



LCTH CORPORATION BERHAD
(Company No: 633871-A)

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE THREE-MONTH ENDED 31 MARCH 2008**

	Note	Current Quarter 3 months ended		Current financial year-to-date 3 months ended	
		31.03.08 RM'000	31.03.07 RM'000 (As restated)	31.03.08 RM'000	31.03.07 RM'000 (As restated)
Revenue	B1	66,990	91,413	66,990	91,413
Cost of sales		<u>(60,504)</u>	<u>(79,338)</u>	<u>(60,504)</u>	<u>(79,338)</u>
Gross Profit		6,486	12,075	6,486	12,075
Other income		1,089	964	1,089	964
Administrative expenses		(4,720)	(3,620)	(4,720)	(3,620)
Selling and marketing expenses		(290)	(511)	(290)	(511)
Other expenses		(129)	-	(129)	-
Finance costs		(177)	(19)	(177)	(19)
Share of results of an associate		<u>438</u>	<u>(263)</u>	<u>438</u>	<u>(263)</u>
Profit before taxation	B2	2,697	8,626	2,697	8,626
Income tax expense	B5	<u>(504)</u>	<u>(1,858)</u>	<u>(504)</u>	<u>(1,858)</u>
Profit for the period		<u>2,193</u>	<u>6,768</u>	<u>2,193</u>	<u>6,768</u>
Earnings per share					
- Basic/Diluted (sen)	B13	<u>0.37</u>	<u>1.13</u>	<u>0.37</u>	<u>1.13</u>

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the Interim Financial Statements.

**LCTH CORPORATION BERHAD (633871-A)
CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2008**

		(As restated)	
	Note	As at 31.03.08 RM'000	As at 31.12.07 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		91,083	93,450
Investment properties		24,170	24,291
Investment in Associate		789	351
Prepaid leasehold land		7,019	7,051
Deferred tax assets		782	862
		<u>123,843</u>	<u>126,005</u>
Current Assets			
Inventories		25,815	32,738
Trade receivables		54,318	64,699
Other receivables		8,147	7,398
Due from holding companies		1,178	1,101
Due from related companies		2	2
Tax recoverable		8,375	8,984
Cash and cash equivalents		58,408	58,352
		<u>156,243</u>	<u>173,274</u>
Non-current assets held for sale		<u>66,659</u>	<u>66,659</u>
		<u>222,902</u>	<u>239,933</u>
TOTAL ASSETS		<u>346,745</u>	<u>365,938</u>
EQUITY AND LIABILITIES			
Share capital		120,000	120,000
Share premium		121,911	121,911
Retained earnings		36,571	34,378
Total equity		<u>278,482</u>	<u>276,289</u>
Non-Current Liabilities			
Borrowings	B9	1,360	1,552
Deferred tax liabilities		8,494	8,612
		<u>9,854</u>	<u>10,164</u>
Current Liabilities			
Trade payables		20,342	33,872
Other payables		19,125	21,787
Borrowings	B9	10,909	15,913
Due to holding companies		4,687	4,486
Due to related companies		-	59
Tax payable		42	64
Liabilities directly associated with assets held for sale		3,304	3,304
Total liabilities		<u>58,409</u>	<u>79,485</u>
TOTAL EQUITY AND LIABILITIES		<u>68,263</u>	<u>89,649</u>
		<u>346,745</u>	<u>365,938</u>
NET ASSETS PER SHARE (RM)		<u>0.46</u>	<u>0.46</u>

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 THREE-MONTH ENDED 31 MARCH 2008

	Share Capital RM'000	Non- Distributable Share Premium RM'000	Distributable Retained Earnings RM'000	Total RM'000
At 1 January 2007				
As previously stated	120,000	121,911	38,360	280,271
Prior year adjustments				
- effects of adopting FRS 112	-	-	4,667	4,667
At 1 January 2007 (restated)	<u>120,000</u>	<u>121,911</u>	<u>43,027</u>	<u>284,938</u>
Profit for the period	-	-	6,768	6,768
At 31 March 2007	<u>120,000</u>	<u>121,911</u>	<u>49,795</u>	<u>291,706</u>
At 1 January 2008				
As previously stated	120,000	121,911	31,179	273,090
Prior year adjustments				
- effects of adopting FRS 112	-	-	3,199	3,199
At 1 January 2008 (restated)	<u>120,000</u>	<u>121,911</u>	<u>34,378</u>	<u>276,289</u>
Profit for the period	-	-	2,193	2,193
At 31 March 2008	<u>120,000</u>	<u>121,911</u>	<u>36,571</u>	<u>278,482</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 2007 and the accompanying explanatory notes attached to the Interim Financial Statements.

