



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2010**

	Note	Current Quarter 3 months ended		Current financial year-to-date 3 months ended	
		31.03.10	31.03.09	31.03.10	31.03.09
		RM'000	RM'000	RM'000	RM'000
Revenue	<b>B1</b>	43,586	26,435	43,586	26,435
Cost of sales		<u>(39,127)</u>	<u>(29,867)</u>	<u>(39,127)</u>	<u>(29,867)</u>
<b>Gross Profit/(Loss)</b>		4,459	(3,432)	4,459	(3,432)
Other income		864	1,036	864	1,036
Administrative expenses		(4,933)	(1,283)	(639)	(1,283)
Selling and marketing expenses		(659)	(127)	(2,404)	(127)
Other expenses		(155)	(148)	(155)	(148)
Finance costs		(21)	(44)	(2,570)	(44)
Share of results of an associate		540	584	540	584
<b>Profit/(Loss) before taxation</b>	<b>B2</b>	<u>95</u>	<u>(3,414)</u>	<u>95</u>	<u>(3,414)</u>
Income tax	<b>B5</b>	<u>114</u>	<u>(132)</u>	<u>114</u>	<u>(132)</u>
<b>Profit/(Loss) for the period</b> <b>represents total comprehensive</b> <b>income/(loss) for the period</b>		<u>209</u>	<u>(3,546)</u>	<u>209</u>	<u>(3,546)</u>
<b>Earnings/(Loss) per share</b>					
- Basic/Diluted (sen)	<b>B13</b>	<u>0.06</u>	<u>(0.99)</u>	<u>0.06</u>	<u>(0.99)</u>

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the Interim Financial Statements.

**LCTH CORPORATION BERHAD (633871-A)**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2010**

	Note	As at 31.03.10 RM'000	As at 31.12.09 RM'000 (Restated)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		70,330	73,880
Investment properties		25,365	25,491
Investment in associate		9,423	8,884
		<u>105,118</u>	<u>108,255</u>
<b>Current Assets</b>			
Inventories		16,593	16,689
Trade receivables		33,659	67,727
Other receivables		3,414	3,176
Due from holding companies		1,080	1,290
Due from related companies		481	260
Tax recoverable		5,167	5,826
Cash and cash equivalents		97,386	78,062
		<u>157,780</u>	<u>173,030</u>
<b>TOTAL ASSETS</b>		<u>262,898</u>	<u>281,285</u>
<b>EQUITY AND LIABILITIES</b>			
Share capital		72,000	72,000
Share premium		97,911	97,911
ESOS reserves		250	250
Retained profits		54,585	54,376
<b>Total Equity</b>		<u>224,746</u>	<u>224,537</u>
<b>Non-Current Liabilities</b>			
Borrowings	B9	225	426
Deferred tax liabilities		9,691	9,994
		<u>9,916</u>	<u>10,420</u>
<b>Current Liabilities</b>			
Trade payables		15,472	29,062
Other payables		6,593	9,077
Borrowings	B9	1,130	1,362
Due to holding companies		4,767	5,859
Due to related companies		192	378
Tax payable		82	590
		<u>28,236</u>	<u>46,328</u>
<b>Total Liabilities</b>		<u>38,152</u>	<u>56,748</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>262,898</u>	<u>281,285</u>
<b>NET ASSETS PER SHARE (RM)</b>		<u>0.62</u>	<u>0.62</u>

The unaudited Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 MARCH 2010**

	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 2009	72,000	97,911	49,702	50	219,663
Loss for the period represents total comprehensive loss for the period	-	-	(3,546)	-	(3,546)
Share options granted under ESOS	-	-	-	67	67
At 31 March 2009	<u>72,000</u>	<u>97,911</u>	<u>46,156</u>	<u>117</u>	<u>216,184</u>
At 1 January 2010	72,000	97,911	54,376	250	224,537
Profit for the period represents total comprehensive income for the period	-	-	209	-	209
At 31 March 2010	<u>72,000</u>	<u>97,911</u>	<u>54,585</u>	<u>250</u>	<u>224,746</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 2009 and the accompanying explanatory notes attached to the Interim Financial Statements.

