

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

	Note	Current Quarter 3 months ended		Current financial year-to-date 12 months ended	
		31.12.11	31.12.10	31.12.11	31.12.10
		RM'000	RM'000	RM'000	RM'000
Revenue	B1	40,329	24,972	116,322	130,199
Cost of sales		(45,652)	(28,376)	(134,358)	(131,658)
Gross loss		<u>(5,323)</u>	<u>(3,404)</u>	<u>(18,036)</u>	<u>(1,459)</u>
Other income		1,190	1,538	4,869	4,486
Administrative expenses		(2,740)	(15,527)	(10,252)	(28,139)
Selling and marketing expenses		(668)	(146)	(1,091)	(1,235)
Other expenses		(158)	(175)	(631)	(645)
Finance costs		(1)	(8)	(8)	(54)
Share of results of an associate		783	1,055	3,672	2,958
Loss before taxation	A10	<u>(6,917)</u>	<u>(16,667)</u>	<u>(21,477)</u>	<u>(24,088)</u>
Income tax	B5	<u>1,182</u>	<u>1,766</u>	<u>2,335</u>	<u>4,133</u>
Loss net of tax, representing total comprehensive income for the period		<u>(5,735)</u>	<u>(14,901)</u>	<u>(19,142)</u>	<u>(19,955)</u>
Loss per share					
- Basic/Diluted (sen)	B10	<u>(1.59)</u>	<u>(4.14)</u>	<u>(5.32)</u>	<u>(5.54)</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 DECEMBER 2011

	Note	As at 31.12.11 RM'000	As at 31.12.10 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		47,838	48,267
Investment properties		24,453	24,974
Investment in associate		10,074	9,361
		<u>82,365</u>	<u>82,602</u>
Current Assets			
Inventories		33,845	11,390
Trade receivables		40,842	17,253
Other receivables		10,030	5,098
Due from holding companies		1,226	528
Due from related companies		655	914
Tax recoverable		881	5,257
Cash and cash equivalents		61,810	100,712
		<u>149,289</u>	<u>141,152</u>
TOTAL ASSETS		<u>231,654</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		10,473	29,615
Total Equity		<u>180,634</u>	<u>199,776</u>
Non-Current Liabilities			
Borrowings	B7	54	79
Deferred tax liabilities		1,863	5,120
		<u>1,917</u>	<u>5,199</u>
Current Liabilities			
Trade payables		23,546	7,824
Other payables		22,508	8,280
Borrowings	B7	25	347
Due to holding companies		2,524	1,926
Due to related companies		-	58
Tax payable		500	344
		<u>49,103</u>	<u>18,779</u>
Total Liabilities		<u>51,020</u>	<u>23,978</u>
TOTAL EQUITY AND LIABILITIES		<u>231,654</u>	<u>223,754</u>
NET ASSETS PER SHARE (RM)		<u>0.50</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 DECEMBER 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 year	-	-	-	(19,955)	(19,955)
Dividends	-	-	-	(4,806)	(4,806)
At 31 December 2010	<u>72,000</u>	<u>97,911</u>	<u>250</u>	<u>29,615</u>	<u>199,776</u>
At 1 January 2011	72,000	97,911	250	29,615	199,776
Loss net of tax, representing total comprehensive income for the year	-	-	-	(19,142)	(19,142)
At 31 December 2011	<u>72,000</u>	<u>97,911</u>	<u>250</u>	<u>10,473</u>	<u>180,634</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 DECEMBER 2011

	12 months ended	
	31.12.11	31.12.10
	RM'000	RM'000
Loss before tax	(21,477)	(24,088)
Adjustments items :		
Depreciation and amortisation	10,030	14,391
Interest and investment income	(1,886)	(1,449)
Interest expense	8	54
Impairment loss on property, plant and equipment	-	13,100
Gain on disposal of other property, plant and equipment	(58)	(124)
Net unrealised loss on foreign exchange	71	4,729
Provision for obsolete inventories	206	-
Share of results of an associate	(3,672)	(2,958)
Property, plant and equipment written off	2	(24)
Operating (loss)/income before working capital changes	<u>(16,776)</u>	<u>3,631</u>
Inventories	(22,661)	5,341
Receivables	(28,749)	51,139
Payables	30,208	(31,017)
Cash (used in)/generated from operations	<u>(37,978)</u>	<u>29,094</u>
Income tax refund/(paid)	3,609	(417)
Net cash (used in)/generated from operating activities	<u>(34,369)</u>	<u>28,677</u>
Net cash (used in)/generated from investing activities		
Interest received	1,140	649
Investment income	746	801
Dividend received (net)	2,960	-
Purchase of property, plant and equipment	(9,183)	(1,377)
Proceeds from disposal of plant and equipment	157	121
Net cash used in financing activities	<u>(353)</u>	<u>(6,221)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(38,902)</u>	<u>22,650</u>
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>61,810</u>	<u>100,712</u>
* Cash and cash equivalents at the end of the financial period comprise the following :		
Cash and bank balances	8,683	31,902
Fixed deposits with licensed banks	9,978	23,545
Repurchase agreements (REPO)	14,600	17,463
Short term investments	28,549	27,802
	<u>61,810</u>	<u>100,712</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.

NOTES TO THE INTERIM FINANCIAL STATEMENTS
4th QUARTER ENDED 31 DECEMBER 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 Malaysian Financial Reporting Standards (MFRS)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer.

