

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE SIX-MONTH ENDED 30 JUNE 2009**

	Note	Current Quarter 3 months ended		Current financial year-to-date 6 months ended	
		30.06.09 RM'000	30.06.08 RM'000	30.06.09 RM'000	30.06.08 RM'000
Revenue	B1	41,766	76,247	68,201	143,237
Cost of sales		(42,301)	(70,649)	(72,168)	(131,153)
Gross (Loss)/Profit		<u>(535)</u>	<u>5,598</u>	<u>(3,967)</u>	<u>12,084</u>
Other income		896	1,302	1,931	2,391
Administrative expenses		(3,604)	(1,774)	(4,886)	(6,494)
Selling and marketing expenses		(203)	(303)	(330)	(593)
Other expenses		(148)	(136)	(296)	(265)
Finance costs		(38)	(194)	(82)	(371)
Gain on disposal of properties		-	12,213	-	12,213
Share of results of an associate		268	270	852	707
(Loss)/Profit before taxation	B2	<u>(3,364)</u>	<u>16,976</u>	<u>(6,778)</u>	<u>19,672</u>
Income tax expense	B5	<u>(77)</u>	<u>(2,694)</u>	<u>(209)</u>	<u>(3,197)</u>
(Loss)/Profit for the period		<u><u>(3,441)</u></u>	<u><u>14,282</u></u>	<u><u>(6,987)</u></u>	<u><u>16,475</u></u>
(Loss)/Earnings per share					
- Basic/Diluted (sen)	B13	<u>(0.96)</u>	<u>3.97</u>	<u>(1.94)</u>	<u>4.58</u>

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the Interim Financial Statements.

LCTH CORPORATION BERHAD (633871-A)
CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2009

	Note	As at 30.06.09 RM'000	As at 31.12.08 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		75,688	82,009
Investment properties		23,566	23,807
Investment in associate		8,418	7,565
Prepaid leasehold land		6,857	6,922
		<u>114,529</u>	<u>120,303</u>
Current Assets			
Inventories		18,814	21,622
Trade receivables		31,998	55,986
Other receivables		3,537	4,634
Due from holding companies		2,414	2,430
Due from related companies		55	2
Tax recoverable		1,796	5,705
Cash and cash equivalents		84,529	72,063
		<u>143,143</u>	<u>162,442</u>
TOTAL ASSETS		<u>257,672</u>	<u>282,745</u>
EQUITY AND LIABILITIES			
Share capital		72,000	72,000
Share premium		97,911	97,911
ESOS reserves		185	50
Retained profits		40,015	49,702
Total Equity		<u>210,111</u>	<u>219,663</u>
Non-Current Liabilities			
Borrowings	B9	933	1,788
Deferred tax liabilities		11,129	10,538
		<u>12,062</u>	<u>12,326</u>
Current Liabilities			
Trade payables		17,523	27,440
Other payables		12,789	15,013
Borrowings	B9	1,703	1,675
Due to holding companies		3,426	2,200
Due to related companies		20	-
Tax payable		38	4,428
		<u>35,499</u>	<u>50,756</u>
Total Liabilities		<u>47,561</u>	<u>63,082</u>
TOTAL EQUITY AND LIABILITIES		<u>257,672</u>	<u>282,745</u>
NET ASSETS PER SHARE (RM)		<u>0.58</u>	<u>0.61</u>

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2008 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 2009

	Share Capital RM'000	Non- Distributable Share Premium RM'000	Distributable Retained Profits RM'000	ESOS Reserve RM'000	Total RM'000
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	<u>72,000</u>	<u>97,911</u>	<u>50,854</u>	<u>-</u>	<u>220,765</u>
At 1 January 2009	72,000	97,911	49,702	50	219,663
Loss for the period	-	-	(6,987)	-	(6,987)
Share options grated under ESOS	-	-	-	135	135
Dividends	-	-	(2,700)	-	(2,700)
At 30 June 2009	<u>72,000</u>	<u>97,911</u>	<u>40,015</u>	<u>185</u>	<u>210,111</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 2008 and the accompanying explanatory notes attached to the Interim Financial Statements.

