILITIES			
Share capital		120,000	120,000
Share premium		121,911	121,911
Retained earnings		34,713	38,360
Total equity		<u>276,624</u>	<u>280,271</u>
Non-Current Liabilities			
Borrowings	B9	41	41
Deferred tax liabilities		13,308	12,801
		<u>13,349</u>	<u>12,842</u>
Current Liabilities			
Trade payables		46,462	39,872
Other payables		21,819	20,091
Borrowings	B9	15,005	9
Due to holding companies		4,671	4,439
Tax payable		103	87
Dividends payable		-	8,640
		<u>88,060</u>	<u>73,138</u>
Total liabilities		<u>101,409</u>	<u>85,980</u>
TOTAL EQUITY AND LIABILITIES		<u>378,033</u>	<u>366,251</u>
NET ASSETS PER SHARE (RM)		<u>0.46</u>	<u>0.47</u>

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the Interim Financial Statements.

LCTH CORPORATION BERHAD (633871-A)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH ENDED 30 JUNE 2007

	Share Capital RM'000	Non- Distributable Share Premium RM'000	Distributable Retained Earnings RM'000	Total RM'000
At 1 January 2006	120,000	121,911	41,277	283,188
Profit for the period	-	-	14,558	14,558
Dividends	-	-	(21,600)	(21,600)
At 30 June 2006	<u>120,000</u>	<u>121,911</u>	<u>34,235</u>	<u>276,146</u>
At 1 January 2007	120,000	121,911	38,361	280,272
Profit for the period	-	-	14,352	14,352
Dividends	-	-	(18,000)	(18,000)
At 30 June 2007	<u>120,000</u>	<u>121,911</u>	<u>34,713</u>	<u>276,624</u>

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the Interim Financial Statements.

LCTH CORPORATION BERHAD (633871-A)
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX-MONTH ENDED 30 JUNE 2007

	6 months ended	
	30.6.07	30.6.06
	RM'000	RM'000
Profit before tax	16,975	16,352
Adjustment items :		
Depreciation and amortisation	8,384	8,082
Interest and investment income	(1,030)	(870)
Net unrealised foreign exchange gain	(867)	19
Interest expense	116	4
Share of results of an associate company	431	-
Others	29	(77)
Operating income before working capital changes	<u>24,038</u>	<u>23,510</u>
Inventories	(3,401)	2,173
Receivables	(18,168)	14,429
Payables	<u>8,639</u>	<u>(21,542)</u>
Cash generated from operations	11,108	18,570
Income tax paid	<u>(3,345)</u>	<u>(96)</u>
Net cash generated from operating activities	7,763	18,474
Net cash used in investing activities	(20,866)	(4,684)
Net cash used in financing activities	<u>(11,686)</u>	<u>(21,617)</u>
Net decrease in cash and cash equivalents	(24,789)	(7,827)
Cash and cash equivalents :		
At beginning of the financial period	<u>78,409</u>	<u>85,827</u>
At end of financial period	<u><u>53,620</u></u>	<u><u>78,000</u></u>
* Cash and cash equivalents at the end of the financial period comprise the following :		
Cash and bank balances	18,308	3,038
Short term investments	28,386	44,950
Repurchase agreements	5,500	29,600
Fixed deposits with licensed banks	<u>1,426</u>	<u>412</u>
	<u><u>53,620</u></u>	<u><u>78,000</u></u>

The unaudited Condensed Consolidated Cash flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the Interim Financial Statements.

LCTH CORPORATION BERHAD

(633871-A)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

2nd QUARTER ENDED 30 JUNE 2007

A COMPLIANCE WITH 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 (“Bursa Malaysia”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2006. 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 2006.

A2 Accounting Policies and Methods of Computation

The accounting policies and method of computations adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 31 December 2006 as well as the new/revised FRS that are effective and applicable in the current financial year.

In the current financial year beginning 1 January 2007, the Group adopted the following new/revised FRSs.

FRS 117	Leases
FRS 124	Related Party Disclosures
FRS 140	Investment Property

The adoption of FRS 124 and FRS 140 does not have significant financial impact on the Group.