LCTH CORPORATION BERHAD (633871-A)
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE THREE-MONTH ENDED 31 MARCH 2008

	3 months ended	
	31.03.08	31.03.07
	RM'000	RM'000
Profit before tax	2,697	8,626
Adjustment items :		
Depreciation and amortisation	4,227	4,116
Interest and investment income	(432)	(523)
Net unrealised foreign exchange gain	1,040	(248)
Interest expense	177	19
Share of results of an associate company	(438)	263
Others	(804)	(25)
Operating income before working capital changes	<u>6,467</u>	<u>12,228</u>
Inventories	7,714	(2,661)
Receivables	9,529	(6,605)
Payables	<u>(17,065)</u>	<u>2,404</u>
Cash generated from operations	6,645	5,366
(Set-off against income tax penalty)/Income tax paid	45	(2,008)
Net cash generated from operating activities	<u>6,690</u>	<u>3,358</u>
Net cash used in investing activities	(1,439)	(11,319)
Net cash used in financing activities	<u>(5,195)</u>	<u>(3,642)</u>
Net increase/(decrease) in cash and cash equivalents	<u>56</u>	<u>(11,603)</u>
Cash and cash equivalents :		
At beginning of the financial period	<u>58,352</u>	<u>78,409</u>
At end of financial period	<u>58,408</u>	<u>66,806</u>
* Cash and cash equivalents at the end of the financial period comprise the following *:		
Cash and bank balances	24,395	23,180
Short term investments	26,250	28,201
Repurchase agreements (Repo)	6,300	14,000
Fixed deposits with licensed banks	1,463	1,425
	<u>58,408</u>	<u>66,806</u>

The unaudited Condensed Consolidated Cash flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the Interim Financial Statements.

LCTH CORPORATION BERHAD
(633871-A)

NOTES TO THE INTERIM FINANCIAL STATEMENTS
1st QUARTER ENDED 31 MARCH 2008

**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 2007. The 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 2007.

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 2007 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 2008, the Group adopted the new/revised FRS, i.e. Amendment to FRS 112, Income Taxes. The principal effect of the changes in accounting policies resulting from the adoption of the revised FRS 112 is discussed below.

Prior to 1 January 2008, the Standard prohibits the recognition of deferred tax on unutilised Reinvestment Allowances. The revised standard (effective for accounting periods beginning on or after 1 July 2007) removes this requirement. Entities with unused Investment Tax Allowances and Reinvestment Allowances will have to recognise deferred tax asset on such unused Investment Tax Allowances and Reinvestment Allowances, to the extent that it is probable that future taxable profit will be available against which the unused Investment Tax Allowances and Reinvestment Allowances can be utilised.

This change in accounting policy has been accounted for retrospectively and has resulted in the following:

	As at 01.01.08 RM'000	As at 01.01.07 RM'000
Increase in retained earnings	3,199	4,667
Decrease in deferred tax liabilities	(2,337)	(3,665)
Increase in deferred tax assets	862	1,002

	3 months ended	
	31.03.08	31.03.07
	RM'000	RM'000
Increase in income tax expense	212	591
Decrease in profit for the period	(212)	(591)

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 2007 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 31 March 2008.

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

No dividend was paid during the current quarter.

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 RM16,237,648.

There were no contingent assets since the last financial year ended 31 December 2007.

A13 Capital Commitments

The amount of capital commitments not provided for in the interim financial statements as at 31 March 2008 are as follows:

	RM'000
Approved and contracted for	4,961
Approved but not contracted for	423
	<u>5,384</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 year to-date.

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

B1 Performance Review

The Group recorded revenue of RM67.0 million and profit before taxation (“PBT”) of RM2.7 million for the current quarter ended 31 March 2008.

The Group’s revenue of RM67.0 million for the year ended 31 March 2008 is 26.7% lower compared to RM91.4 million for the same period of 2007. The decrease in revenue was contributed by decrease in orders from customers due to the lower global demand for electrical products.

The Group’s PBT has declined from RM8.6 million for the period ended 31 March 2007 to RM2.7 million in 2008 which is in line with the decrease in the revenue posted for the financial period 2008.

The erosion of the Group’s gross margin was attributable to the 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, notwithstanding the intense price pressure from customers.