**LCTH CORPORATION BERHAD (633871-A)  
CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2010**

	3 months ended	
	31.03.10 RM'000	31.03.09 RM'000
Profit before tax	95	(3,414)
Adjustments items :		
Depreciation and amortisation	3,780	4,054
Interest and investment income	(259)	(432)
Interest expense	21	44
Gain on disposal of other property, plant and equipment	(22)	-
Net unrealised loss/(gain) on foreign exchange	2,566	(633)
Share of results of an associate	(540)	(584)
Others	(12)	260
Operating income before working capital changes	<u>5,629</u>	<u>(705)</u>
Inventories	118	5,214
Receivables	31,088	33,929
Payables	(17,186)	(21,219)
Cash generated from operations	<u>19,649</u>	<u>17,219</u>
Income tax paid	(38)	(49)
Net cash generated from operating activities	19,611	17,170
Net cash generated from investing activities	167	212
Net cash used in financing activities	(454)	(410)
<b>Net increase in cash and cash equivalents</b>	<u>19,324</u>	<u>16,972</u>
<b>Cash and cash equivalents :</b>		
<b>At beginning of the financial period</b>	<u>78,062</u>	<u>72,063</u>
<b>At end of the financial period</b>	<u>97,386</u>	<u>89,035</u>
* Cash and cash equivalents at the end of the financial period comprise the following :		
Cash and bank balances	9,040	30,447
Fixed deposits with licensed banks	48,043	30,274
Repurchase agreements (REPO)	8,200	19,450
Short term investments	32,103	8,864
	<u>97,386</u>	<u>89,035</u>

The unaudited Condensed Consolidated Cash flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the Interim Financial Statements.

**LCTH CORPORATION BERHAD**  
(633871-A)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**1<sup>st</sup> QUARTER ENDED 31 MARCH 2010**

**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 2009. 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 2009.

**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. On 1 January 2010, the Group adopted the new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations for financial periods beginning on or after 1 July 2009. Other than as explained below, the same accounting policies and methods of computation are followed in the interim financial statements as compared with the financial statements for the year ended 31 December 2009.

**(a) FRS 8: Operating Segments**

FRS 8 requires segment information to be presented on a similar basis to that used for internal reporting purpose. As a result, the Group segmental reporting had been presented based on the internal reporting to the chief operating decision maker who makes decisions on the allocation of resources and assesses the performance of the reportable segments. This standard does not have any impact on the financial position and results of the Group.

**(b) FRS 101: Presentation of Financial Statements (revised)**

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. The Standard also introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group presents the statement of comprehensive income in one single statement, and the adoption of this standard does not have any impact on the financial position and results of the Group.

### **(c) FRS 117: Leases**

Prior to the adoption of the Amendment to FRS 117, leasehold lands were treated as operating leases. The considerations paid were classified and presented as prepaid lease payments in the statement of financial position. With the adoption of the Amendment to FRS 117, the classification of a leasehold land as a finance lease or an operating lease is based on the extent to which risks and rewards incident to ownership lie.

Accordingly, the Group has applied the change in accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117. At 1 January 2009, the unamortised amount of leasehold land is retained as the surrogate carrying amount of property, plant and equipment as allowed by the transitional provisions. This change in classification has no effect to the profit or loss of current period ended 31 March 2010 or the comparative prior period.

As disclosed in Note A3, certain comparatives have been restated due to the change in accounting policy.

### **(d) Amendment to FRS 116 and Amendment to FRS 140**

Prior to the adoption of the Amendment to FRS 116 and the Amendment to FRS 140, properties that were being constructed or developed for use as investment properties were treated as capital work-in-progress and classified as property, plant and equipment. With the adoption of the Amendment to FRS 116 and the Amendment to FRS 140, such properties are treated as investment property in accordance with FRS 140.

The effects of the change in basis of recognition to the comparatives of the prior financial year's statement of financial position are disclosed in note A3.

### **(e) FRS 139: Financial Instruments – Recognition and Measurement**

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the balance sheet date reflects the designation of the financial instruments. The Group determines the classification at initial recognition and for the purpose of the first adoption of the standard, as at transitional date on 1 January 2010.

#### **Financial assets**

Financial assets are classified as financial asset at fair value through profit or loss, loans and receivables, held to maturity investments, available for sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, was appropriate.

The Group's financial assets include cash, short-term deposits, fund deposits with trust fund and money market fund, and loans and receivables.

Prior to 1 January 2010, loans and receivables were stated at gross receivables less provision for doubtful debts. Under FRS 139, loans and receivables are initially measured at fair value and subsequently at amortised cost using the effective interest rate (EIR) method. Gains and losses arising from the derecognition of the loans and receivables, EIR amortization and impairment losses are recognized in the income statement.

**(e) FRS 139: Financial Instruments – Recognition and Measurement (Cont'd)**

**Financial liabilities**

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial liabilities include trade and other payables and are carried at amortised cost.

This change in measurement of financial assets and liabilities did not have any impact on the Group's financial position or performance of the Group.

