

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 MARCH 2011**

	Note	Current Quarter 3 months ended		Current financial year-to-date 3 months ended	
		31.03.11 RM'000	31.03.10 RM'000	31.03.11 RM'000	31.03.10 RM'000
Revenue	<b>B1</b>	24,133	43,586	24,133	43,586
Cost of sales		(27,428)	(39,127)	(27,428)	(39,127)
<b>Gross (Loss)/Profit</b>		<u>(3,295)</u>	<u>4,459</u>	<u>(3,295)</u>	<u>4,459</u>
Other income		1,160	864	1,160	864
Administrative expenses		(2,965)	(4,933)	(2,965)	(4,933)
Selling and marketing expenses		(148)	(659)	(148)	(659)
Other expenses		(157)	(155)	(157)	(155)
Finance costs		(4)	(21)	(4)	(21)
Share of results of an associate		720	540	720	540
<b>(Loss)/profit before taxation</b>	<b>B2</b>	<u>(4,689)</u>	<u>95</u>	<u>(4,689)</u>	<u>95</u>
Income tax	<b>B5</b>	<u>802</u>	<u>114</u>	<u>802</u>	<u>114</u>
<b>(Loss)/profit for the period, representing total comprehensive income for the period</b>		<u>(3,887)</u>	<u>209</u>	<u>(3,887)</u>	<u>209</u>
<b>(Loss)/earnings per share</b>					
- Basic/Diluted (sen)	<b>B13</b>	<u>(1.08)</u>	<u>0.06</u>	<u>(1.08)</u>	<u>0.06</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 2010 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 2011**

	Note	As at 31.03.11 RM'000	As at 31.12.10 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		46,184	48,267
Investment properties		24,844	24,974
Investment in associate		7,122	9,361
		<u>78,150</u>	<u>82,602</u>
<b>Current Assets</b>			
Inventories		12,756	11,390
Trade receivables		20,244	17,253
Other receivables		7,557	5,098
Due from holding companies		772	528
Due from related companies		876	914
Tax recoverable		526	5,257
Cash and cash equivalents		100,744	100,712
		<u>143,475</u>	<u>141,152</u>
<b>TOTAL ASSETS</b>		<u>221,625</u>	<u>223,754</u>
<b>EQUITY AND LIABILITIES</b>			
Share capital		72,000	72,000
Share premium		97,911	97,911
ESOS reserves		250	250
Retained profits		25,728	29,615
<b>Total Equity</b>		<u>195,889</u>	<u>199,776</u>
<b>Non-Current Liabilities</b>			
Borrowings	B9	79	79
Deferred tax liabilities		4,202	5,120
		<u>4,281</u>	<u>5,199</u>
<b>Current Liabilities</b>			
Trade payables		9,557	7,824
Other payables		8,793	8,280
Borrowings	B9	160	347
Due to holding companies		2,546	1,926
Due to related companies		70	58
Tax payable		329	344
		<u>21,455</u>	<u>18,779</u>
<b>Total Liabilities</b>		<u>25,736</u>	<u>23,978</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>221,625</u>	<u>223,754</u>
<b>NET ASSETS PER SHARE (RM)</b>		<u>0.54</u>	<u>0.55</u>

The unaudited Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 2011**

	<b>Share Capital RM'000</b>	<b>Non- Distributable Share Premium RM'000</b>	<b>Distributable Retained Profits RM'000</b>	<b>ESOS Reserve RM'000</b>	<b>Total RM'000</b>
At 1 January 2010	72,000	97,911	54,376	250	224,537
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>
At 1 January 2011	72,000	97,911	29,615	250	199,776
Total comprehensive income for the period	-	-	(3,887)	-	(3,887)
At 31 March 2011	<u>72,000</u>	<u>97,911</u>	<u>25,728</u>	<u>250</u>	<u>195,889</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 2010 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 2011**

	<b>3 months ended</b>	
	<b>31.03.11</b>	<b>31.03.10</b>
	<b>RM'000</b>	<b>RM'000</b>
(Loss)/Profit before tax	(4,689)	95
Adjustments items :		
Depreciation and amortisation	2,370	3,780
Interest and investment income	(391)	(259)
Interest expense	4	21
Gain on disposal of other property, plant and equipment	(30)	(22)
Net unrealised loss on foreign exchange	536	2,566
Share of results of an associate	(720)	(540)
Others	1	(12)
Operating income before working capital changes	<u>(2,919)</u>	<u>5,629</u>
Inventories	(1,327)	118
Receivables	(2,507)	31,088
Payables	<u>2,113</u>	<u>(17,186)</u>
Cash (used in)/generated from operations	<u>(4,640)</u>	<u>19,649</u>
Income tax refund/(paid)	<u>4,595</u>	<u>(38)</u>
Net cash (used in)/generated from operating activities	(45)	19,611
Net cash generated from investing activities	264	167
Net cash used in financing activities	<u>(187)</u>	<u>(454)</u>
<b>Net increase in cash and cash equivalents</b>	<b>32</b>	<b>19,324</b>
<b>Cash and cash equivalents :</b>		
<b>At beginning of the financial year</b>	<u>100,712</u>	<u>78,062</u>
<b>At end of the financial period</b>	<u>100,744</u>	<u>97,386</u>
* Cash and cash equivalents at the end of the financial period comprise the following :		
Cash and bank balances	36,055	9,040
Fixed deposits with licensed banks	19,801	48,043
Repurchase agreements (REPO)	16,958	8,200
Short term investments	27,930	32,103
	<u>100,744</u>	<u>97,386</u>

The unaudited Condensed Consolidated Cash flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 2011**

**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 2010. 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 2010.

