



LCTH CORPORATION BERHAD
(Company No: 633871-A)

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE NINE-MONTH ENDED 30 SEPTEMBER 2008**

		Current Quarter		Current financial	
		3 months ended		year-to-date	
	Note	30.09.08	30.09.07	30.09.08	30.09.07
		RM'000	RM'000	RM'000	RM'000
			(As restated)		(As restated)
Revenue	B1	82,000	91,355	225,237	277,869
Cost of sales		<u>(76,291)</u>	<u>(82,546)</u>	<u>(207,444)</u>	<u>(245,519)</u>
Gross Profit		5,709	8,809	17,793	32,350
Other income		1,023	978	3,415	2,795
Administrative expenses		(637)	(4,417)	(7,131)	(11,206)
Selling and marketing expenses		(368)	(451)	(961)	(1,498)
Other expenses		(132)	-	(398)	-
Finance costs		(55)	(176)	(426)	(292)
Gain on disposal of properties	B6	-	-	12,213	-
Share of results of an associate		694	92	1,401	(339)
Profit before taxation	B2	<u>6,234</u>	<u>4,835</u>	<u>25,906</u>	<u>21,810</u>
Income tax expense	B5	<u>1,501</u>	<u>(1,555)</u>	<u>(1,696)</u>	<u>(5,134)</u>
Profit for the period		<u>7,735</u>	<u>3,280</u>	<u>24,210</u>	<u>16,676</u>
Earnings per share					
- Basic/Diluted (sen)	B13	<u>2.15</u>	<u>0.91</u>	<u>6.73</u>	<u>4.63</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 SEPTEMBER 2008

		(As restated)
	As at	As at
	30.9.08	31.12.07
	RM'000	RM'000
ASSETS	Note	
Non-Current Assets		
Property, plant and equipment		85,420
Investment properties		23,928
Investment in Associate		7,153
Prepaid leasehold land		6,954
Deferred tax assets		687
		<u>124,142</u>
Current Assets		
Inventories		28,034
Trade receivables		80,890
Other receivables		6,928
Due from holding companies		1,691
Due from related companies		2
Tax recoverable		4,525
Cash and cash equivalents		58,654
		<u>180,724</u>
Non-current assets held for sale		-
		<u>66,659</u>
		<u>180,724</u>
		<u>239,933</u>
TOTAL ASSETS		<u>304,866</u>
		<u>365,938</u>
EQUITY AND LIABILITIES		
Share capital		72,000
Share premium		97,911
Retained earnings		56,288
Total equity		<u>226,199</u>
		<u>275,789</u>
Non-Current Liabilities		
Borrowings	B9	2,968
Deferred tax liabilities		9,726
		<u>12,694</u>
		<u>10,664</u>
Current Liabilities		
Trade payables		42,492
Other payables		18,936
Borrowings	B9	899
Due to holding companies		3,612
Due to related companies		-
Tax payable		34
Liabilities directly associated with assets held for sale		-
		<u>3,304</u>
Total liabilities		<u>65,973</u>
		<u>79,485</u>
TOTAL EQUITY AND LIABILITIES		<u>78,667</u>
		<u>90,149</u>
		<u>304,866</u>
		<u>365,938</u>
NET ASSETS PER SHARE (RM)		<u>0.63</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 NINE-MONTH ENDED 30 SEPTEMBER 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	-	-	16,676	16,676
Dividends	-	-	(24,000)	(24,000)
At 30 September 2007	120,000	121,911	35,703	277,614
At 1 January 2008				
As previously stated	120,000	121,911	31,180	273,091
Prior year adjustments				
- effects of adopting FRS 112	-	-	2,698	2,698
At 1 January 2008 (restated)	120,000	121,911	33,878	275,789
Bonus issue	24,000	(24,000)	-	-
Capital reduction	(72,000)	-	-	(72,000)
Profit for the period	-	-	24,210	24,210
Dividends	-	-	(1,800)	(1,800)
At 30 September 2008	72,000	97,911	56,288	226,199

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 NINE-MONTH ENDED 30 SEPTEMBER 2008