**A3 Summary of effects of adopting Amendment to FRS 116, 117 and 140 on the current financial period's financial statements**

**i) Effects on balance sheet as at 31 March 2010**

	Increase/ (Decrease) RM'000
Property, plant and equipment	6,760
Prepaid land lease payments	(6,760)

**ii) Restatement of comparatives**

<b>Balance Sheet</b>	<b>As Previously Stated RM'000</b>	<b>Adjustment FRS117 (Note A2(c)) RM'000</b>	<b>Adjustment FRS116 &amp; 140 (Note A2(d)) RM'000</b>	<b>Restated RM'000</b>
<b>As at 31 December 2009</b>				
Property, plant and equipment	69,255	6,792	(2,167)	73,880
Prepaid lease payments	6,792	(6,792)	-	-
Investment property	23,324	-	2,167	25,491

**A4 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 2009 did not contain any qualification.

**A5 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 this seasonality.

**A6 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 2010.

**A7 Material Changes in Estimates**

There have been no significant changes in estimates used for the preparation of the interim financial statements.

**A8 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.

**A9 Dividend Paid**

No dividend was paid during the current quarter.

**A10 Segmental Information**

The Group operates principally in Malaysia and in the manufacture and sub-assembly of precision plastic parts and components and fabrication of precision moulds and dies. The Group's assets and liabilities are basically in Malaysia.

The Group's operation is divided into local and export market. The local market relates to sales to customers within Malaysia. The export market relates to sales to overseas customers in Hong Kong and China being the principal market segments.



## A10 Segmental Information (Cont'd)

### Business segment

Segment information was as follows:

	<u>Local</u> RM'000	<u>Export</u> RM'000	<u>Elimination</u> RM'000	<u>Group</u> RM'000
<b><u>Quarter ended 31 March 2010</u></b>				
Revenue	972	42,614	-	43,586
<b>Results</b>				
Segment results	99	4,360	-	4,459
<b><u>Quarter ended 31 March 2009</u></b>				
Revenue	1,037	25,486	(88)	26,435
<b>Results</b>				
Segment results	(135)	(3,309)	11	(3,432)

## A11 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.

## A12 Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter.

## A13 Contingent Liabilities and Contingent Assets

Contingent liabilities arising from corporate guarantees given to banks by the Company for credit facilities utilised by subsidiaries amounted to RM2,336,940.

There were no contingent assets since the last financial year ended 31 December 2009.

## A14 Capital Commitments

The amount of capital commitments not provided for in the interim financial statements as at 31 March 2010 are as follows:

	RM'000
Approved and contracted for	<u>715</u>

## A15 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 RM43.6 million for the current quarter, which was a significant increase of 64.9% from RM26.4 million posted in the corresponding quarter of 2009. This is mainly due to significant increase in export sales in current quarter which carried higher profit margins. However, the Group recorded a marginal profit before tax of RM0.1 million after accounting for a foreign exchange loss of RM2.6 million.

The Group posted a profit after tax of RM0.21 million as compared to loss after tax of RM3.55 million reported in 2009.

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

The Group's revenue decreased by RM40.87 million or 48.4% as compared to the 4<sup>th</sup> Quarter of 2009. The gross margin declined by 7.1%, from 17.4% in the 4<sup>th</sup> Quarter 2009 to 10.2% in the current quarter.

The Group reported profit before tax of RM0.1 million as compared to profit before tax of RM12.0 million for the preceding quarter ended 31 December 2009, which is in line with seasonality of Group's business.

### **B3 Prospects**

Although the global economy is gradually recovering, the Group continues to operate in very competitive environment with mounting challenges posed by competitors from other countries like China, India and Vietnam. This can be evidenced by one of our major customers shifting its orders to China and thus trimmed down the Group's revenue.

The Board will endeavor to achieve satisfactory results in the forthcoming quarter.

### **B4 Variance of Actual Profit from Forecast Profit**

The Group did not issue any profit forecast or profit guarantee for the year.

**B5 Taxation**

	<b>Current Quarter 3 months ended 31.03.10 RM'000</b>	<b>Current financial year-to- date 31.03.10 RM'000</b>
Income tax	188	188
Deferred tax	(302)	(302)
	<u>(114)</u>	<u>(114)</u>

The effective tax rate of the Group for the current quarter and financial year to-date is lower than the statutory income tax rate due to the reversal of deferred tax liabilities.

**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 are as set out below:

	<b>As at 31.3.10 RM'000</b>	<b>As at 31.12.09 RM'000</b>
<b>Short term borrowings</b>		
Secured – Finance lease	1,130	1,362
	<u>1,130</u>	<u>1,362</u>
<b>Long term borrowings</b>		
Secured – Finance lease	225	426
	<u>225</u>	<u>426</u>
	<u>1,355</u>	<u>1,788</u>

**B10 Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments as at 10 May 2010.

**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 year.

	<b>Current Quarter 31.03.10</b>	<b>Current financial year-to-date 31.03.10</b>
Profit attributable to shareholders (RM'000)	209	209
Weighted average number of ordinary shares in issue ('000)	360,000	360,000
Basic earnings per share (sen)	<u>0.06</u>	<u>0.06</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