**A2 Accounting Policies and Methods of Computation**

On 1 January 2011, the Group adopted the new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations for financial periods beginning on or after 1 January 2011. The Directors do not anticipate any significant impact on the results and the financial position of the Group upon their initial application.

**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 2010 did not contain any qualification.

**A4 Seasonal or Cyclical Factors**

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

**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 31 March 2011.

**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

No dividend was paid during the current quarter.

## A9 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 who are non Licensed Manufacturing Warehouse ("LMW"). The export market relates to sales to LMW in Malaysia and overseas customers, with Hong Kong and China being the principal market segment.

Segment information was as follows:

	Local RM'000	Export RM'000	Elimination RM'000	Group RM'000
<b><u>Quarter ended 31 March 2011</u></b>				
Revenue	<u>3,640</u>	<u>23,599</u>	<u>(3,106)</u>	<u>24,133</u>
<b>Results</b>				
Segment results-gross profit/(loss)	<u>(497)</u>	<u>(3,222)</u>	<u>424</u>	<u>(3,295)</u>
<b><u>Quarter ended 31 March 2010</u></b>				
Revenue	<u>1,880</u>	<u>41,840</u>	<u>(134)</u>	<u>43,586</u>
<b>Results</b>				
Segment results-gross profit/(loss)	<u>192</u>	<u>4,280</u>	<u>(14)</u>	<u>4,459</u>

## 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 by the Company for credit facilities utilised by subsidiaries amounted to RM4,782,000.

There were no contingent assets since the last financial year ended 31 December 2010.

### **A13 Capital Commitments**

The amount of capital commitments not provided for in the interim financial statements as at 31 March 2011 are as follows:

	<b>RM'000</b>
Approved and contracted for	<u>940</u>
Approved but not contracted for	<u>6</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 revenue of RM24.1 million for the current quarter, decreased by 45% from RM43.6 million posted in the corresponding quarter of 2010. This is mainly due to the major consumer having shifted its business to China in prior year and the new business base has not been fully developed to recover the loss in sales order. Accordingly, the Group reported a gross loss of RM3.3 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 posted a loss before tax of RM4.7 million for the period under review, after accounting for foreign exchange revaluation loss of RM0.5 million.

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

The Group's revenue decreased by RM0.84 million or 3.4% as compared to the 4<sup>th</sup> Quarter of 2010. The gross margin remained at negative 13.6% which is consistent with 4<sup>th</sup> Quarter of 2010.

The Group reported a loss before tax of RM4.7million as compared to loss before tax of RM16.67 million for the immediate preceding quarter. This is mainly due to the impairment loss on property, plant and equipment amounting to RM13.1 million which was posted in the preceding quarter ended 31 December 2010.

### **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 setting up a plant in the central region of Peninsular Malaysia in order to capture and service the potential customers in that region. The new plant is expected to commence operation in the third quarter of financial year 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.

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

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



**B5 Taxation**

	<b>Current Quarter 3 months ended 31.03.11 RM'000</b>	<b>Current financial year-to- date 31.03.11 RM'000</b>
Income tax	116	116
Deferred tax	(918)	(918)
	<u>(802)</u>	<u>(802)</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 the non recognition of deferred tax assets.

**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 31.03.10 RM'000</b>	<b>As at 31.12.10 RM'000</b>
<b>Short term borrowings</b>		
Secured – Finance lease	160	347
	<u>160</u>	<u>347</u>
<b>Long term borrowings</b>		
Secured – Finance lease	79	79
	<u>79</u>	<u>79</u>
	<u>239</u>	<u>426</u>

**B10 Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments as at 5 May 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.

	<b>Current Quarter 31.03.11</b>	<b>Current financial year-to-date 31.03.11</b>
Loss attributable to shareholders (RM'000)	(3,887)	(3,887)
Weighted average number of ordinary shares in issue ('000)	360,000	360,000
Loss per share (sen)	<u>(1.08)</u>	<u>(1.08)</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**

	<b>At end of preceding quarter 31.12.10 RM'000</b>	<b>At end of current quarter 31.03.11 RM'000</b>
Total retained profits before adjustments		
-Realised profits	126,180	119,285
-Unrealised losses	(9,986)	(4,738)
	<u>116,194</u>	<u>114,547</u>
Total share of retained profits from associate		
-Realised profits	3,696	1,322
-Unrealised losses	(734)	(602)
	2,961	720
Less: Consolidation adjustments	(89,540)	(89,538)
	<u>(86,579)</u>	<u>(88,819)</u>
Retained profit	<u>29,615</u>	<u>25,728</u>

**By Order of the Board**

Company Secretary