

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

	Note	Current Quarter 3 months ended		Current financial year-to-date 9 months ended	
		30.09.11 RM'000	30.09.10 RM'000	30.09.11 RM'000	30.09.10 RM'000
Revenue	B1	24,798	28,768	75,993	105,227
Cost of sales		<u>(30,552)</u>	<u>(30,712)</u>	<u>(88,706)</u>	<u>(103,282)</u>
Gross (loss)/profit		<u>(5,754)</u>	<u>(1,944)</u>	<u>(12,713)</u>	<u>1,945</u>
Other income		1,318	982	3,679	2,948
Administrative expenses		(1,633)	(4,776)	(7,512)	(12,612)
Selling and marketing expenses		(113)	(220)	(423)	(1,089)
Other expenses		(158)	(158)	(473)	(470)
Finance costs		(1)	(10)	(7)	(46)
Share of results of an associate		1,149	631	2,889	1,903
Loss before taxation	B2	<u>(5,192)</u>	<u>(5,495)</u>	<u>(14,560)</u>	<u>(7,421)</u>
Income tax	B5	<u>(261)</u>	<u>1,506</u>	<u>1,153</u>	<u>2,367</u>
Loss net of tax, representing total comprehensive income for the period		<u>(5,453)</u>	<u>(3,989)</u>	<u>(13,407)</u>	<u>(5,054)</u>
Loss per share					
- Basic/Diluted (sen)	B13	<u>(1.51)</u>	<u>(1.11)</u>	<u>(3.72)</u>	<u>(1.40)</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 30 SEPTEMBER 2011

	Note	As at 30.09.11 RM'000	As at 31.12.10 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		46,193	48,267
Investment properties		24,583	24,974
Investment in associate		9,290	9,361
		<u>80,066</u>	<u>82,602</u>
Current Assets			
Inventories		15,585	11,390
Trade receivables		22,375	17,253
Other receivables		6,041	5,098
Due from holding companies		979	528
Due from related companies		861	914
Tax recoverable		526	5,257
Cash and cash equivalents		88,091	100,712
		<u>134,458</u>	<u>141,152</u>
TOTAL ASSETS		<u>214,524</u>	<u>223,754</u>
EQUITY AND LIABILITIES			
Share capital		72,000	72,000
Share premium		97,911	97,911
ESOS reserves		250	250
Retained profits		16,208	29,615
Total Equity		<u>186,369</u>	<u>199,776</u>
Non-Current Liabilities			
Borrowings	B9	79	79
Deferred tax liabilities		3,104	5,120
		<u>3,183</u>	<u>5,199</u>
Current Liabilities			
Trade payables		10,578	7,824
Other payables		11,931	8,280
Borrowings	B9	6	347
Due to holding companies		2,093	1,926
Due to related companies		73	58
Tax payable		291	344
		<u>24,972</u>	<u>18,779</u>
Total Liabilities		<u>28,155</u>	<u>23,978</u>
TOTAL EQUITY AND LIABILITIES		<u>214,524</u>	<u>223,754</u>
NET ASSETS PER SHARE (RM)		<u>0.52</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 30 SEPTEMBER 2011

	Share Capital RM'000	Non- Distributable Share Premium RM'000	ESOS Reserve RM'000	Distributable Retained Profits RM'000	Total RM'000
At 1 January 2010	72,000	97,911	250	54,376	224,537
Loss net of tax, representing total comprehensive income for the period	-	-	-	(5,054)	(5,054)
Dividends	-	-	-	(4,806)	(4,806)
At 30 September 2010	<u>72,000</u>	<u>97,911</u>	<u>250</u>	<u>44,516</u>	<u>214,677</u>
At 1 January 2011	72,000	97,911	250	29,615	199,776
Loss net of tax, representing total comprehensive income for the period	-	-	-	(13,407)	(13,407)
At 30 September 2011	<u>72,000</u>	<u>97,911</u>	<u>250</u>	<u>16,208</u>	<u>186,369</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 30 SEPTEMBER 2011**