The Group has started a preliminary assessment of the differences between FRS and accounting standards under the MFRS Framework and is in the process of assessing the financial effects of the differences. Accordingly, the financial position as disclosed in these financial statements for the year ended 31 December 2011 could be different if prepared under the MFRS Framework.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2012.

A3 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.

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 2010 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 2011.

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 Loss before taxation

Amount charged/(credited) in arriving at (loss) before tax :

	Current Quarter		Current Financial	
	3 months ended		year-to-date	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
Interest Income	(260)	(664)	(1,140)	(649)
Investment Income	(192)	(312)	(746)	(801)
Interest Expense	-	7	8	54
Rental Income	(623)	(565)	(2,492)	(2,258)
Depreciation of property, plant and equipment	2,569	3,358	9,509	13,873
Depreciation of investment properties	130	130	521	518
Gain on disposal of property, plant and equipment	-	(121)	(58)	(124)
Impairment loss on property, plant and equipment	-	13,100	-	13,100
Net unrealised foreign exchange loss/ (gain)	221	(69)	71	4,729
Gain or loss on disposal of quoted or unquoted investment or properties	NA	NA	NA	NA
Gain or loss on derivatives	NA	NA	NA	NA
Provision for and write off of receivables	NA	NA	NA	NA
Provision for and write off of inventories	NA	NA	NA	NA

A11 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.

	Local		Export		Elimination		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:								
External customers	4,831	3,669	111,491	126,530	-	-	116,322	130,199
Inter-segment	3,543	3,251	-	-	(3,543)	(3,251)	-	-
Total revenue	<u>8,373</u>	<u>6,921</u>	<u>111,491</u>	<u>126,530</u>	<u>(3,543)</u>	<u>(3,251)</u>	<u>116,322</u>	<u>130,199</u>

A12 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.

A13 Changes in the Composition of the Group

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

A14 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 5,381,000.

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

A15 Capital Commitments

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

	RM'000
Approved and contracted for	<u>100</u>
Approved but not contracted for	<u>233</u>

A16 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 RM40.3 million for the current quarter, increased by 61.5% compared to RM25 million posted in the corresponding quarter of 2010. This is mainly due to the new major project which started production in November 2011. However, the Group reported a gross loss of RM5.3 million for the current quarter. The deterioration of gross profit margin is mainly attributed to the new major project still running at initial stage and has yet to achieve the optimal operational efficiency.

The Group's revenue of RM116.3 million for the year ended 31 December 2011 is 10.7% lower compared to RM130.2 million for the same period of 2010. The decline in revenue for the financial year under review is mainly attributed to the new business base not being fully developed to recover the loss in sales which resulted from a major customer shifting its business to China. The Group recorded a gross loss of RM18.0 million for the financial year under review compared to a gross loss of RM1.5 million reported in year 2010.

The Group posted a loss before tax of RM21.5 million for 12-month 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 increased by RM15.5 million or 63% as compared to the 3rd quarter of 2011. The gross margin improved by 10% compared to 3rd quarter of 2011 mainly due to the commencement of the new major project.

The Group reported a loss before tax of RM6.9 million compared to RM5.2 million in the immediate preceding quarter.

B3 Prospects

During the financial year, the Group has obtained sales orders from a new major customer which is expected to contribute significant sales to the Group in the forthcoming financial year. The board of directors is confident that the Group's overall performance will improve in the financial year ahead.

Apart from that, the Group will also continue to intensify its effort 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 31.12.11 RM'000	Current financial year-to- date 31.12.11 RM'000
Taxation	58	922
Deferred tax	(1,240)	(3,257)
	<u>(1,182)</u>	<u>(2,335)</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 is mainly due to the major subsidiary is at tax loss position, thus no provision for taxation is made for the subsidiary.

B6 Corporate Proposals

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

B7 Group Borrowings and Debts Securities

The details of the Group's borrowings are as set out below:

	As at 31.12.11 RM'000	As at 31.12.10 RM'000
Short term borrowings		
Secured – Finance lease	25	347
	<u>25</u>	<u>347</u>
Long term borrowings		
Secured – Finance lease	54	79
	<u>54</u>	<u>79</u>
	<u>79</u>	<u>426</u>

B8 Changes in Material Litigation

There were no material litigation pending as at the date of this announcement.

B9 Dividends Declared

No dividend is declared for the current quarter.

B10 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 31.12.11	Current financial year-to-date 31.12.11
Loss attributable to shareholders (RM'000)	(5,735)	(19,142)
Weighted average number of ordinary shares in issue ('000)	360,000	360,000
Loss per share (sen)	<u>(1.59)</u>	<u>(5.32)</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.

B11 Breakdown of realised and unrealised profits or losses of the Group

	At end of preceding quarter 30.09.11 RM'000	At end of current quarter 31.12.11 RM'000
Total retained profits before adjustments		
-Realised profits	106,096	98,131
-Unrealised losses	<u>(2,953)</u>	<u>(1,792)</u>
	<u>103,143</u>	<u>96,339</u>
Total share of retained profits from associate		
-Realised profits	3,307	4,225
-Unrealised losses	<u>(418)</u>	<u>(551)</u>
	2,889	3,674
Less: Consolidation adjustments	<u>(89,824)</u>	<u>(89,540)</u>
	<u>(86,935)</u>	<u>(85,866)</u>
Retained profits	<u><u>16,208</u></u>	<u><u>10,473</u></u>

By Order of the Board

Company Secretary