

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	Current Quarter 3 months ended		Current financial year-to-date 12 months ended	
		31.12.08 RM'000	31.12.07 RM'000	31.12.08 RM'000	31.12.07 RM'000
		(As restated)		(As restated)	
Revenue	B1	63,893	76,798	289,130	354,667
Cost of sales		<u>(61,751)</u>	<u>(73,068)</u>	<u>(269,195)</u>	<u>(318,586)</u>
Gross Profit		2,142	3,730	19,935	36,081
Other income		1,191	1,116	4,606	3,911
Administrative expenses		(2,066)	(4,021)	(9,197)	(15,226)
Selling and marketing expenses		(230)	(382)	(1,191)	(1,880)
Other expenses		(148)	(485)	(546)	(485)
Finance costs		(50)	(207)	(475)	(500)
Gain on disposal of properties	B6	-	-	12,213	-
Share of results of an associate		413	(158)	1,814	(497)
Profit/(Loss) before taxation	B2	<u>1,252</u>	<u>(407)</u>	<u>27,159</u>	<u>21,404</u>
Income tax expense	B5	<u>(5,333)</u>	<u>2</u>	<u>(7,029)</u>	<u>(5,133)</u>
(Loss)/Profit for the period		<u>(4,081)</u>	<u>(405)</u>	<u>20,130</u>	<u>16,271</u>
Earnings per share					
- Basic/Diluted (sen)	B13	<u>(1.13)</u>	<u>(0.11)</u>	<u>5.59</u>	<u>4.52</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 DECEMBER 2008

		(As restated)
		As at
		31.12.07
		RM'000
	Note	As at
		31.12.08
		RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment		82,009
Investment properties		23,807
Investment in Associate		7,565
Prepaid leasehold land		6,922
Deferred tax assets		-
		<u>120,303</u>
Current Assets		
Inventories		21,622
Trade receivables		55,986
Other receivables		4,634
Due from holding companies		2,430
Due from related companies		2
Tax recoverable		5,705
Cash and cash equivalents		72,063
		<u>162,442</u>
Non-current assets held for sale		-
		<u>162,442</u>
TOTAL ASSETS		<u>282,745</u>
EQUITY AND LIABILITIES		
Share capital		72,000
Share premium		97,911
ESOS Reserves		50
Retained earnings		49,702
Total equity		<u>219,663</u>
Non-Current Liabilities		
Borrowings	B9	1,788
Deferred tax liabilities		10,538
		<u>12,326</u>
Current Liabilities		
Trade payables		27,440
Other payables		15,013
Borrowings	B9	1,675
Due to holding companies		2,200
Due to related companies		-
Tax payable		4,428
Liabilities directly associated with assets held for sale		-
		<u>3,304</u>
Total liabilities		<u>50,756</u>
TOTAL EQUITY AND LIABILITIES		<u>63,082</u>
		<u>282,745</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 YEAR ENDED 31 DECEMBER 2008

	Share Capital RM'000	Non- Distributable Share Premium RM'000	Distributable Retained Earnings RM'000	ESOS Reserves 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	-	-	4,041	-	4,041
At 1 January 2007 (restated)	120,000	121,911	42,401	-	284,312
Profit for the year	-	-	16,271	-	16,271
Dividends	-	-	(25,500)	-	(25,500)
At 31 December 2007	120,000	121,911	33,172	-	275,083
At 1 January 2008					
As previously stated	120,000	121,911	31,180	-	273,091
Prior year adjustments					
- effects of adopting FRS 112	-	-	1,992	-	1,992
At 1 January 2008 (restated)	120,000	121,911	33,172	-	275,083
Bonus issue	24,000	(24,000)	-	-	-
Capital reduction	(72,000)	-	-	-	(72,000)
Profit for the year	-	-	20,130	-	20,130
Share options granted under ESOS	-	-	-	50	50
Dividends	-	-	(3,600)	-	(3,600)
At 31 December 2008	72,000	97,911	49,702	50	219,663

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 YEAR ENDED 31 DECEMBER 2008

	Year ended	
	31.12.08	31.12.07
	RM'000	RM'000
Profit before tax	27,159	21,404
Adjustment items :		
Depreciation and amortisation	16,801	16,921
Interest and investment income	(1,910)	(1,864)
Interest expense	475	500
(Gain)/Loss on disposal of other property, plant and equipment	(136)	41
Gain on disposal of properties	(12,213)	-
Net unrealised foreign exchange (gain)/loss	(1,713)	130
Share of results of an associate company	(1,814)	496
Others	207	1,454
Operating income before working capital changes	<u>26,856</u>	<u>39,082</u>
Inventories	10,949	2,805
Receivables	10,148	(4,326)
Payables	<u>(13,815)</u>	<u>(4,328)</u>
Cash generated from operations	34,138	33,233
Income tax paid	<u>(1,107)</u>	<u>(2,886)</u>
Net cash generated from operating activities	33,031	30,347
Net cash generated from/(used in) investing activities	72,572	(30,885)
Net cash used in financing activities	<u>(91,892)</u>	<u>(19,519)</u>
Net increase/(decrease) in cash and cash equivalents	13,711	(20,057)
Cash and cash equivalents :		
At beginning of the financial period	<u>58,352</u>	<u>78,409</u>
At end of financial period	<u>72,063</u>	<u>58,352</u>
* Cash and cash equivalents at the end of the financial period comprise the following *:		
Cash and bank balances	23,037	25,193
Short term investments	26,976	26,197
Repurchase agreements (Repo)	13,350	5,500
Fixed deposits with licensed banks	8,700	1,462
	<u>72,063</u>	<u>58,352</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 4th QUARTER ENDED 31 DECEMBER 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	1,992	4,041
Decrease in deferred tax liabilities	(1,836)	(3,665)
Increase in deferred tax assets	155	376
	12 months ended	
	31.12.08 RM'000	31.12.07 RM'000
Increase in income tax expense	1,042	2,048
Decrease in profit for the period	(1,042)	(2,048)