LCTH CORPORATION BERHAD (633871-A)
CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX-MONTH ENDED 30 JUNE 2009

	6 months ended	
	30.6.09	30.6.08
	RM'000	RM'000
(Loss)/Profit before tax	(6,778)	19,672
Adjustments items :		
Depreciation and amortisation	8,097	8,434
Interest and investment income	(729)	(946)
Interest expense	82	371
(Gain)/Loss on disposal of other property, plant and equipment	-	(12,213)
Gain on disposal of properties	-	(158)
Net unrealised foreign exchange	(153)	(705)
Share of results of an associate company	(852)	(707)
Others	411	(1,009)
Operating income before working capital changes	<u>78</u>	<u>12,739</u>
Inventories	2,627	6,733
Receivables	25,012	4,519
Payables	(8,102)	(3,687)
Cash generated from operations	<u>19,615</u>	<u>20,304</u>
Income tax paid	(100)	690
Net cash generated from operating activities	<u>19,515</u>	<u>20,994</u>
Net cash (used in)/generated from investing activities	(738)	70,739
Net cash used in financing activities	<u>(6,308)</u>	<u>(87,859)</u>
Net increase in cash and cash equivalents	12,469	3,874
Cash and cash equivalents :		
At beginning of the financial period	<u>72,063</u>	<u>58,352</u>
At end of the financial period	<u>84,532</u>	<u>62,226</u>
* Cash and cash equivalents at the end of the financial period comprise the following :		
Cash and bank balances	23,790	18,637
Fixed deposits with licensed banks	8,906	8,663
Repurchase agreements (REPO)	20,500	8,428
Short term investments	31,333	26,498
	<u>84,529</u>	<u>62,226</u>

The unaudited Condensed Consolidated Cash flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 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 2009

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 2008. 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 2008.

A2 Accounting Policies and Methods of Computation

The Group has not adopted any new/revised FRS that has been issued as at the date of authorisation of these Interim Financial Statements but is not yet effective for the Group. The Directors do not anticipate any significant impact on the results and the financial position of the Group upon their initial application except for FRS 7 Financial Instruments: Disclosure and FRS 139 Financial Instruments: Recognition and Measurement. Transition provisions allow for the non-disclosure of possible impact, if any to the financial statements upon the initial application of FRS 7 and FRS 139.

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 2008 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 2009.

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
Final gross dividend in respect of the financial year ended 31 December 2008 of 0.75 sen tax exempt per ordinary share of RM0.20 each, paid on 18 May 2009	<u>2,700</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 RM5,477,826.

There were no contingent assets since the last financial year ended 31 December 2008.

A13 Capital Commitments

The amount of capital commitments not provided for in the interim financial statements as at 30 June 2009 are as follows:

	RM'000
Approved and contracted for	<u>5,171</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 RM41.8 million and loss before taxation (“LBT”) of RM3.4 million for the current quarter ended 30 June 2009.

The Group’s revenue of RM68.2 million for the period ended 30 June 2009 is 52.38% lower compared to RM143.2 million for the same period of 2008. The decline in revenue for the current quarter/period is mainly due to the decline in customers’ orders impacted by lower demand of electronic products resulted from the current global economic and financial crisis.

The Group reported a LBT of RM6.8 million for the current period under review, mainly due to the significant decrease in revenue posted for the current quarter and the erosion of the Group’s gross margin. The erosion is mainly due to lower revenue achieved and continuous contracted price cost down for existing projects, coupled with the higher cost of materials, other indirect costs and fixed overheads.

For the current period under review, the Group incurred a loss after tax (“LAT”) of RM7.0 million as compared to a profit of RM16.5 million, which included the gain recognized on the disposal of a subsidiary’s properties in the corresponding period of 2008, .

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 57.8% in the current quarter, while the gross margin improved from -13.0% in the 1st Quarter 2009 to -1.28% in the current quarter.

The Group reported a LBT of RM3.4 million; similar to the LBT registered in the preceding quarter ended 31 March 2009, despite the increase in revenue in the current quarter. LBT reported in the current quarter is mainly attributed by the foreign exchange losses due to strengthening of RM vis-à-vis USD.

B3 Prospects

The current global economic and financial crisis has impacted the industry, whereby negative demand and consumption of electronic goods are foreseen, leading to a slower growth in the Group’s revenue.

The Group shall continue to be operating in a very challenging environment and shall take efforts to meet the challenges.

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 30.06.09 RM'000	Current financial year-to- date 30.06.09 RM'000
Income tax	(684)	(382)
Deferred tax	761	591
	<u>77</u>	<u>209</u>

The tax expense of the Group for the current quarter is lower than the statutory rate mainly due to the losses incurred during the current quarter/period.

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

There are no corporate proposals for the current quarter under review.

B9 Group Borrowings and Debts Securities

The details of the Group's borrowings as at 30 June 2009 are as set out below:

	As at 30.06.09 RM'000	As at 31.12.08 RM'000
Short term borrowings		
Secured – Finance lease	1,703	1,675
	<u>1,703</u>	<u>1,675</u>
Long term borrowings		
Secured – Finance lease	933	1,788
	<u>933</u>	<u>1,788</u>
	<u>2,636</u>	<u>3,463</u>

B10 Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 6 August 2009.

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 Loss per share**Basic**

Basic loss 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 30.06.09	Current financial year-to-date 30.06.09
Loss attributable to shareholders (RM'000)	(3,441)	(6,987)
Weighted average number of ordinary shares in issue ('000)	360,000	360,000
Basic loss per share (sen)	<u>(0.96)</u>	<u>(1.94)</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