



LCTH CORPORATION BERHAD
(Company No: 633871-A)

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE NINE-MONTH ENDED 30 SEPTEMBER 2007**

	Note	Current Quarter 3 months ended		Current financial year-to-date 9 months ended	
		30.9.07 RM'000	30.9.06 RM'000	30.9.07 RM'000	30.9.06 RM'000
Revenue	B1	91,355	86,114	277,869	229,615
Cost of sales		(82,546)	(72,208)	(245,519)	(192,566)
Gross Profit		<u>8,809</u>	<u>13,906</u>	<u>32,350</u>	<u>37,049</u>
Other income		978	518	2,794	1,534
Administrative expenses		(4,417)	(2,944)	(11,206)	(9,776)
Selling and marketing expenses		(451)	(394)	(1,497)	(1,365)
Finance costs		(176)	(2)	(292)	(6)
Share of results of an associate		92	(18)	(339)	(18)
Profit before taxation	B2	<u>4,835</u>	<u>11,066</u>	<u>21,810</u>	<u>27,418</u>
Income tax expense	B5	<u>(1,003)</u>	<u>(937)</u>	<u>(3,625)</u>	<u>(2,731)</u>
Profit for the period		<u>3,832</u>	<u>10,129</u>	<u>18,185</u>	<u>24,687</u>
Earnings per share					
- basic (sen)	B14	<u>0.64</u>	<u>1.69</u>	<u>3.03</u>	<u>4.11</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 SEPTEMBER 2007

		(As restated)	
		As at	As at
	Note	30.9.07	31.12.06
		RM'000	RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		94,566	157,181
Investment properties		24,412	-
Investment in Associate		509	848
Prepaid leasehold land		7,083	16,265
		<u>126,570</u>	<u>174,294</u>
Current Assets			
Inventories		34,949	36,405
Trade receivables		87,434	61,453
Other receivables		8,880	6,683
Due from holding companies		679	1,174
Due from related companies		78	80
Tax recoverable		7,687	7,753
Cash and cash equivalents		39,593	78,409
		<u>179,300</u>	<u>191,957</u>
Non current assets held for sale	B10	66,240	-
		<u>245,540</u>	<u>191,957</u>
TOTAL ASSETS		<u>372,110</u>	<u>366,251</u>
EQUITY AND LIABILITIES			
Share capital		120,000	120,000
Share premium		121,911	121,911
Retained earnings		32,545	38,360
Total equity		<u>274,456</u>	<u>280,271</u>
Non-Current Liabilities			
Borrowings	B9	1,512	41
Deferred tax liabilities		13,529	12,801
		<u>15,041</u>	<u>12,842</u>
Current Liabilities			
Trade payables		40,458	39,872
Other payables		20,442	20,091
Borrowings	B9	15,889	9
Due to holding companies		5,710	4,439
Tax payable		114	87
Dividends payable		-	8,640
		<u>82,613</u>	<u>73,138</u>
Total liabilities		<u>97,654</u>	<u>85,980</u>
TOTAL EQUITY AND LIABILITIES		<u>372,110</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 NINE-MONTH ENDED 30 SEPTEMBER 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	-	-	24,687	24,687
Dividends	-	-	(25,920)	(25,920)
At 30 September 2006	<u>120,000</u>	<u>121,911</u>	<u>40,044</u>	<u>281,955</u>
At 1 January 2007	120,000	121,911	38,360	280,271
Profit for the period	-	-	18,185	18,185
Dividends	-	-	(24,000)	(24,000)
At 30 September 2007	<u>120,000</u>	<u>121,911</u>	<u>32,545</u>	<u>274,456</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 NINE-MONTH ENDED 30 SEPTEMBER 2007