	9 months ended	
	30.9.08	30.9.07
	RM'000	RM'000
Profit before tax	25,906	21,810
Adjustment items :		
Depreciation and amortisation	12,624	12,709
Interest and investment income	(1,356)	(1,382)
Interest expense	426	292
(Gain)/Loss on disposal of property, plant and equipment	(12,363)	32
Net unrealised foreign exchange gain	(2,729)	(48)
Share of results of an associate company	(1,402)	339
Others	(360)	45
Operating income before working capital changes	<u>20,746</u>	<u>33,797</u>
Inventories	5,153	1,370
Receivables	(16,029)	(27,704)
Payables	<u>9,558</u>	<u>2,215</u>
Cash generated from operations	19,428	9,678
Income tax paid/(refund)	112	(2,803)
Net cash generated from operating activities	<u>19,540</u>	<u>6,875</u>
Net cash generated from/(used in) investing activities	70,449	(27,610)
Net cash used in financing activities	<u>(89,687)</u>	<u>(18,081)</u>
Net increase/(decrease) in cash and cash equivalents	302	(38,816)
Cash and cash equivalents :		
At beginning of the financial period	<u>58,352</u>	<u>78,409</u>
At end of financial period	<u>58,654</u>	<u>39,593</u>
* Cash and cash equivalents at the end of the financial period comprise the following *:		
Cash and bank balances	8,458	5,482
Short term investments	26,555	25,685
Repurchase agreements (Repo)	14,978	7,000
Fixed deposits with licensed banks	<u>8,663</u>	<u>1,426</u>
	<u>58,654</u>	<u>39,593</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 3rd QUARTER ENDED 30 SEPTEMBER 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	2,699	4,667
Decrease in deferred tax liabilities	(1,837)	(3,665)
Increase in deferred tax assets	862	1,002

	9 months ended	
	30.9.08 RM'000	30.9.07 RM'000
Increase in income tax expense	1,010	1,509
Decrease in profit for the period	(1,010)	(1,509)

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 September 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

The Company paid the following dividend during the current quarter.

	RM'000
First interim dividend in respect of the financial year ending 31 December 2008 of 0.5 sen tax exempt per ordinary share of RM0.20 each, paid on 3 September 2008	<u>1,800</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

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 September 2008 are as follows:

	RM'000
Approved and contracted for	4,938
Approved but not contracted for	248
	<u>5,186</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 posted revenue of RM82.0 million for the current quarter, a reduction of 10.3% from RM91.4 million reported in the same quarter of 2007.

For the period ended 30 September 2008, the Group's revenue of RM225.2 million is lower by 19% compared to RM277.9 million in 2007. The decrease in Group's revenue for the quarter/period ended 2008 is mainly due to the drop in orders from customers resulting from lower global demand for electronic products.

The Group's profit before tax ("PBT") however has increased from RM4.8 million for the quarter ended 30 September 2007 to RM6.2 million in 2008. Lower administrative expenses is due to higher exchange gain recognized compared to exchange loss in 2007 as a result of the strengthening of USD vis-à-vis RM in the quarter under review.

For the period ended 30 September 2008, the PBT has increased by 19%, attributed to the gain recognized on disposal of properties of RM12.2 million. The operating activities however, reported a PBT of RM13.7 million, lower by 37% as compared to the same period of 2007. This is in line with the decrease in revenue posted for the financial year 2008 and also erosion of the Group's gross margin.

Crude oil prices fluctuation during the period under review contributed to higher cost of raw materials, other indirect costs and overheads. In addition to this, the intense price pressure from customers also impacted the Group's results.

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

The Group's revenue has increased by 7.5% in the current quarter, but the gross margin has declined from 7.3% in 2nd Quarter 2008 to 7.0% in the current Quarter.

The Group reported PBT of RM6.2 million as compared to PBT of RM17.0 million registered for the preceding quarter ended 30 June 2008. Higher PBT reported in the prior quarter is attributable to the gain recognised on the disposal of a subsidiary's properties, which was completed in May 2008.

B3 Prospects

The industry has begun to feel the impact of the global economic crisis and the Group continues to operate in a very competitive environment.

Barring unforeseen circumstances, 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 30.09.08 RM'000	Current financial year-to- date 30.09.08 RM'000
Income tax	67	4,212
Deferred tax	(1,568)	(2,516)
	<u>1,501</u>	<u>(1,696)</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 and release of deferred tax liabilities for the properties sold in the current period under review.

B6 Sale of Unquoted Investments and/or Properties

A subsidiary, Classic Advantage Sdn Bhd (“CASB”) entered into a Proposed Sale and Leaseback Agreement with 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 financial year. 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 were completed.

B9 Group Borrowings and Debts Securities

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

	As at 30.09.08 RM’000	As at 31.12.07 RM’000
Short term borrowings		
Secured – Hire purchase	899	913
Unsecured – Time loan	-	15,000
	<u>899</u>	<u>15,913</u>
Long term borrowings		
Secured – Hire purchase	2,968	1,552
	<u>2,968</u>	<u>1,552</u>
	<u>3,867</u>	<u>17,465</u>

B10 Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 5 November 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 12 December 2008 to shareholders whose name appears in the Record of Depositors as at 28 November 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 30.09.08	Current financial year-to-date 30.09.08
Profit attributable to shareholders (RM'000)	7,735	24,210
Weighted average number of ordinary shares in issue ('000)	360,000	360,000
Basic earnings per share (sen)	<u>2.15</u>	<u>6.73</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