



LCTH CORPORATION BERHAD
(Company No: 633871-A)

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE SIX-MONTH ENDED 30 JUNE 2008**

	Note	Current Quarter 3 months ended		Current financial year-to-date 6 months ended	
		30.6.08 RM'000	30.6.07 RM'000	30.6.08 RM'000	30.6.07 RM'000
		(As restated)		(As restated)	
Revenue	B1	76,247	95,101	143,237	186,514
Cost of sales		<u>(70,649)</u>	<u>(83,635)</u>	<u>(131,153)</u>	<u>(162,973)</u>
Gross Profit		5,598	11,466	12,084	23,541
Other income		1,302	852	2,391	1,816
Administrative expenses		(1,774)	(3,169)	(6,494)	(6,789)
Selling and marketing expenses		(303)	(535)	(593)	(1,046)
Other expenses		(136)	-	(265)	-
Finance costs		(194)	(97)	(371)	(116)
Gain on disposal of properties	B6	12,213	-	12,213	-
Share of results of an associate		270	(168)	707	(431)
Profit before taxation	B2	<u>16,976</u>	<u>8,349</u>	<u>19,672</u>	<u>16,975</u>
Income tax expense	B5	<u>(2,694)</u>	<u>(1,720)</u>	<u>(3,197)</u>	<u>(3,579)</u>
Profit for the period		<u>14,282</u>	<u>6,629</u>	<u>16,475</u>	<u>13,396</u>
Earnings per share					
- Basic/Diluted (sen)	B13	<u>3.97</u>	<u>1.84</u>	<u>4.58</u>	<u>3.72</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 30 JUNE 2008

		(As restated)	
	Note	As at 30.6.08 RM'000	As at 31.12.07 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		89,192	93,450
Investment properties		24,049	24,291
Investment in Associate		6,459	351
Prepaid leasehold land		6,987	7,051
Deferred tax assets		725	862
		<u>127,412</u>	<u>126,005</u>
Current Assets			
Inventories		27,038	32,738
Trade receivables		59,387	64,699
Other receivables		6,449	7,398
Due from holding companies		2,652	1,101
Due from related companies		2	2
Tax recoverable		4,139	8,984
Cash and cash equivalents		62,226	58,352
		<u>161,893</u>	<u>173,274</u>
Non-current assets held for sale		-	66,659
		<u>161,893</u>	<u>239,933</u>
TOTAL ASSETS		<u>289,305</u>	<u>365,938</u>
EQUITY AND LIABILITIES			
Share capital		72,000	120,000
Share premium		97,911	121,911
Retained earnings		50,854	34,378
Total equity		<u>220,765</u>	<u>276,289</u>
Non-Current Liabilities			
Borrowings	B9	3,462	1,552
Deferred tax liabilities		10,832	8,612
		<u>14,294</u>	<u>10,164</u>
Current Liabilities			
Trade payables		28,193	33,872
Other payables		20,649	21,787
Borrowings	B9	803	15,913
Due to holding companies		4,548	4,486
Due to related companies		-	59
Tax payable		53	64
Liabilities directly associated with assets held for sale		-	3,304
Total liabilities		<u>54,246</u>	<u>79,485</u>
TOTAL EQUITY AND LIABILITIES		<u>68,540</u>	<u>89,649</u>
		<u>289,305</u>	<u>365,938</u>
NET ASSETS PER SHARE (RM)		<u>0.61</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 SIX-MONTH ENDED 30 JUNE 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)	120,000	121,911	43,027	284,938
Profit for the period	-	-	13,396	13,396
Dividends	-	-	(18,000)	(18,000)
At 30 June 2007	120,000	121,911	38,423	280,334
At 1 January 2008				
As previously stated	120,000	121,911	31,180	273,091
Prior year adjustments				
- effects of adopting FRS 112	-	-	3,199	3,199
At 1 January 2008 (restated)	120,000	121,911	34,379	276,290
Bonus issue	24,000	(24,000)	-	-
Capital reduction	(72,000)	-	-	(72,000)
Profit for the period	-	-	16,475	16,475
At 30 June 2008	72,000	97,911	50,854	220,765

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 SIX-MONTH ENDED 30 JUNE 2008

