

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2010**

	Note	Current Quarter 3 months ended		Current financial year-to-date 12 months ended	
		31.12.10 RM'000	31.12.09 RM'000	31.12.10 RM'000	31.12.09 RM'000
Revenue	B1	24,972	84,454	130,199	215,771
Cost of sales		(28,376)	(69,794)	(131,658)	(200,408)
Gross (Loss)/Profit		<u>(3,404)</u>	<u>14,660</u>	<u>(1,459)</u>	<u>15,363</u>
Other income		1,538	1,117	4,486	3,952
Administrative expenses		(15,527)	(3,632)	(28,139)	(11,696)
Selling and marketing expenses		(146)	(984)	(1,235)	(1,911)
Other expenses		(175)	(165)	(645)	(610)
Finance costs		(8)	(27)	(54)	(141)
Share of results of an associate		1,055	1,022	2,958	2,478
(Loss)/profit before taxation	B2	<u>(16,667)</u>	<u>11,991</u>	<u>(24,088)</u>	<u>7,435</u>
Income tax	B5	<u>1,766</u>	<u>62</u>	<u>4,133</u>	<u>(61)</u>
(Loss)/profit for the period represents total comprehensive income for the period		<u>(14,901)</u>	<u>12,053</u>	<u>(19,955)</u>	<u>7,374</u>
(Loss)/earnings per share					
- Basic/Diluted (sen)	B13	<u>(4.14)</u>	<u>3.35</u>	<u>(5.54)</u>	<u>2.05</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 DECEMBER 2010

	Note	As at 31.12.10 RM'000	As at 31.12.09 RM'000 (Restated)
ASSETS			
Non-Current Assets			
Property, plant and equipment		48,267	76,047
Investment properties		24,974	23,324
Investment in associate		9,361	8,884
		<u>82,602</u>	<u>108,255</u>
Current Assets			
Inventories		11,390	16,689
Trade receivables		17,253	67,727
Other receivables		5,098	3,176
Due from holding companies		528	1,290
Due from related companies		914	260
Tax recoverable		5,257	5,826
Cash and cash equivalents		100,712	78,062
		<u>141,152</u>	<u>173,030</u>
TOTAL ASSETS		<u>223,754</u>	<u>281,285</u>
EQUITY AND LIABILITIES			
Share capital		72,000	72,000
Share premium		97,911	97,911
ESOS reserves		250	250
Retained profits		29,615	54,376
Total Equity		<u>199,776</u>	<u>224,537</u>
Non-Current Liabilities			
Borrowings	B9	79	426
Deferred tax liabilities		5,120	9,994
		<u>5,199</u>	<u>10,420</u>
Current Liabilities			
Trade payables		7,824	29,062
Other payables		8,280	9,077
Borrowings	B9	347	1,362
Due to holding companies		1,926	5,859
Due to related companies		58	378
Tax payable		344	590
		<u>18,779</u>	<u>46,328</u>
Total Liabilities		<u>23,978</u>	<u>56,748</u>
TOTAL EQUITY AND LIABILITIES		<u>223,754</u>	<u>281,285</u>
NET ASSETS PER SHARE (RM)		<u>0.55</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 DECEMBER 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
Profit for the year represents total comprehensive income for the year			7,374	-	7,374
Share options granted under ESOS	-	-	-	200	200
Dividends	-	-	(2,700)	-	(2,700)
At 31 December 2009	<u>72,000</u>	<u>97,911</u>	<u>54,376</u>	<u>250</u>	<u>224,537</u>
At 1 January 2010	72,000	97,911	54,376	250	224,537
Loss for the year represents total comprehensive income for the year	-	-	(19,955)	-	(19,955)
Dividends	-	-	(4,806)	-	(4,806)
At 31 December 2010	<u>72,000</u>	<u>97,911</u>	<u>29,615</u>	<u>250</u>	<u>199,776</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 DECEMBER 2010**

	12 months ended	
	31.12.10	31.12.09
	RM'000	RM'000
(Loss)/Gross before tax	(24,088)	7,435
Adjustments items :		
Depreciation and amortisation	14,391	15,952
Interest and investment income	(1,449)	(1,371)
Interest expense	54	141
Impairment loss on property, plant and equipment	13,100	-
Gain on disposal of other property, plant and equipment	(124)	(270)
Net unrealised loss/(gain) on foreign exchange	4,729	(405)
Share of results of an associate	(2,958)	(2,478)
Others	(24)	340
Operating income before working capital changes	<u>3,631</u>	<u>19,344</u>
Inventories	5,341	5,091
Receivables	51,139	(9,756)
Payables	<u>(31,017)</u>	<u>191</u>
Cash generated from operations	29,094	14,870
Income tax paid	<u>(417)</u>	<u>(4,565)</u>
Net cash generated from operating activities	28,677	10,305
Net cash generated from investing activities	194	209
Net cash used in financing activities	<u>(6,221)</u>	<u>(4,515)</u>
Net increase in cash and cash equivalents	22,650	5,999
Cash and cash equivalents :		
At beginning of the financial year	<u>78,062</u>	<u>72,063</u>
At end of the financial year	<u>100,712</u>	<u>78,062</u>
* Cash and cash equivalents at the end of the financial period comprise the following :		
Cash and bank balances	31,902	23,535
Fixed deposits with licensed banks	23,545	9,004
Repurchase agreements (REPO)	17,463	13,570
Short term investments	27,802	31,953
	<u>100,712</u>	<u>78,062</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
4th QUARTER ENDED 31 DECEMBER 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 January 2010. 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 December 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 amendments have been applied prospectively.