	9 months ended	
	30.9.07	30.9.06
	RM'000	RM'000
Profit before tax	21,810	27,418
Adjustment items :		
Depreciation and amortisation	12,709	12,162
Interest and investment income	(1,382)	(1,341)
Net unrealised foreign exchange gain	(48)	(299)
Interest expense	292	6
Share of results of an associate company	339	18
Others	77	147
Operating income before working capital changes	<u>33,797</u>	<u>38,111</u>
Inventories	1,370	(398)
Receivables	(27,704)	11,865
Payables	<u>2,215</u>	<u>(33,733)</u>
Cash generated from operations	9,678	15,845
Income tax paid	<u>(2,803)</u>	<u>(104)</u>
Net cash generated from operating activities	6,875	15,741
Net cash used in investing activities	(27,610)	(7,842)
Net cash used in financing activities	<u>(18,081)</u>	<u>(25,945)</u>
Net decrease in cash and cash equivalents	(38,816)	(18,046)
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>39,593</u></u>	<u><u>67,781</u></u>
* Cash and cash equivalents at the end of the financial period comprise the following :		
Cash and bank balances	5,482	3,135
Short term investments	25,685	40,834
Repurchase agreements	7,000	22,400
Fixed deposits with licensed banks	<u>1,426</u>	<u>1,412</u>
	<u><u>39,593</u></u>	<u><u>67,781</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

3rd QUARTER ENDED 30 SEPTEMBER 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 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 117	Leases
FRS 124	Related Party Disclosures
FRS 140	Investment Property

The adoption of FRS 5, 124 and 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 September 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 Dividend Paid

The Company paid the following dividend during the current quarter.

RM'000

Second interim dividend in respect of the financial year ending 31
December 2007 of 1.00 sen tax exempt, paid on 10 September 2007 6,000

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

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 RM2,763,000.

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 September 2007 are as follows:

	RM'000
Approved and contracted for	<u>5,088</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 revenue of RM91.4 million and profit before tax (“PBT”) of RM4.8 million for the current quarter ended 30 September 2007.

The Group’s revenue of RM277.9 million for the period ended 30 September 2007 is 21% higher compared to RM229.6 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.

However, despite the higher revenue achieved, the Group’s PBT has declined from RM27.4 million for the period ended 30 September 2006 to RM21.8 million in 2007.

The continued increase in crude oil prices during the period under review resulted in higher cost of sales incurred by the Group, contributed by higher cost of raw materials, other indirect costs and overheads. In addition, the strengthening of the RM vis-à-vis USD also impacted the Group results. The intense price pressure from customers also directly contributed to the erosion of the Group’s gross margins.

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

The Group’s revenue has decreased by 4% in the current quarter and the gross margins for the 3rd Quarter decreased from 12.1% in 2nd Quarter 2007 to 9.6% in the current Quarter.

Correspondingly, the Group’s PBT for the current quarter of RM4.8 million also dropped by 42% as compared to RM8.3 million registered for the preceding quarter ended 30 June 2007.

B3 Prospects

The Group will be operating in a very competitive environment as crude oil price increases has presently reached unprecedented levels of US\$98.00 per barrel. In addition, with expected lifting of certain subsidies applicable to petroleum, diesel and related products in the country, transportation and other associated costs directly and indirectly affected by the rise in crude oil prices will impact on the group’s operating costs.

Barring any unforeseen circumstances, the Group expects to remain profitable and the Group’s performance is expected to be satisfactory for the remaining period of the financial year.

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 30.9.2007 RM'000	Current financial year –to- date 30.9.2007 RM'000
Income tax	781	2,897
Deferred tax	222	728
	<u>1,003</u>	<u>3,625</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

On 7 November 2007, the Company announced that Shareholders had at the Extraordinary General Meeting (“EGM”) held on even date approved the Proposals as previously announced on 12 September 2007. The Proposals and Resolutions contained in the Circular and the Notice of EGM respectively dated 16 October 2007 were approved by shareholders by way of poll at the EGM held on 7 November 2007.