	6 months ended	
	30.6.08	30.6.07
	RM'000	RM'000
Profit before tax	19,672	16,975
Adjustment items :		
Depreciation and amortisation	8,434	8,384
Interest and investment income	(946)	(1,030)
Interest expense	371	116
(Gain)/Loss on disposal of property, plant and equipment	(12,371)	19
Net unrealised foreign exchange gain	(705)	(867)
Share of results of an associate company	(707)	431
Others	(1,009)	10
Operating income before working capital changes	<u>12,739</u>	<u>24,038</u>
Inventories	6,733	(3,401)
Receivables	4,519	(18,168)
Payables	<u>(3,687)</u>	<u>8,639</u>
Cash generated from operations	20,304	11,108
Income tax (refund)/paid	690	(3,345)
Net cash generated from operating activities	<u>20,994</u>	<u>7,763</u>
Net cash used in investing activities	70,739	(20,866)
Net cash used in financing activities	<u>(87,859)</u>	<u>(11,686)</u>
Net increase/(decrease) in cash and cash equivalents	3,874	(24,789)
Cash and cash equivalents :		
At beginning of the financial period	<u>58,352</u>	<u>78,409</u>
At end of financial period	<u><u>62,226</u></u>	<u><u>53,620</u></u>
* Cash and cash equivalents at the end of the financial period comprise the following *:		
Cash and bank balances	18,637	18,308
Short term investments	26,498	28,386
Repurchase agreements (Repo)	8,428	5,500
Fixed deposits with licensed banks	<u>8,663</u>	<u>1,426</u>
	<u><u>62,226</u></u>	<u><u>53,620</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 2007 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 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 other than 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
	6 months ended	
	30.6.08 RM'000	30.6.07 RM'000
Increase in income tax expense	796	956
Decrease in profit for the period	(796)	(956)

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 30 June 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

The Company announced the following corporate proposals on 12 September 2007 and the proposals were completed on 3 June 2008.

(i) Capital repayment via cash distribution of RM72.0 million to shareholders of LCTH, involving the following:

- (a) Bonus issue of 120,000,000 new ordinary shares of RM0.20 each in LCTH on the basis of one (1) new share in LCTH for every five (5) existing shares in LCTH held prior to the capital reduction;
- (b) Capital reduction of issued and paid-up capital of the Company after the 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 Bonus Issue;

(The Bonus Issue and Capital Reduction were collectively known as the "Capital Repayment"); and

(ii) Consolidation of 720,000,000 ordinary shares of RM0.10 each in LCTH after the 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.

Other than the above, 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 RM7,509,140.

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 30 June 2008 are as follows:

	RM'000
Approved and contracted for	<u>4,620</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 a revenue of RM76.2 million and profit before taxation (“PBT”) of RM17.0 million for the current quarter ended 30 June 2008.

The Group’s revenue of RM76.2 million for the quarter ended 30 June 2008 is 19.9% lower compared to RM95.1 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 however has increased from RM8.3 million for the period ended 30 June 2007 to RM17.0 million in 2008, which is attributed to the gain on disposal of properties of RM12.2 million. The operating activities reported a PBT of RM4.8 million compared to RM8.3 million in 2007, 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 increased 13.87% in the current quarter, but the gross margin has declined from 9.7% in 1st Quarter 2008 to 7.3% in the current Quarter.

The Group reported PBT of RM17.0 million as compared to PBT of RM2.7 million registered for the preceding quarter ended 31 March 2008. Higher PBT reported in the current quarter is attributable to the gain recognised on the disposal of a subsidiary’s properties, which was completed in May 2008.

B3 Prospects

The prospects of the remaining quarters of the current financial year will be challenging, in view of the slow down in the global economy. The price-competitiveness from customers is expected to continue, the increasing production costs associated with the continuous increase in crude oil will add challenges to the Group’s performance. Despite the challenging business conditions faced, the Group 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 30.06.08 RM'000	Current financial year-to- date 30.06.08 RM'000
Income tax	3,602	4,144
Deferred tax	(908)	(947)
	<u>2,694</u>	<u>3,197</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 Group entered into a Proposed Sale and Leaseback Agreement between Classic Advantage Sdn Bhd (“CASB”) and Mapletree MIF Malaysia 2 Sdn Bhd (“MMM2”) 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 was classified as non-current assets held for sale in the balance sheet for the previous quarter. The disposal was completed on 16 May 2008 and the gain arising from the disposal is approximately RM12.2 million.

Other than the above, there is no sale of unquoted investments and/or properties.

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 CASB;**
 - (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 4 June 2008 that the Corporate Proposals announced on 12 September 2007 has been completed on 4 June 2008.

B9 Group Borrowings and Debts Securities

The details of the Group’s borrowings as at 30 June 2008 are as set out below:

	As at 30.06.08 RM’000	As at 31.12.07 RM’000
Short term borrowings		
Secured – Hire purchase	803	913
Unsecured – Time loan	-	15,000
	<u>803</u>	<u>15,913</u>
Long term borrowings		
Secured – Hire purchase	3,462	1,552
	<u>3,462</u>	<u>1,552</u>
	<u>4,265</u>	<u>17,465</u>

B10 Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 1 August 2008.

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 0.5 sen tax exempt per ordinary share of RM0.20 each to be made payable on 3 September 2008 to shareholders whose name appears in the Record of Depositors as at 25 August 2008.

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 30.06.08	Current financial year-to-date 30.06.08
Profit attributable to shareholders (RM'000)	14,282	16,475
Weighted average number of ordinary shares in issue ('000)	360,000	360,000
Basic earnings per share (sen)	<u>3.97</u>	<u>4.58</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