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 year ended 31 December 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 year 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 ended 31 December 2008 of 0.5 sen tax exempt per ordinary share of RM0.20 each, paid on 12 December 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 RM7,621,940.

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 December 2008 are as follows:

	RM'000
Approved and contracted for	4,887
Approved but not contracted for	74
	<u>4,961</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 achieved revenue of RM64.0 million for the current quarter, which was a drop of 16.8% from RM76.8 million posted in the corresponding quarter of 2007.

For the year ended 31 December 2008, the Group's revenue is lower by 18.5%, from RM354.7 million to RM289.1 million. The decline in revenue for the current quarter/year ended 31 December 2008 is mainly due to the decline in customer's orders impacted by lower demand of electronic products and the current global economic crisis.

Despite lower revenue achieved, the Group's profit before tax ("PBT") has improved for the current quarter under review. Lower administrative expenses is due to exchange gain recognized compared to exchange loss in the same period of 2007 as a result of strengthening USD vis-à-vis RM.

For the year ended 31 December 2008, the PBT has increased by 26.9% attributed to the gain recognized on disposal of properties of RM12.2 mil, completed in the 2nd quarter of 2008. The operating activities however, reported a PBT of RM14.9 mil, lower by 30.2% as compared to the same period of 2007. This is in line with the decrease in revenue posted for the financial year ended 2008 and the erosion of the Group's gross margin.

The intense price pressures from customers coupled with the continuous contracted price 'cost down' imposed by the customers for existing projects has impacted the margins to erode to 3.35% in the current quarter and 6.89% for the current financial year. Furthermore, the crude oil fluctuations during the year had also contributed to higher cost of raw materials, other indirect costs and overheads

The Group incurred a loss after tax of RM4.1 mil in the current quarter as compared to a loss of RM405k in 2007 due to recognition of tax shortfall from 108 account by one of its subsidiaries amounting to RM4.37 mil.

For the financial year ended 31 December 2008, the Group posted a profit after tax of RM20.1 mil, an increase of 23.7% from RM16.3 mil reported in 2007.

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 22.1% in the current quarter, while the gross margin declined from 7.0% in 3rd Quarter 2008 to 3.4% in the current quarter.

The Group reported PBT of RM1.3 million as compared to PBT of RM6.2 million registered for the preceding quarter ended 30 September 2008, which is in line with lower revenue and margins achieved during the current quarter.

B3 Prospects

The industry is impacted by the current global economic crisis whereby the industry foresees negative demand and consumption of electronics goods resulting in a slower growth in the revenue.

These factors will have an impact on the group's performance. The Group will continue to be operating in a very challenging environment and shall take efforts to achieve satisfactory results.

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 31.12.08 RM'000	Current financial year-to- date 31.12.08 RM'000
Income tax	4,540	8,750
Deferred tax	793	(1,722)
	<u>5,333</u>	<u>7,028</u>

Notwithstanding the release of deferred tax liabilities for the properties sold during the current financial year, the tax expense of the Group for the current quarter and financial year to-date is slightly higher than the statutory rate mainly due to recognition of tax shortfall for 108 account by one of its subsidiaries amounting to RM4.37 mil.

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 was 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 31 December 2008 are as set out below:

	As at 31.12.08 RM’000	As at 31.12.07 RM’000
Short term borrowings		
Secured – Hire purchase	1,675	913
Unsecured – Time loan	-	15,000
	<u>1,675</u>	<u>15,913</u>
Long term borrowings		
Secured – Hire purchase	1,788	1,552
	<u>1,788</u>	<u>1,552</u>
	<u>3,463</u>	<u>17,465</u>

B10 Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 20 February 2009.

B11 Changes in Material Litigation

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

B12 Dividends Declared

The Directors are recommending a final gross dividend of 0.75 sen tax exempt per ordinary share of RM0.20 each. This will be subject to shareholders' approval at the Annual General Meeting.

B13 (Loss)/Earnings per share**Basic**

Basic (loss)/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 year.

	Current Quarter 31.12.08	Current financial year-to-date 31.12.08
(Loss)/Profit attributable to shareholders (RM'000)	(4,081)	20,130
Weighted average number of ordinary shares in issue ('000)	360,000	360,000
Basic (loss)/earnings per share (sen)	<u>(1.13)</u>	<u>5.59</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