The Proposals are subject to approvals being obtained from the followings: -

- (a) the Foreign Investment Committee (“FIC”), for the Proposed Sale and Leaseback, by Mapletree MIF Malaysia 2 Sdn Bhd (“MMM2”);
- (b) the High Court for the Proposed Capital Reduction;
- (c) any other relevant authorities, including consent from the Johor State Authority for the Proposed Sale and Leaseback.

On 12 September 2007, the Company announced the following proposals:

- (i) Classic Advantage Sdn Bhd ("CASB"), a wholly-owned subsidiary of LCTH has entered into a Sale and Purchase Agreement ("SPA") with MMM2 for the sale of 6 blocks of factories and 1 office block and ancillary building erected thereon and including mechanical equipment located at No. 11 Jalan Persiaran Teknologi, Taman Teknologi Johor, 81400 Senai, Johor Darul Ta'zim (the "Property") for a cash consideration of RM80.0 million("the Property"). Upon the completion of the SPA, a lease agreement will be entered between the aforesaid parties for the leaseback of the Property for a lease period of 12 years and for an initial lease rental of approximately RM7.2 per annum ("Proposed Sale and Leaseback");
- (ii) Proposed capital repayment via cash distribution of RM72.0 million to shareholders of LCTH, involving the following:
 - (a) Proposed bonus issue of 120,000,000 new ordinary shares of RM0.20 each in LCTH ("LCTH Shares") on the basis of one (1) new share in LCTH for every five (5) existing shares in LCTH held prior to the proposed capital reduction ("Proposed Bonus Issue");
 - (b) Proposed capital reduction of issued and paid-up capital of the Company after the Proposed Bonus Issue from RM144,000,000 to RM72,000,000 representing a capital reduction of RM0.10 par value for every one (1) existing LCTH Share held after the Proposed Bonus Issue ("Proposed Capital Reduction");

(The Proposed Bonus Issue and Proposed Capital Reduction are collectively known as the "Proposed Capital Repayment"); and
- (iii) Proposed consolidation of 720,000,000 ordinary shares of RM0.10 each in LCTH after the Proposed Capital Repayment into 360,000,000 ordinary shares of RM0.20 each on the basis of two (2) ordinary shares of RM0.10 each in LCTH to be consolidated into one (1) ordinary share of RM0.20 each in LCTH ("Proposed Shares Consolidation").

B9 Group Borrowings and Debts Securities

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

	As at 30.9.2007 RM'000	As at 31.12.2006 RM'000
Short term borrowings		
Secured – Hire purchase	889	9
Unsecured – Time loan	15,000	-
	<u>15,889</u>	<u>9</u>
Long term borrowings		
Secured – Hire purchase	1,512	41
	<u>1,512</u>	<u>41</u>
	<u>17,401</u>	<u>50</u>

B10 FRS 5 - Non Current Assets Held For Sale

The Group has entered into a Proposed Sale and Leaseback Agreement between CASB and MMF2 on 12 September 2007, for the sale and leaseback of 6 blocks of factories and 1 office block and ancillary building erected thereon and including mechanical equipment located at No. 11 Jalan Persiaran Teknologi, Taman Teknologi Johor, 81400 Senai, Johor Darul Ta'zim (the "Property") for a cash consideration of RM80.0 million.

The above-mentioned property fulfills the criteria in FRS 5 for non-current assets held for sale whereby it is available for immediate sale in its present condition and that the sale is highly probable within one year. Thus, it has been reclassified from property, plant and equipment to non-current assets held for sale in the balance sheet for the current quarter.

B11 Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 7 November 2007.

B12 Changes in Material Litigation

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

B13 Dividends Declared

The Directors have declared an interim gross dividend of 0.25 sen tax exempt per ordinary share of RM0.20 each to be made payable on 13 December 2007 to shareholders whose name appears in the Record of Depositors as at 30 November 2007.

B14 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 30.9.2007	Current financial year-to-date 30.9.2007
Profit attributable to shareholders (RM'000)	3,832	18,185
Weighted average number of ordinary shares in issue ('000)	600,000	600,000
Basic earnings per share (sen)	<u>0.64</u>	<u>3.03</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