The principal effect of the changes in accounting policies resulting from the adoption of the new/revised FRS 117 is discussed below:

FRS 117: Leases

The adoption of the revised FRS 117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. The up-front payments made for the leasehold land represents prepaid lease payments and are amortised on a straight-line basis over the lease term. A lease of land and building is apportioned into a lease of land and a lease of building in proportion to the relative fair values of the leasehold interests in the land element and the building element of the lease at the inception of the lease. Prior to 1 January 2007, leasehold land was classified as property, plant and equipment and was stated at cost less accumulated depreciation.

Upon the adoption of the revised FRS 117 at 1 January 2007, the unamortised revalued amounts of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions of FRS 117. The reclassification of leasehold land as prepaid lease payment has been accounted for retrospectively and as disclosed below, certain comparative amount as at 31 December 2006 have been restated.

	As previously stated RM'000	Effects on adoption of FRS 117 RM'000	As restated RM'000
At 31 December 2006			
Property, plant and equipment	173,446	(16,265)	157,181
Prepaid lease payments	-	16,265	16,265

A3 Disclosure of Audit Report Qualification and Status of Matters Raised

The audit report of the Group's annual financial statements for the year ended 31 December 2006 did not contain any qualification.

A4 Seasonal or Cyclical Factors

The normal sales trend in the past has been that the first and last quarters have the lowest sales with the peak periods being in the second and third quarters. Therefore, the quarterly results generally fluctuate due to this seasonality.

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 June 2007.

A6 Material Changes in Estimates

There have been no significant changes in estimates used for the preparation of the interim financial statements.

A7 Changes in 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.

A8 Dividends Paid

The Company paid the following dividends during the current quarter.

	RM'000
Final dividend in respect of the financial year ended 31 December 2006 of 2.00 sen tax exempt, paid on 15 May 2007	12,000
Interim dividend in respect of the financial year ending 31 December 2007 of 1.00 sen tax exempt, paid on 8 June 2007	6,000
	<u>18,000</u>

A9 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.

A10 Material Events Subsequent to the end of the financial period

On 11 July 2006, the Company announced that Classic Advantage Sdn Bhd (“CASB”), a wholly-owned subsidiary of the Company proposes a sale and leaseback of 6 blocks of factories and 1 office block located at No. 11 Jalan Persiaran Teknologi, Taman Teknologi Johor, 81400 Senai, Johor Darul Ta’zim (the “Property”) to Mapletree Industrial Fund Ltd or its nominee (“MIFL”), for a cash consideration of RM80.0 million (hereinafter referred to as the “Proposed Sale and Leaseback”). Messrs CH Williams Talhar & Wong in their report dated 25 June 2007 valued the said property as having a market value of RM80.0 million.

MIFL has given a conditional letter of offer to purchase the Property free from encumbrances. CASB had on 11 July 2007 accepted the offer, subject to terms and conditions in a Sale and Leaseback Agreement (“SPA”) to be entered into by both parties.

Following CASB’s acceptance of the conditional letter of offer, MIFL has on 11 July 2007 issued a cheque for RM800,000 being Earnest Deposit representing 1% of the Purchase consideration in favor of the MIFL’s appointed solicitors as stakeholders

(“Stakeholders”) to be placed in an interest-bearing account, subject to CASB’s agreement to grant MIFL exclusivity to negotiate the terms of the SPA within a negotiation period of 60 days from 11 July 2007 or such longer period as may be agreed between the parties. If no SPA is concluded on the expiry of the aforesaid negotiation period for any reason whatsoever, the Stakeholders will refund the Earnest Deposit to MIFL with interest accrued thereon. If the SPA is concluded within the negotiation period, the Earnest Deposit (with any interest accrued thereon) shall be released to CASB by the Stakeholders upon completion.

The salient terms of the SPA as well as other agreement, if any, relating thereto will be announced after the execution of the SPA.

The proposed disposal of the Property will enable the Company and its subsidiaries (“Group”) to unlock capital resources from being tied up in long term assets and realise the Property at a fair market value whilst enhancing the Group's liquidity and strengthening its financial position.

The proposed leaseback by CASB will ensure that the on-going business operation of the Group is not disrupted and its operations shall continue at the Property.

The Proposed Sale and Leaseback is conditional upon the following approvals being obtained from:

- (i) the Foreign Investment Committee;
- (ii) the State Authority for the sale and transfer of Property;
- (iii) the shareholders of the Company at general meeting to be convened; and
- (iv) any other relevant authorities

Further announcement in relation to the Proposed Sale and Leaseback will be made upon signing the SPA.