B2 Material Changes in Profit Before Taxation for the Current Quarter as compared with the immediate Preceding Quarter

The Group’s revenue has decreased by 26.7% in the current quarter, although the gross margin has improved from 4.9% in 4th Quarter 2007 to 9.7% in the current Quarter.

The Group reported PBT of RM2.7 million as compared to loss before taxation of RM0.4 million registered for the preceding quarter ended 31 December 2007.

B3 Prospects

The growth in global economy is expected to be slower due to the slow down of the USA economy. The price-competitiveness from customers as well as increasing production costs associated with the continuous increase in crude oil will add challenges to the Group’s performance. Barring any unforeseen circumstances, the Group expects to achieve a satisfactory result.

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 31.03.2008 RM'000	Current financial year-to- date 31.03.2008 RM'000
Income tax	542	542
Deferred tax	(38)	(38)
	<u>504</u>	<u>504</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 utilisation of tax allowances to offset against current period chargeable income.

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

- (A) Proposed Disposal of Property by Classic Advantage Sdn Bhd (“Classic”);**
 - (B) Proposed Leaseback;**
 - (C) Proposed Capital Repayment Involving The Following:-**
 - (i) Proposed Bonus Issue;**
 - (ii) Proposed Capital Reduction; and**
 - (D) Proposed Share Consolidation**
- (Collectively referred to as “Proposals”)**

The Company announced on 14 March 2008 that the Company’s subsidiary, Classic and Mapletree MIF Malaysia 2 Sdn Bhd (“MMM2”) had on 25 February 2008 entered into an agreement (which is supplemental to the sale and purchase agreement relating to the Proposed Disposal (“SPA”)) to extend the date to fulfill all conditions precedent of the SPA (“CP”) for a period of four (4) months to 11 April 2008 (“Agreement”). In addition, the aforesaid parties have agreed to include amongst the others, the following amendments/additions to the SPA:

- (i) Upon the completion of the due diligence, Classic shall at its own cost and expense, rectify all defects indicated in the building audit report prior to the end of the Completion Period (as defined in the SPA);

- (ii) In the event that Classic fails to rectify all the defects pursuant to (i) above by the end of the Completion Period:
- (a) MMM2 shall be entitled to require Classic to complete, at Classic's cost and expense, the rectification of the outstanding defects (Outstanding Items") by such later date as may be stipulated by MMM2 ("Rectification Deadline") and deduct and retain from the Deposit to be released to Classic upon completion of the Proposed Disposal, a retention sum of RM3 million;
 - (b) upon the completion of the rectification works relating to the Outstanding Items to the satisfaction of MMM2 by the Rectification Deadline, MMM2 shall pay to Classic the Retention Sum within thirty (30) days thereafter;
 - (c) if any of the Outstanding Items remain un-rectified by the expiry of the Rectification Deadline, MMM2 shall be entitled to rectify the Outstanding Items and apply the Retention Sum towards payments of the costs and expenses for completion of such works and to recover the costs and expenses exceed the Retention Sum from Classic, if any.

On 12 March 2008, the Company had announced that all CPs have been met. As such, the SPA has become unconditional.

On 8 May 2008 the Company received the sealed copy of the Court Order ("Seal Order") from the High Court of Malaya, Kuala Lumpur confirming the Capital Reduction pursuant to Section 64 of the Companies Act, 1965 based on the terms of the special resolution passed at the Extraordinary General Meeting of the Company held on 7 November 2007.

The Proposals are now pending the announcement of book closure date to effect the Proposed Capital Reduction and Proposed Share Consolidation.

B9 Group Borrowings and Debts Securities

The details of the Group's borrowings as at 31 March 2008 are as set out below:

	As at 31.03.2008 RM'000	As at 31.12.2007 RM'000
Short term borrowings		
Secured – Hire purchase	909	913
Unsecured – Time loan	10,000	15,000
	<u>10,909</u>	<u>15,913</u>
Long term borrowings		
Secured – Hire purchase	1,360	1,552
	<u>1,360</u>	<u>1,552</u>
	<u>12,269</u>	<u>17,465</u>

B10 Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 5 May 2008.

B11 Changes in Material Litigation

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

B12 Dividends Declared

No dividend is declared for the current quarter.

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 31.03.2008	Current financial year-to-date 31.03.2008
Profit attributable to shareholders (RM'000)	2,193	2,193
Weighted average number of ordinary shares in issue ('000)	600,000	600,000
Basic earnings per share (sen)	<u>0.37</u>	<u>0.37</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