(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 amortisation 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 117 on the current financial period's financial statements

i) Effects on balance sheet as at 31 December 2010

	Increase/ (Decrease) RM'000
Property, plant and equipment	6,663
Prepaid land lease payments	(6,663)
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ii) Restatement of comparatives

Balance Sheet	As Previously Stated <u>RM'000</u>	Adjustment FRS117 (NoteA2(c)) <u>RM'000</u>	Restated <u>RM'000</u>
As at 31 December 2009			
Property, plant and equipment	69,255	6,792	76,047
Prepaid lease payments	6,792	(6,792)	-
	<hr/>	<hr/>	<hr/>

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 Group's operations are not significantly affected by any seasonal or cyclical factors during the period under review.

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 December 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 of 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, with Hong Kong and China being the principal market segment.

A10 Segmental Information (Cont'd)

Segment information was as follows:

	Local RM'000	Export RM'000	Elimination RM'000	Group RM'000
<u>Quarter ended 31 December 2010</u>				
Revenue	<u>6,920</u>	<u>126,530</u>	<u>(3,251)</u>	<u>130,199</u>
Results				
Segment results-gross profit/(loss)	<u>2,987</u>	<u>(1,430)</u>	<u>(3,016)</u>	<u>(1,459)</u>
<u>Quarter ended 31 December 2009</u>				
Revenue	<u>9,343</u>	<u>208,440</u>	<u>(2,012)</u>	<u>215,771</u>
Results				
Segment results-gross profit	<u>2,004</u>	<u>15,056</u>	<u>(1,697)</u>	<u>15,363</u>

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 RM2,963,547.

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 December 2010 are as follows:

	RM'000
Approved and contracted for	<u>310</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 recorded revenue of RM25.0 million for the current quarter, decreased by 70.4% from RM84.5 million posted in the corresponding quarter of 2009. This is mainly due to the major consumer having shifted their business to China. Accordingly, the Group reported a gross loss of RM3.40 million for the current quarter. The deterioration of gross profit margin is mainly attributed to underutilization of capacity as a result of decrease in sales order.

The Group's revenue of RM130.2 million for the year ended 31 December 2010 is 39.7% lower compared to RM215.8 million for the same period of 2009. The decline in revenue for the financial year under review is mainly attributed to lower sales demand as mentioned above. The Group recorded a gross loss of RM1.46 million for financial year under review compared to a gross profit of RM15.36 million reported in year 2009.

The Group posted a loss before tax of RM24.1 million for the 12-month period under review, after accounting for foreign exchange revaluation loss of RM4.8 million and impairment loss on property, plant and equipment of RM13.1 million.

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

The Group's revenue decreased by RM3.8 million or 13.2% as compared to the 3rd Quarter of 2010. The gross margin declined from negative 6.7% in the 3rd Quarter 2010 to negative 13.6% in the current quarter.

The Group reported a loss before tax of RM16.7 million as compared to loss before tax of RM5.5 million for the preceding quarter ended 30 September 2010. This is mainly due to the impairment loss on property, plant and equipment of RM 13.1 million posted in the current quarter.

B3 Prospects

The Board of Directors has taken rigorous action in sourcing new customers in order to increase the capacity utilization rate as well as to improve the profitability of the Group. The actions include plan to set up a plant in the central region of Peninsular Malaysia in order to capture and service the potential customers in that region. If successful the new plant is expected to commence its operation at the end of second quarter of 2011.

Apart from that, the Group will also continue to focus on managing its cash flow and cost through efforts in right-sizing its operations in the existing plants.

The Group is determined to ride out this storm by steadfastly implementing the measures mentioned in the aforesaid paragraphs and carve out a niche for itself.

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 31.12.10 RM'000	Current financial year-to- date 31.12.10 RM'000
Income tax	(28)	740
Deferred tax	(1,738)	(4,873)
	<u>(1,766)</u>	<u>(4,133)</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 mainly due to no deferred tax assets are recognized in view of uncertainty of their utilization in the foreseeable future.

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:

	As at 31.12.10 RM'000	As at 31.12.09 RM'000
Short term borrowings		
Secured – Finance lease	347	1,362
	<u>347</u>	<u>1,362</u>
Long term borrowings		
Secured – Finance lease	79	426
	<u>79</u>	<u>426</u>
	<u>426</u>	<u>1,788</u>

B10 Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 23 February 2011.

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 loss after tax attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the financial year.

	Current Quarter 31.12.10	Current financial year-to-date 31.12.10
Loss attributable to shareholders (RM'000)	(14,901)	(19,955)
Weighted average number of ordinary shares in issue ('000)	360,000	360,000
Loss per share (sen)	<u>(4.14)</u>	<u>(5.54)</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.

B14 Breakdown of realised and unrealised profits or losses of the Group

	At end of current quarter 30.12.10 RM'000	At end of preceding quarter 30.09.10 RM'000
Realised profits	40,335	56,297
Unrealised losses	<u>(10,720)</u>	<u>(11,782)</u>
Total retained profits	<u>29,615</u>	<u>44,516</u>

By Order of the Board

Company Secretary