Other than the above, there were no material events subsequent to the end of the reporting quarter and the date of this announcement.

A11 Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter.

A12 Contingent Liabilities and Contingent Assets

Contingent liabilities arising from corporate guarantees given to banks for credit facilities utilised by subsidiaries amounted to RM2,717,000.

There were no contingent assets since the last financial year ended 31 December 2006.

A13 Capital Commitments

The amount of capital commitments not provided for in the interim financial statements as at 30 June 2007 are as follows:

	RM'000
Approved and contracted for	<u>11,392</u>

A14 Carrying Amount of Revalued Assets

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

B COMPLIANCE WITH APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA

B1 Performance Review

The Group recorded a revenue of RM95.1 million and profit before tax (“PBT”) of RM8.3 million for the current quarter ended 30 June 2007.

The Group’s revenue of RM186.5 million for the period ended 30 June 2007 is 30% higher compared to RM143.5 million for the same period of 2006. The increase in revenue was contributed by increase in orders from customers and launching of new models during the period under review.

Higher revenue achieved has slightly improved the Group’s PBT, an increase from RM16.4 million for the period ended 30 June 2006 to RM17.0 million in 2007.

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. The Group’s gross margins were also eroded as a result of early “End-Of-Life (“EOL”)” models and intense price pressure from customers.

B2 Material Changes in PBT for the Current Quarter as compared with the immediate Preceding Quarter

The Group’s PBT for the current quarter of RM8.3 million showed a slight drop of 3% as compared to RM8.6 million registered for the preceding quarter ended 31 March 2007.

Although the revenue has increased by 4% in the current quarter, gross margins for the 2nd Quarter has slightly decreased from 13.2% in 1st Quarter 2007 to 12.1% in the current Quarter.

B3 Prospects

The Group continues to operate in a very competitive environment; nevertheless it expects to remain profitable.

B4 Variance of Actual Profit from Forecast Profit

The Group did not issue any profit forecast or profit guarantee for the year.

B5 Taxation

	Current Quarter 3 months ended 30.6.2007 RM'000	Current financial year –to- date 30.6.2007 RM'000
Income tax	973	2,116
Deferred tax	281	507
	<u>1,254</u>	<u>2,623</u>

The tax expense of the Group for the current quarter and financial year to-date is lower than the statutory rate mainly due to utilization of unabsorbed Reinvestment Allowances brought forward from prior years to off set against current period chargeable income and lower deferred tax charge following the reduction in the income tax rate as announced in the 2007 budget proposal by the government.

B6 Sale of Unquoted Investments and/or Properties

The results for the current quarter do not include any profit or loss on sale of unquoted investments and /or properties which are not in the ordinary course of business of the Group.

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 June 2007, 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	39,268	(11,143)	2
Plants relocation and consolidation	3,000	1,533	1,467	
Estimated listing expenses	4,200	4,200	-	
	<u>156,325</u>	<u>156,325</u>	<u>-</u>	

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 an associate company, OIM of RM1.0 million;
 - purchase of assets amounting to RM5.17 million, where the assets will form part of LCTH's contributions in OIM.

B9 Group Borrowings and Debts Securities

The details of the Group's borrowings as at 30 June 2007 are as set out below:

	As at 30.6.2007 RM'000	As at 31.12.2006 RM'000
Short term borrowings		
Secured – Hire purchase	5	9
Unsecured – Time loan	15,000	-
	<u>15,005</u>	<u>9</u>
Long term borrowings		
Secured – Hire purchase	41	41
	<u>41</u>	<u>41</u>
	<u>15,046</u>	<u>50</u>

B10 Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 1 Aug 2007.

B11 Changes in Material Litigation

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

B12 Dividends Declared

The Directors have declared an interim gross dividend of 1.0 sen tax exempt per ordinary share of RM0.20 each to be made payable on 10 September 2007 to shareholders whose name appears in the Record of Depositors as at 23 August 2007.

B13 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 30.6.2007	Current financial year-to-date 30.6.2007
Profit attributable to shareholders (RM'000)	7,095	14,352
Weighted average number of ordinary shares in issue ('000)	600,000	600,000
Basic earnings per share (sen)	<u>1.18</u>	<u>2.39</u>

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

By Order of the Board

Company Secretary