	9 months ended	
	30.09.11	30.09.10
	RM'000	RM'000
Loss before tax	(14,560)	(7,421)
Adjustments items :		
Depreciation and amortisation	7,325	10,984
Interest and investment income	(1,434)	(910)
Interest expense	7	46
Gain on disposal of other property, plant and equipment	(58)	(66)
Net unrealised (gain)/loss on foreign exchange	(151)	4,795
Provision for obsolete inventories	206	-
Share of results of an associate	(2,889)	(1,903)
Others	2	(8)
Operating (loss)/income before working capital changes	<u>(11,552)</u>	<u>5,517</u>
Inventories	(4,400)	4,018
Receivables	(6,283)	47,942
Payables	<u>6,558</u>	<u>(25,501)</u>
Cash (used in)/generated from operations	(15,677)	31,976
Income tax refund/(paid)	<u>3,814</u>	<u>(192)</u>
Net cash (used in)/generated from operating activities	(11,863)	31,784
Net cash used in investing activities	(411)	(301)
Net cash used in financing activities	<u>(347)</u>	<u>(6,007)</u>
Net (decrease)/increase in cash and cash equivalents	(12,621)	25,476
Cash and cash equivalents :		
At beginning of the financial year	<u>100,712</u>	<u>78,062</u>
At end of the financial period	<u>88,091</u>	<u>103,538</u>
* Cash and cash equivalents at the end of the financial period comprise the following :		
Cash and bank balances	12,140	16,782
Fixed deposits with licensed banks	17,915	52,645
Repurchase agreements (REPO)	29,850	6,600
Short term investments	<u>28,186</u>	<u>27,511</u>
	<u>88,091</u>	<u>103,538</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
3rd QUARTER ENDED 30 SEPTEMBER 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. There was no 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 30 September 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
<u>Quarter ended 30 Sep 2011</u>				
Revenue	6,454	72,499	(2,960)	75,993
Results				
Segment results-gross profit/(loss)	1,941	(11,292)	(3,362)	(12,713)
<u>Quarter ended 30 Sep 2010</u>				
Revenue	1,364	103,863	-	105,227
Results				
Segment results-gross profit	25	1,920	-	1,945

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 RM 6,202,000.

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 30 September 2011 are as follows:

	RM'000
Approved and contracted for	<u>675</u>
Approved but not contracted for	<u>20</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 RM24.8 million for the current quarter, decreased by 13.8% from RM28.8 million posted in the corresponding quarter of 2010. This is mainly due to the new business base has not been fully developed to recover the loss in sales resulted from major customer having shifted their business to China in prior year. Accordingly, the Group reported a gross loss of RM5.7 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 RM76.0 million for the 9 month period ended 30 September 2011 is 27.8% lower compared to RM105.2 million for the same period of 2010. The decline in revenue for the financial period under review is mainly attributed to lower sales order as mentioned above. The Group recorded a gross loss of RM12.7 million for the financial period under review compared to a gross profit of RM1.9 million reported in the corresponding period.

The Group posted a loss after tax of RM13.4 million for the period under review, after accounting for foreign exchange revaluation gain 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 RM2.3 million or 8.4% as compared to the 2nd quarter of 2011. The gross margin deteriorated by 10% compared to 2nd quarter of 2011. This is mainly due to factory overhead incurred for the new project which started production in the 4th quarter of 2011.

The Group reported a loss before tax of RM5.2 million, deteriorated by RM0.5 million as compared to the immediate preceding quarter.

B3 Prospects

The new plant in central region has been fully set up and has commenced its operation during the quarter under review. In addition, the new project has started production in the 4th quarter of 2011 and the sales performance of the Group is expected to increase accordingly.

Despite the uncertainties in the global economy, the Board of directors is optimistic of regaining its business base and improve the overall performance of the Group.

Apart from this, the Group will continue to intensify its efforts to improve its operational efficiency and cost management.

B4 Variance of Actual Profit from Forecast Profit

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

B5 Taxation

	Current Quarter 3 months ended 30.09.11 RM'000	Current financial year-to- date 30.09.11 RM'000
Income tax	231	864
Deferred tax	30	(2,017)
	<u>261</u>	<u>(1,153)</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:

	As at 30.09.11 RM'000	As at 31.12.10 RM'000
Short term borrowings		
Secured – Finance lease	6	347
	<u>6</u>	<u>347</u>
Long term borrowings		
Secured – Finance lease	79	79
	<u>79</u>	<u>79</u>
	<u>85</u>	<u>426</u>

B10 Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 1 November 2011.

B11 Changes in Material Litigation

There were no material litigation 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 30.09.11	Current financial year-to-date 30.09.11
Loss attributable to shareholders (RM'000)	(5,453)	(13,407)
Weighted average number of ordinary shares in issue ('000)	360,000	360,000
Loss per share (sen)	<u>(1.51)</u>	<u>(3.72)</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 preceding quarter 30.06.11 RM'000	At end of current quarter 30.09.11 RM'000
Total retained profits before adjustments		
-Realised profits	113,224	106,096
-Unrealised losses	<u>(3,765)</u>	<u>(2,953)</u>
	109,459	103,143
Total share of retained profits from associate		
-Realised profits	2,314	3,307
-Unrealised losses	<u>(574)</u>	<u>(418)</u>
	1,740	2,889
Less: Consolidation adjustments	<u>(89,538)</u>	<u>(89,824)</u>
	(87,798)	(86,935)
Retained profits	<u>21,661</u>	<u>16,208</u>

By Order of the Board

Company Secretary